



Gender Pay Gap Report 2025



Danfoss Limited (UK)



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Our Commitment to Equal Pay for Work of Equal Value

Danfoss engineers solutions that increase machine productivity, reduce emissions, lower energy consumption, and enable electrification.

Our solutions are used in areas such as refrigeration, air conditioning, heating, power conversion, motor control, industrial machinery, marine, and on- and off-highway equipment. We also provide solutions for data centers, renewable energy, energy storage, heat recovery, as well as contribute to district energy solutions for cities.

Our innovative engineering dates back to 1933. Danfoss is family-owned and employs over 39,000 people. We create long-term value for our customers in more than 100 countries with a global footprint of around 100 factories.



Our Workforce

In Danfoss, we foster a safe and inclusive culture, recognizing it enables our engaged teams to thrive and deliver their best

We believe that inclusion and equal opportunities drive high engagement and enable high-performing teams.

Our aim is to create an inclusive workplace where high performing teams are empowered to thrive and drive meaningful impact for our customers and partners.

Underpinned by the principles of fairness and transparency, we are committed to building and maintaining an inclusive workplace culture that provides equal opportunities for all, regardless of who they are or where they work.

We believe that equal pay for work of equal value, regardless of gender, is a key element of inclusion and fundamental to attracting, motivating, and retaining engaged, high-performing teams.

As such, Danfoss is committed to fair and competitive compensation and benefits.

To further support our focus on inclusion, we are introducing new and ambitious targets for 2030. These goals will drive actions to strengthen our talent pipeline and help us achieve the following by 2030:

- Achieve an inclusion score of at least 80*
- Maintain a Global Gender Pay Gap below 5%

These targets measure inclusion and belonging across Danfoss and address gender pay gaps and actions to address any gaps identified through our monitoring activities.

We are committed to narrowing the gender pay gap and ensuring that every Danfoss team member has the same opportunities to develop and achieve their full potential.



* This scoring is based on our Employee Engagement Survey and is measured as an average of the responses to specific set of questions designed to measure inclusion at Danfoss



Explaining Gender Pay Gap Reporting (UK)



Calculating and analyzing our gender pay data enables us to understand the underlying causes of the gap and identify actions needed to reduce it.

Gender pay gap reporting compares the average earnings of men and women across all roles, levels, and salaries in the business, showing the overall difference in pay relative to men's earnings.

A gender pay gap does not mean men and women are paid differently for equivalent work; rather, it shows that men are more frequently represented in higher-paid positions.

In the UK, the government requires businesses with more than 250 employees in a legal entity to report on their gender pay gaps on an annual basis.

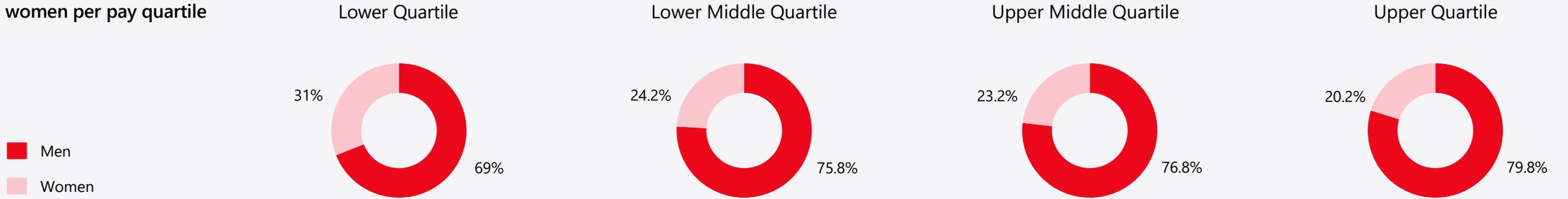
Employers are required to report six measures based on a snapshot of pay data as at a date prescribed by the government:

- **median gender pay gap** – the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- **mean gender pay gap** – the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- **median bonus gap** – the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
- **mean bonus gap** – the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
- **bonus proportions** – the proportions of male and female relevant employees who were paid bonus pay during the relevant period
- **quartile pay bands** – the proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile pay bands.

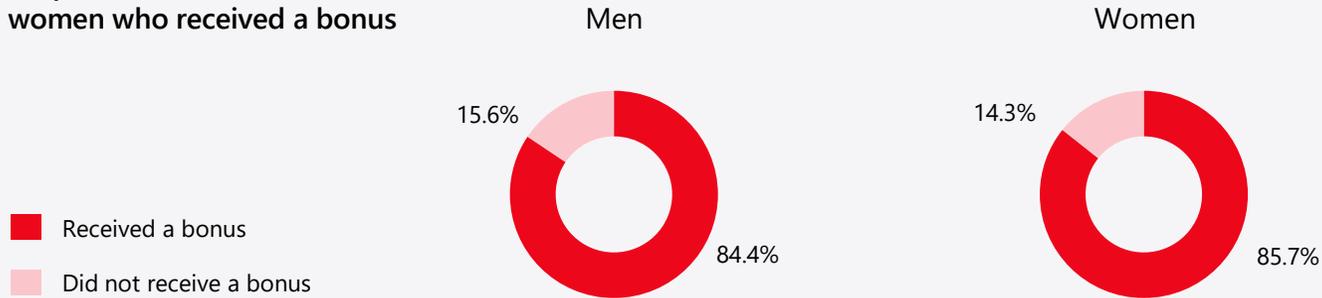


Danfoss Limited (UK) Gender Pay Gap Results 2025

Proportion of men and of women per pay quartile



Proportion of men and of women who received a bonus



| Pay gap between men and women | Mean | Median |
|-------------------------------|---------|--------|
| Hourly pay gap | 13.78% | 7.14% |
| Bonus pay gap | 47.32%* | 1.11% |

In 2025 Gender Pay Gap calculations all eligible employees received a bonus across the organization against the calculations for bonus, whereas in 2024 a large population of the employees were not eligible for bonus due to M&A alignment.

