



Circular Economy Policy extracted from Danfoss Business Conduct

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Circular Economy Policy

Danfoss is committed to push towards doing more with less resources, both in operations and products. To make this happen circularity must be embedded at the core of the industry leading innovation to engineer the way to a sustainable tomorrow.

This means that we:

- Embed circularity in innovation and newly developed products
- Embed circular initiatives in existing business through circular business revenue growth target.
- Are guided in target setting, ambition and vision by our circularity framework of **Rethink-Reduce-Recirculate**
- Apply the waste hierarchy and focus on prevention first.
- Have set the following **Circularity targets**:
 - 80% of newly developed products launched are covered by our circularity approach by 2030
 - 25% increase in our circular business revenues by 2030 from a 2023 baseline



The Danfoss Circularity Framework consists of the following focus areas:

'Rethink' entails changing the business model and the way a product is offered to the market. This can include changes to the design of the product or the business model such as product-as-a-service.

'Reduce' involves decreasing material and energy consumption or switching to greener alternatives during the manufacturing stage, the sourcing of raw materials, logistics and packaging operations.

'Recirculate' involves ensuring products and materials are used as much as possible before their end of life. This approach focuses on products' and parts' recirculation through reuse, refurbishment, remanufacturing, or upgrading, and ensuring recyclability of materials and parts in end of life.

This policy is implemented in accordance with the [policy implementation and governance document for Circular Economy](#)