

# Human Rights Management, Policy Implementation & Governance Document

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Revision nr.: 01

Approver: Kim Fausing

This document outlines the implementation and governance of our Danfoss Group Policy on Human Rights included in our Policies on Business Conduct, underlining our commitment to respecting internationally recognized human rights and core labor standards. Read the Policy [here](#).

## 1. Commitment

Danfoss is committed to respecting internationally recognized human rights and core labor standards, including the UN Guiding Principles on Business and Human Rights, the UN Declaration on Human Rights, Bill of Rights, together with ILO core conventions. We are dedicated to identify, assess, prioritize, and mitigate potential human rights impacts in our operations and value chains in line with the UN Guiding Principles. Our focus areas include:

- Ensuring fair labor practices and working conditions.
- Preventing forced labor, human trafficking, and modern slavery.
- Promoting equality and non-discrimination.
- Providing access to remedy for affected stakeholders.

## 2. Scope of Application

The Policy applies to the Danfoss Group, i.e., Danfoss A/S and each of its subsidiaries under Danfoss A/S's direct or indirect control, e.g., ownership of the majority of shares or the right to appoint the majority of its directors.

## 3. Implementation

Danfoss Group establishes value chain due diligence processes, which are applied by all Danfoss organizations and in line with local regulations, Danfoss' ESG ambitions, and the Danfoss Group Policy on Human Rights. These processes focus on the following areas:

- **Human Rights Due Diligence:** We conduct human rights due diligence to identify, assess, and mitigate potential human rights impacts, in accordance with the UN Guiding Principles on Business and Human Rights. This includes mapping our value chain to identify and assess value chain risks as well as develop plans to mitigate potential human rights impacts.
- **Key documents:** Existing key documents (e.g. Ethics Handbook, Supplier Code of Conduct) are regularly reviewed and updated to meet best practice, including expectations by stakeholders.
- **Handling and Reporting:** Ensure all human rights concerns are handled and reported confidentially through appropriate channels, such as the Ethics Hotline.
- **Employee engagement:** Review and amend existing trainings to meet best practice on human rights management
- **Supplier Engagement:** An updated Code of Conduct (CoC), incorporating the latest regulations, is being deployed, and training on the associated subjects is being provided to the procurement organization.
- **Disclose:** We will publish human rights updates in our annual report and Modern Slavery Act statement.

#### 4. Roles and Responsibilities

The Policy is anchored with the Group Risk & Compliance team. Further, the Policy has been formally approved and signed by our Chief Executive Officer (CEO), Kim Fausing. To effectively implement the Policy, clear roles and responsibilities have been established.

The Head of Ethics and Human Rights centrally coordinates and monitors the implementation of the Human Rights Management. Together with the ESG Leadership-Team the integration of the Human Rights Management into relevant business processes is ensured, so that human rights related risks are identified in Danfoss organizations and preventive as well as remedial measures are implemented in a targeted manner.

#### 5. Training

Based on their job function employees receive relevant training. The training must be annually refreshed and documented. In addition, as part of the on-boarding process, new employees in the Procurement organization receive special training on the Supplier Code of Conduct including important elements of human rights and labor rights.

Depending on the job function trainings contain:

- Danfoss position and commitment on human rights
- Supplier Management
- Training on modern slavery and forced labor
- Human rights risk management
- Grievance mechanism and complaint handling

By incorporating these training elements, Danfoss ensures that all employees are well-equipped to handle human rights issues effectively and maintain compliance with regulations and our policies.

This document is subject to review/revision in accordance with the Danfoss Code of Conduct terms and conditions

### **Danfoss A/S**

President and CEO  
Kim Fausing