*The data reveals a significant disparity in the Mean Gender Bonus Gap, largely driven by a small number of high-value bonuses at the most senior levels, which impacts the overall average.



Understanding Danfoss Limited's (UK) Gender Pay Gap

As of 5 April 2025, Danfoss Limited (UK) had 419 people within their UK workforce, of those 314 (75%) were men and 105 (25%) were women.

Danfoss Limited (UK) operations comprise of manufacturing operations, engineering and development, business and operations management, commercial, technology and support functions.

Danfoss Limited (UK) relies heavily on highly-skilled employees from STEM related fields. Like many organizations in our industry, we continue to face broader, systemic challenges in achieving gender balance.

For the 2025 reporting period, we have seen a notable improvement in our gender pay and bonus gaps. This reflects our ongoing commitment to ensuring a more balanced distribution of genders across all levels of the business.

While our median pay and bonus gaps remain reassuringly low, reflecting fair treatment across most of our workforce, our mean figures point to a higher concentration of men in senior, higher-earning roles.

Our gender pay gap data reflects an organization that is equitable at its core but faces a challenge of a concentration of male employees in high-earning leadership positions. However,

the 2025 figures indicate modest progress toward a more even gender distribution in the upper pay quartiles. When looking at our bonus structures the median gender bonus gap indicates a high degree of gender parity.

We believe our gender pay gap reflects the distribution of roles and salaries held by men and women within the business. To address this, we are focused on increasing the number of women progressing into senior positions across Danfoss.

This is demonstrated by an increased number of women occupying roles in Plant Leadership Teams within the UK. During 2025 we reached our management team diversity target, five years ahead of plan, of having a minimum of two nationalities and genders in all Danfoss Leadership teams at management levels 1-4.

Globally the representation of women on the Danfoss Board of Directors is currently 25%. Women in leadership positions is a key metric for improving gender balance in the global Danfoss organization and increased in 2025 to 24.3% (2024: 23.7%).

To address fairness and equity in the workplace we have set a 2030 target to address gender pay gaps and take action to address any gaps identified through our monitoring activities to maintain the gender pay gap below 5% globally. In 2025, the total net gender pay gap reached 3.9% (for salaried positions).

Declaration

We confirm that the information reported is an accurate statement of the Gender Pay Gap Reporting for Danfoss Limited (UK) and meets statutory requirements.

Nick Wanless
Company Director (UK)

Carla Hall
HR People Partner



Closing the Gender Pay Gap: Our Commitment to Equal Pay for Work of Equal Value

We remain dedicated to ensuring equal pay for work of equal value. To support this ambition, we have set a new target to ensure the total net gender pay gap remains below 5% globally towards 2030.

Steps we are taking to close the gap:

- We will put a stronger focus on inclusion as the next crucial step to strengthen our talent pipeline and belonging.
- Equal pay for work of equal value is essential to ensuring fairness and to attracting, motivating, and retaining our people. To prevent pay gaps, we regularly review salary levels for men and women within comparable job bands and take corrective action whenever differences are identified. These reviews are governed by our total rewards policies and processes, which are updated annually.
- We continue to monitor gender balance to drive steady progress. Ongoing analysis helps us to identify gaps and ensures that our compensation practices remain fair and competitive.
- We are committed to fair and consistent recruitment and promotion practices. To ensure fair and unbiased hiring decisions, we develop the capabilities of our hiring managers and recruiters to address unconscious bias and apply inclusion and fairness checks.
- The Danfoss Postgraduate Program remains a key talent pipeline for early career development. We continuously promote accessibility and inclusive hiring practices.
- We consider gender balance in our succession planning, actively identifying and mentoring talent for promotion into the high-earning roles.
- Our mentoring programs are strongly supported by senior leadership, providing our team members with tailored coaching and opportunities to build influential networks that support their growth in senior roles.
- To support our succession pipeline, we partner with international business schools like INSEAD. We consider gender balance in leadership programs.
- We continue partnering with schools, universities, and industry groups to attract more women into the under-represented functions and areas of our business.
- Our Employee Resource Groups (ERGs), which focus on 5 key areas, have continued to help us identify and address existing barriers to inclusion. Activities include seminars, events and awareness initiatives that explore topics such as unconscious bias and inclusive work environments.
- We continue to enhance our family-friendly policies and benefits, enabling us to offer a flexible and supportive environment throughout every stage of an employee's career at Danfoss. We see these policies as instrumental in improving gender balance, as well as a competitive advantage in attracting and retaining talent.





Further information available
on Danfoss' website: danfoss.com

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