

Waste Management,

Policy Implementation and Governance Document

Date: 24.02.25

Revision nr.: 01

Approver: Kim Fausing

This document outlines the implementation and governance of our Danfoss Group Policy on Waste Management included in our Policies on Business Conduct and underlining our dedication to conserving water, preventing pollution, and promoting using water responsibly in our operations. Read the Policy [here](#).

1. Commitment

Danfoss aims to minimize the amount of waste generated from manufacturing processes to the extent technically and financially feasible and considers waste a resource that can be reused or recycled. Further, waste reduction supports our efforts and commitments on decarbonization and circularity. All Danfoss factories must therefore establish and maintain processes and procedures to handle, dispose, and report on waste, following local regulations and Danfoss' ESG ambitions.

This means that we focus on:

- **Rethinking** innovative strategies and solutions to minimize or limit the quantity and/or toxicity from the waste generated across the business operations. Very often waste can be considered a design flaw
- **Reducing** the volume of waste generated in our facilities, which can go hand in hand with resource and financial gains.
- **Recirculating** the waste by increasing the amount of waste for reuse or recycling and minimizing the waste sent to landfill.
- By following this approach, we ensure that the waste hierarchy is maintained and we prioritize actions related to waste minimization and prevention first and then reusing, repairing or recycling.

2. Scope of application

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

3. Implementation

Each Danfoss site must follow Group requirements, establish, and maintain processes and procedures to report on waste in line with local regulations, Danfoss' ESG ambition and the requirements set forth in the Danfoss Group Policy on Waste Management.

- **Waste minimization:** The assessment of waste related regulation must be an integrated part of the site's environmental management systems. The waste management system, part of the environmental management system, must include plans to minimize or reduce waste generation thus minimizing a site's waste disposal footprint.
- **Handling, storage and transport:** All waste must be handled, stored and transported in a safe manner.
- **Disposal methods and vendors:** Waste must not be disposed of on company property or other property not licensed to receive that waste. All Danfoss factories are required to maintain processes to evaluate and document all waste brokers, and waste disposal, treatment and recycling sites accepting the waste products.
- **Waste reporting and documentation:** Waste reporting is carried out quarterly through internal reporting tool. Other documentation includes identification and classification of waste streams, waste permits and approvals, inspection plans, evaluation of waste handlers and proof of waste disposal. All records must be retained for a minimum of three years or as applicable by law.

4. Roles and responsibilities

The Danfoss Policy on Waste Management, included in the Policies on Business Conduct, is approved by our CEO, Kim Fausing and anchored with our Group-wide ESG Leadership Team and in our Segments. All Danfoss factories are required to appoint a Waste Reporting Site Responsible and an EHS Site Responsible, to ensure implementation of the Policy. Further, our Segment production and product development organizations have roles to play in ensuring that waste reduction initiatives are carried out in the way we develop and manufacture our products.

5. Training

All affected employees must receive relevant training for their job function. The training must be periodically refreshed and documented. The guidance is that the training is conducted at least once every five years and more frequent if there are changes to the standard reporting or waste management practices. Site specific training must include but is not limited to the following topics, as applicable to the job function:

- Waste generated and opportunities to minimize waste.
- Waste management and handling, including acceptable storage containers and procedures.
- Labeling requirements at all stages at the site.
- Hazards and procedures to safely manage the waste.
- Emergency procedures associated with the waste which is not covered under general emergency training (e.g., for flammable, toxic or biohazardous waste).
- Inspection and reporting requirements associated with regulatory compliance.

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