

# Welcome to your CDP Water Security Questionnaire 2023

## W0. Introduction

### W0.1

#### **(W0.1) Give a general description of and introduction to your organization.**

Danfoss engineers advanced technologies that enable the world to build a better, smarter and more efficient tomorrow. In the world's growing cities, we ensure the supply of fresh food and optimal comfort in our homes and offices, while meeting the need for energy-efficient infrastructure, connected systems and integrated renewable energy. Danfoss' solutions are used in areas such as refrigeration, air conditioning, heating, motor control and mobile machinery. Our innovative engineering dates back to 1933 and today Danfoss holds market-leading positions, employing more than 42.000 and serving customers in more than 100 countries. Danfoss is privately held by the founding family.

Danfoss has a two-tier management system consisting of the Board of Directors and the Group Executive Team, including the CEO and CFO. The Board of Directors sets out the general direction for the company by approving strategies and targets, and the Group Executive Team develops and executes the strategy and handles the day-to-day management.

Driven by the potential of an electrified society, and powered by the opportunities of going digital, Danfoss is engineering technology that helps the world to get much more out of less. With the promise of quality, reliability and innovation deeply rooted in our DNA, we deliver an extensive range of products and solutions across our business segments of Danfoss Climate Solutions, Danfoss Drives and Danfoss Power Solutions. The center of our Going Great strategy is an ambition of driving long-term value creation for all our stakeholders: customers, employees, shareholders, and partners. By combining our application know-how and innovative engineering to create smart sustainable solutions, we play a significant role in the green transition towards lower carbon emissions and more electrification, making the world's energy consumption more sustainable. This is how we work to meet our aspiration: engineering tomorrow and building a better future.

#### **Danfoss Power Solutions:**

A leading player and pioneer in the mobile hydraulics market, Danfoss Power Solutions engineers hydraulic, electric and electronic components to optimize machine management. By driving the next generation of hydraulics and electrification, we're enabling industries and machinery to build, move and transform our world in a more energy-efficient and sustainable



way. The segment covers four divisions: Electric converters and machines, Electronic controls, Motors and Pumps. Within each division, the segment plays a leading role in R&D, design, manufacture and sale of innovative and performance-enhancing hydraulic and electronic systems and components. The business segment is highly specialized in mobile hydraulics and provides world-class solutions for the construction, agriculture, and other off-highway vehicle markets.

**Danfoss Climate Solutions:**

As a market leader within cooling and heating, Danfoss Climate Solutions is on a mission to lead the way to a greener future, providing integrated, energy-efficient heating and cooling solutions to enable sustainable development in buildings, cold chains, industrial applications, and infrastructure. Backed by our advanced components, systems, and software, we are actively engineering tomorrow’s HVACR technology with a focus on: energy-efficient solutions for a sustainable future, world-class expertise anchored in local knowhow, integrated solutions for optimized HVACR systems.

**Danfoss Power Electronics & Drives:**

Danfoss Drives is dedicated to low voltage AC drives that work with any motor or system - for optimal control of electric motors. The key competitive advantage for Danfoss Drives is unique expertise and application knowledge, and Danfoss Drives is driven by passion to develop, manufacture and sell the best AC drives in the world and provide customers with efficient product lifecycle services. AC drives are used, for example, in pumps, fans, elevators, escalators, conveyors and compressors. Danfoss Drives solutions also play a key role when energy is produced from renewable sources. Danfoss Silicon Power is also part of the Danfoss Drives segment. This business develops and manufactures power modules and stacks for a number of industries, like the automotive and wind industries.

**W0.2**

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

**W0.3**

**(W0.3) Select the countries/areas in which you operate.**

- Brazil
- Bulgaria
- China
- Denmark
- Finland
- France
- Germany
- India
- Italy
- Japan

Mexico  
Netherlands  
Poland  
Republic of Korea  
Romania  
Singapore  
Slovakia  
Slovenia  
Spain  
Turkey  
United Kingdom of Great Britain and Northern Ireland  
United States of America

Our RE footprint includes offices in many more countries

## W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

## W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

## W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

No

## W0.7

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.

