

Sustainable Procurement,

Policy Implementation and governance document

Date: 06.05.25

Revision nr.: 01

Approver: Kim Fausing

This document outlines the implementation and governance of Danfoss Group Sustainable Procurement Policy, included in our Policies on Business Conduct and underlining our dedication to contribute to a more sustainable and equitable world. See the Sustainable Procurement Policy [here](#).

1. Commitment

Danfoss has signed up for the UN Global Compact and committed to implementing universal sustainability principles and upholding the related Ten Principles in the areas of human rights, labor, environment, and anti-corruption. Further Danfoss has joined the First Movers Coalition, FMC, a global coalition to decarbonize hard-to-abate industries and committing to low-carbon produced primary aluminum as a share of all the company's usage of aluminum by 2030.

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

The Danfoss Supplier Code of Conduct compliance is well anchored as a part of the supplier qualification process and further due diligence for our suppliers. The environmental aspects are covered in our New Product Development process, Business Awards and other strategic projects.

4. Roles and responsibilities

This Policy is anchored with the Global Procurement Board (GPB) with senior level procurement members from all segments and Indirect procurement and formally approved and signed by our Chief Executive Officer (CEO), Kim Fausing.

Together with Group Sustainability and the ESG Leadership Team the integration of Sustainable Procurement into relevant business processes is ensured, so the social and environmental aspects identified are covered.

Each segment and related division procurement heads are responsible for the deployment and implementation of the policy, and accountable for meeting the targets, which means monitoring progress towards targets and planning for further action if needed. On the group level the monitoring of the progress of sustainability goals and actions is anchored within Group Sustainability and the ESG-Leadership-Team, via Group Finance, is responsible for frequent data collection and reporting.

5. Training

Based on their job function employees receive relevant training that is planned according to their need.

Depending on the job function training courses contain of:

- a. Danfoss commitment to UN Global Compact and Supplier Code of Conduct content and risk matrix.
- b. Insight into our supplier engagement program, the 'Green Ask' and action related

By incorporating these training elements, Danfoss strives to have well-equipped employees to enable the sustainable procurement policy strategic and operational procurement environment and maintain compliance with regulations and our policies.

This document is subject to review/revision in accordance with the Policies on Danfoss Business Conduct.

Danfoss A/S

President and CEO

Kim Fausing