

# Energy Management,

## Policy Implementation and governance document

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Approver: Kim Fausing

This document outlines the implementation and governance of Danfoss Group Energy Management Policy, underlining our dedication to reduce energy consumption within Danfoss operations and orientate towards green and sustainable primary energy sources. See the Energy Management Policy [here](#).

### 1. Commitment

Danfoss aims to reduce energy consumption to the extent technically and financially feasible by increasing energy efficiency of all Danfoss operations and implementation of advanced technologies, with the goal of minimizing energy related carbon footprint. Simultaneously we aim to increase energy security, to ensure safe and comfortable working conditions for all Danfoss employees and reduce the disruptions related to price volatility. A global Danfoss energy management standard will be developed during 2025/26 with the goal of establishing, implementing and maintaining Danfoss's ESG ambitions.

### 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

Danfoss Energy Efficiency Office is developing an Energy Management Standard. Each Danfoss site must follow Group requirements, establish, and maintain processes and procedures to report on energy consumption, in line with local regulations, Danfoss' ESG ambition and the requirements set forth in this Policy.

#### a. Energy efficiency

Danfoss is dedicated to reducing energy consumption and improving energy efficiency across all our operations. We will deploy energy efficient technologies and promote behaviors that optimize energy use and reduce our overall energy footprint. Additionally, we will raise awareness of energy-related environmental impacts and advocate for actions to mitigate them.

#### b. Renewable Energy Adoption

Danfoss is committed to transitioning towards renewable energy sources, to decrease greenhouse gas emissions. We will prioritize the use of solar, wind & other renewable energy sources across our operations, and invest in solutions to improve energy efficiency & enhance energy security and resilience.

#### c. Compliance and accountability

Danfoss ensures compliance with all prevailing energy regulations, laws, and standards across our global operations. We will also align our energy management practices with international standards such as ISO 50001 to ensure continuous improvement in energy performance.

#### d. Risk assessment and mitigation

Danfoss aims to perform risk assessments to identify potential energy-related risks to its operations, such as energy supply disruptions or price volatility, in a structured and formalized approach during 2025, following the standard implementation. Following the assessments, we will implement appropriate mitigation measures to minimize these risks and ensure stable, environmentally acceptable and cost-effective energy supply.

#### 4. Roles and responsibilities

To effectively implement the policy, clear roles and responsibilities will be established, and the Energy Management Global Standard will be created/approved during 2025-6 and implemented to all Danfoss locations during 2025/26. Global Services Real Estate, is responsible for creating the energy management standard, strategy, setting energy efficiency targets, managing data collection, reporting and ensuring compliance for relevant Danfoss ESG sites. Each site has a designated regional Energy Manager and site Facility Manager who will ensure the policy is implemented utilizing the group's energy management system, regularly assesses regulatory requirements, informs employees about energy management campaigns & measures and coordinates efforts to achieve energy-related targets.

The above-mentioned policy will be implemented by:

- a. **Stakeholder Engagement** (including employees, customers, suppliers) to address energy-related challenges collaboratively. This includes working with suppliers to improve energy efficiency across the supply chain and engaging customers to promote the use of energy-efficient products.
- b. **Employee Engagement** through specialized training and awareness programs to targeted groups within the organization, ensuring that employees are equipped with the knowledge and tools necessary to contribute to energy conservation and efficiency efforts.
- c. **Energy Management System** will be implemented within group, within which we will ensure continuous improvement plans, energy monitoring and reporting of energy performance and greenhouse gas emissions.

#### 5. Training

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

Depending on the job function trainings contain:

- a. Danfoss commitment to, emissions targets, sustainability, and circular economy.
- b. Tools and methods in their specific job function.

By incorporating these training elements, Danfoss strives to have employees well-equipped to enable a circular economy in our options 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