No

## W1. Current state

### W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Not very important	Not very important	<p>The primary use of water in our direct operations is for process cooling purposes, testing of products and sanitary use.</p> <p>In our indirect operations, water is mostly used in the processing and manufacturing of raw materials such as aluminum, iron, copper and brass.</p> <p>However, Danfoss has not not determined the percentage distribution of water usage between own manufacturing processes and the rest of the value chain.</p> <p>We have determined the importance ratings for water quality and quantity for both good quality and lower quality options based on the knowledge of our manufacturing processes.</p> <p>We expect that the future water dependency will remain unchanged compared to present.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	<p>The primary use of recycled or produced water in direct and indirect operations is like fresh. The primary use of water in our direct operations is for process cooling purposes, testing of products and sanitary use .</p> <p>In our indirect operations, water is mostly used in the processing and manufacturing of raw materials such as aluminum, iron, copper and brass. However, Danfoss has not not determined the percentage distribution of water usage between own manufacturing processes and the rest of the value chain.</p> <p>Danfoss has determined the importance ratings for water quality and quantity for both good quality and lower quality options based on our knowledge of our own manufacturing processes.</p> <p>Danfoss expects future water dependency to remain unchanged in comparison to its current water dependency .</p>

## W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	76-99	Monthly	Direct monitoring using a combination of manual and electronic meter readings depending on the option available at a facility.	
Water withdrawals – volumes by source	Not monitored			
Water withdrawals quality	Not monitored			
Water discharges – total volumes	Not monitored			
Water discharges – volumes by destination	Not monitored			
Water discharges – volumes by treatment method	Not monitored			
Water discharge quality – by standard effluent parameters	Not monitored			
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not monitored			
Water discharge quality – temperature	Not monitored			
Water consumption – total volume	76-99	Monthly	Direct monitoring using a combination of manual and electronic meter readings depending on the option available at a facility.	
Water recycled/reused	Not monitored			

The provision of fully-functioning, safely managed WASH services to all workers	Not monitored			
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## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	2,007	Much higher	Mergers and acquisitions	Lower	Increase/decrease in efficiency	M&A driven growth has resulted in the integration of new sites and facilities into Danfoss' real estate portfolio . The resulting water intensity rate is higher than in previous years. Therefore Danfoss is working on improvement plans that will include targets for improving

						consumption efficiency
Total discharges			Unknown	Unknown	Unknown	
Total consumption	2,007	Higher	Mergers and acquisitions	Lower	Increase/decrease in efficiency	M&A driven growth has resulted in the integration of new sites and facilities into Danfoss' real estate portfolio . The resulting water intensity rate is higher than in previous years. Therefore Danfoss is working on improvement plans that will include targets for improving consumption efficiency

## W1.2d

**(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.**

	Withdrawals are from areas with water stress	Please explain
Row 1	Unknown	Danfoss is in the process of mapping its operations in relation to water risks across our sites, including withdrawals from areas with water stress. For this exercise, the WWF Water Risk Filter has been applied. This is

	part of a broader effort to further anchor and drive efforts to manage water consumption/efficiency and related risks across Danfoss.
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### W1.3

**(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	10,256,000,000	2,007.26	5,109,452.68674711	Danfoss anticipates increased water withdrawal efficiency in the coming years

### W1.4

**(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?**

	Products contain hazardous substances	Comment
Row 1	Unknown	All Danfoss products containing hazardous substances are designed and produced in compliance with relevant regulation on hazardous substances, including EU REACH and Regulation on Hazardous Substances (RoHS). We disclose our Negative List on our corporate website, which is continuously updated.

### W1.5

**(W1.5) Do you engage with your value chain on water-related issues?**

	Engagement	Primary reason for no engagement	Please explain
Suppliers	No	Important but not an immediate business priority	Danfoss is in the process of reviewing and improving its water management policies and standards, as well as establishing overview of operations in relation to water risks. Engagement with key suppliers already take place in relation to Danfoss' circularity and decarbonisation efforts. It is the plan that water-related issues will also be integrated into these engagements in the coming years.
Other value chain partners	No	Important but not an	Danfoss is in the process of reviewing and improving its water management policies and standards, as well as establishing overview of



(e.g., customers)		immediate business priority	operations in relation to water risks. Engagement with key customers already take place in relation to Danfoss' circularity and decarbonisation efforts, as ESG is also becoming increasingly important to Danfoss' key customers.
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## W2. Business impacts

### W2.1

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

### W2.2

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

	Water-related regulatory violations	Comment
Row 1	No	

## W3. Procedures

### W3.1

**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	Danfoss operates in compliance with relevant local regulation on water pollutants at all sites, including analysis of wastewater and other mitigative measures to identify and classify pollutant sources. Currently, Danfoss is in the process of reviewing and improving its water management policies and standards. This includes formalising a Group-wide approach to managing air pollutants.

### W3.1a

**(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

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**Water pollutant category**

Oil

**Description of water pollutant and potential impacts**

**Value chain stage**

Direct operations

**Actions and procedures to minimize adverse impacts**

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

**Please explain**

All sites perform wastewater treatment to ensure no oil or other potential water pollutants are discharged from our operations.

## W3.3

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

## W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

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**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Not defined

**How far into the future are risks considered?**

1 to 3 years

**Type of tools and methods used**

Enterprise risk management  
International methodologies and standards

**Tools and methods used**

Other, please specify  
 WWF Water Risk Filter

**Contextual issues considered**

- Water availability at a basin/catchment level
- Water quality at a basin/catchment level
- Water regulatory frameworks
- Status of ecosystems and habitats

**Stakeholders considered**

Water utilities at a local level

**Comment**

Initial water risk assessment conducted for Danfoss sites worldwide

### W3.3b

**(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	Establish consolidated overview of Danfoss site risks related to water and ecosystem protection. Following this first risk assessment, Danfoss will draw on the learnings to identify next steps.	Water scarcity, water quality, flooding, water quality, ecosystem services status, regulatory framework, extreme weather events	For the first consolidated risk assessment, Danfoss has aimed at establishing overview of risks relating to factories and other sites around the world. Most contextual issues included in this assessment directly impacts stakeholders such as local communities, employees, suppliers and distributors.	Water-related risks are managed locally by site managers as part of Danfoss' Global Services - Real Estate division. Any Group-wide efforts or priorities are mandated through Danfoss' ESG Leadership Team and the Global Executive Team.

## W4. Risks and opportunities

### W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

## W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Substantive financial or strategic impact on our business is defined as lack of ability to deliver products or services.

## W4.1b

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	28	1-25	In total. 28 of Danfoss' sites are located in areas with inadequate water supply according to risk assessment conducted by external consultant in 2022, corresponding to 25% of total sites. Of the remaining, 54% of sites are located in areas with adequate water supply and 21% in areas with tolerable water supply.

## W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

## W4.2

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

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**Country/Area & River basin**

China

Other, please specify

Haihe / Beyun river basin

**Type of risk & Primary risk driver**

**Primary potential impact**



Reduction or disruption in production capacity

**Company-specific description**

Risk of inadequate water supply disrupting production capacity

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

**Description of response**

**Cost of response**

**Explanation of cost of response**

**W4.2c**

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Danfoss has a robust global supply chain. Its distribution across the globe does not render it susceptible to water risks in its value chain.

## W4.3

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

## W4.3a

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

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### Type of opportunity

Efficiency

### Primary water-related opportunity

Improved water efficiency in operations

### Company-specific description & strategy to realize opportunity

Between the years 2007 and 2021 Danfoss achieved significant improvements of its water intensity ratio. The 2030 target is to halve the water intensity ratio (m<sup>3</sup> water per EURm revenue) measured relative to our 2007 baseline. In 2022 Danfoss acquired several businesses. However, the impact of the acquisition on the water intensity ratio was an increase from 149 to 196m<sup>3</sup>/€Mil. Danfoss therefore sees an opportunities in mapping water intensity at individual sites and further optimizing the same towards 2030.

### Estimated timeframe for realization

More than 6 years

### Magnitude of potential financial impact

Low-medium

### Are you able to provide a potential financial impact figure?

No, we do not have this figure

### Potential financial impact figure (currency)

### Potential financial impact figure – minimum (currency)

### Potential financial impact figure – maximum (currency)

### Explanation of financial impact

The financial impact has not been estimated

## W6. Governance

### W6.1

**(W6.1) Does your organization have a water policy?**

No, but we plan to develop one within the next 2 years

### W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

No

### W6.2c

**(W6.2c) Why is there no board-level oversight of water-related issues and what are your plans to change this in the future?**

	Primary reason	Board level oversight of water-related issues will be introduced in the next two years	Please explain
Row 1	Water-related issues are governed by Danfoss' ESG Leadership Team and the Group Executive Team.	No	Danfoss has currently prioritized energy efficiency, decarbonisation and circularity. The priority setting was informed through a materiality assessment in 2021.

### W6.2d

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	A Danfoss Board member is also Board member of a company operating in the water technology industry,

### W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

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**Name of the position(s) and/or committee(s)**

Other, please specify

Group Executive Team

**Water-related responsibilities of this position**

Other, please specify

The Executive Team develops the corporate strategy and execution of the same. It has oversight over all business activities, including the climate and environmental targets, KPIs and risks related to climate change and environment.

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

Global Service Real Estate monitors consumption and manages water-related risks and opportunities. Group Sustainability monitors aggregate water consumption for the organization and drives the Sustainability reporting for the integrated Danfoss Annual Report.

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**Name of the position(s) and/or committee(s)**

Risk committee

**Water-related responsibilities of this position**

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

The day-to-day management is in charge of activities safeguarding assets and earnings, handling business risks, monitoring and interpreting legislation, managing IT security, patents and trademark rights, product quality, fire prevention, environment and health and safety standards.

Group Risk Management submits an annual report to the Risk & Compliance Committee, Board of Directors, Audit Committee and Executive Committee. The Risk & Compliance Committee supervises the risk management process, monitors group risks and potential new risks.

Risk Management in Danfoss is performed on each organizational level. A risk identified in a certain organization unit could be of relevance for other organization units as well. All identified risks are documented in the Risk Repository containing standardized information fields.

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**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)

**Water-related responsibilities of this position**

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**



As important matters arise

**Please explain**

Global Service Real Estate monitors consumption and manages water-related risks and opportunities. Group Sustainability monitors aggregate water consumption for the organization and drives the Sustainability reporting for the integrated Danfoss Annual Report.

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	<b>Provide incentives for management of water-related issues</b>	<b>Comment</b>
Row 1	No, and we do not plan to introduce them in the next two years	Incentives to C-suite and Board members are primarily related to financial performance, delivery times, product quality and stakeholder satisfaction. However, across Danfoss' top 200 leaders, we have also introduced incentives related to scope 1-2 GHG emissions and diversity, equity & inclusion (DE&I).

**W6.5**

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

- Yes, direct engagement with policy makers
- Yes, trade associations

**W6.5a**

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Regular meetings aimed at establishing and maintaining alignment on Danfoss' strategic position, messaging, and priorities between the Danfoss' Group Public Affairs community and the Danfoss Group Executive Team.

Danfoss' Group Executive Team comprises of the top 7 managers of Danfoss:

- The CEO and CFO
- The Presidents of the three business segments
- The President of developing regions
- The EVP of Group HR

**W6.6**

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

No, but we plan to do so in the next two years

## W7. Business strategy

### W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant		As water-related issues not yet considered business critical, it has been decided not yet to integrate same in the long term business objectives. As a consequence of the company's new and ambitious climate strategy, we expect to conduct formal review of the water-related issues' impact on our business and strategies within the coming years.
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant		As water-related issues not yet considered business critical, it has been decided not yet to integrate same in the long term business objectives. As a consequence of the company's new and ambitious climate strategy, we expect to conduct formal review of the water-related issues' impact on our business and strategies within the coming years.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant		As water-related issues not yet considered business critical, it has been decided not yet to integrate same in the financial planning As a consequence of the company's new and ambitious climate strategy, we expect to conduct formal review of the water-related issues' impact on our business and strategies within the coming years.

## W7.2

**(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

**Water-related CAPEX (+/- % change)**

0

**Anticipated forward trend for CAPEX (+/- % change)**

5

**Water-related OPEX (+/- % change)**

0

**Anticipated forward trend for OPEX (+/- % change)**

5

**Please explain**

No change is expected for the water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year. Anticipated forward trend is aligned with expected economic growth.

## W7.3

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	<b>Use of scenario analysis</b>	<b>Comment</b>
Row 1	No, but we anticipate doing so within the next two years	Danfoss has completed an initial water risk assessment using the WWF Water Risk Filter, and this will be used to further develop our understanding of mid/long-term water-related impacts across operations.

## W7.4

**(W7.4) Does your company use an internal price on water?**

Row 1

**Does your company use an internal price on water?**

No, but we are currently exploring water valuation practices

**Please explain**

## W7.5

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	Important but not an immediate business priority	Our production processes are not water intensive and neither are our products and services. However, in the use phase, some of our products contribute to a reduction of water consumption.

## W8. Targets

### W8.1

**(W8.1) Do you have any water-related targets?**

Yes

#### W8.1a

**(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.**

	Target set in this category	Please explain
Water pollution	No, but we plan to within the next two years	Danfoss is in the process of reviewing and improving its water management policies and standards.
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	Yes	
Other	No, and we do not plan to within the next two years	N/A

#### W8.1b

**(W8.1b) Provide details of your water-related targets and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Target coverage**

Company-wide (direct operations only)

**Quantitative metric**

Other, please specify  
m3/EURm net sales

**Year target was set**

2015

**Base year**

2007

**Base year figure**

280

**Target year**

2030

**Target year figure**

140

**Reporting year figure**

195

**% of target achieved relative to base year**

60.7142857143

**Target status in reporting year**

Revised

**Please explain**

The water consumption per unit revenue has decreased from 280 m3/EURm net sales in 2007 to 149 m3/EURm net sales in 2021. However this figure increased to 195 m3/EURm net sales mostly driven by the acquisition of new businesses.

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**Target reference number**

Target 2

**Category of target**

Water, Sanitation and Hygiene (WASH) services

**Target coverage**

Company-wide (direct operations only)

**Quantitative metric**

Other, please specify

Employees with access to clean water and sanitation services

**Year target was set**

2022

**Base year**

**Base year figure**

**Target year**

**Target year figure**

**Reporting year figure**

**% of target achieved relative to base year**

**Target status in reporting year**

Achieved

**Please explain**

Danfoss supports the World Business Council for Sustainable Development (WBCSD) 'WASH' pledge, committing to provide safe water, sanitation and hygiene services to all our employees.

## **W9. Verification**

### **W9.1**

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, but we are actively considering verifying within the next two years

## **W10. Plastics**

### **W10.1**

**(W10.1) Have you mapped where in your value chain plastics are used and/or produced?**

	Plastics mapping	Please explain
Row 1	Not mapped – and we do not plan to within the next two years	As part of Danfoss' circularity efforts, the use of plastics in products and packaging is continuously assessed in order to achieve reduction in plastic use. A new Sustainable Packaging Guide is being introduced to drive change from the product development phase.

## W10.2

**(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?**

	Impact assessment	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	

## W10.3

**(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.**

	Risk exposure	Please explain
Row 1	No, risks assessed, and none considered as substantive	Danfoss is working actively to reduce the use of plastics in production and packaging, and we closely monitor regulatory developments on plastics to ensure compliance. Our Sustainable Packaging Guide includes consideration of plastic reductions.

## W10.4

**(W10.4) Do you have plastics-related targets, and if so what type?**

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging Waste management Other	Reduce the total weight of virgin content in plastic packaging Increase the proportion of renewable content from responsibly managed sources in plastic packaging Increase the proportion of plastic packaging that is recyclable in practice and at scale Increase the proportion of plastic packaging that is reusable	Our circularity targets (focusing on reduction of use of virgin materials, waste and plastics) for 2030: <ul style="list-style-type: none"> <li>• Develop and implement circularity framework in all segments</li> <li>• More than 80% of newly developed products are covered by the circularity approach</li> <li>• Circularity collaborations with more than 80% of top-25 customers</li> </ul>

## W10.5

**(W10.5) Indicate whether your organization engages in the following activities.**

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

## W10.8

**(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.**

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	Please explain
Plastic packaging used	391,855	None	Total volume of plastic packaging (incl commercial and transport packaging) for Danfoss Europe and UK.

## W10.8a

**(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.**

	Percentages available to report for circularity potential	Please explain
Plastic packaging used	None	Danfoss is working to consolidate data overview for circularity potential in packaging used, including plastics.



## W11. Sign off

### W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

### W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer (CSO)	Chief Sustainability Officer (CSO)

## SW. Supply chain module

### SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	10,256,000,000

### SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

### SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

### SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

## SW2.2

**(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?**

No

## SW3.1

**(SW3.1) Provide any available water intensity values for your organization's products or services.**

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	<b>I understand that my response will be shared with all requesting stakeholders</b>	<b>Response permission</b>
Please select your submission options	Yes	Public

**Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.**

No

**Please confirm below**

I have read and accept the applicable Terms