



Date: May 22, 2026, Revision: 01, Approver: Kim Fausing

This document outlines the implementation and governance of our Danfoss Group policy on people, included in our policies on business conduct, underlining our dedication to fair treatment and development. Read the Policy [here](#).

## **Commitment**

Danfoss is committed to fostering a safe, inclusive and high-performing workplace, in which our people feel empowered to reach their full potential and drive business success.

Danfoss commits to:

- Upholding internationally recognized human and labor rights, including the UN Guiding Principles and ILO conventions.
- Providing a safe and healthy working environment across all operations.
- Promoting inclusion and equal opportunities for all employees.
- Ensuring fair and competitive compensation, including equal pay for work of equal value.
- Investing in continuous learning and people development.

## **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 most of its directors.

## **Implementation**

Danfoss entities are required to implement this policy through established processes aligned with Group standards, local regulations, and sustainability commitments.

Key implementation areas include:

### **Inclusion and fair treatment**

- Ensure non-discrimination, fair treatment, and equal opportunities for every team member across all employment practices.
- Promote inclusive leadership and diverse representation.
- Monitor inclusion through employee engagement surveys (Voice) and related KPIs.

### **Health, safety, and well-being**

- Apply the Safety First approach across all operations.
- Maintain certified management systems (ISO 45001 and ISO 14001 where applicable).
- Identify, assess, and mitigate workplace risks.
- Promote both physical safety and mental health.

## **Learning and development**

- Provide access to continuous learning opportunities aligned with business and individual needs.
- Apply the 70:20:10 learning model (on-the-job, social, and formal learning).
- Ensure availability of training, mentoring, coaching, and leadership development programs.
- Support internal mobility and early career development programs.
- Track participation and completion of relevant training.

### **Employee engagement and dialogue**

- Conduct regular employee engagement surveys.
- Enable employee representation and social dialogue mechanisms.
- Ensure transparent and ongoing communication between leadership and employees.
- Listen to the voice of our employees through employee-led ERGs.

### **Targets and performance management**

Danfoss has established 2030 targets to monitor progress and drive continuous improvement:

- **Inclusion**  
≥ 80 inclusion score compared to 2025 baseline.
- **Gender pay gap**  
≤ 5% globally compared to 2025 baseline.
- **Health and safety**  
LTIF ≤ 1.0 compared to 2025 baseline.
- **Learning and development**  
Maintain or improve score of 81 in employee engagement survey compared to 2025 baseline.

Progress is monitored annually and used to guide actions and improvements.

### **Roles and responsibilities**

The Policy is anchored within the Danfoss Group Human Resources team. The Policy has been formally approved and signed by our Executive Vice President & Head of Group Human Resources, Ilonka Nussbaumer. To ensure effective implementation, clear roles and responsibilities have been established.

Danfoss Group Human Resources is responsible for defining social strategies, setting targets, and overseeing data collection, reporting, and compliance. In addition, each site or country is responsible for implementing the Policy locally, ensuring alignment with Group requirements, and monitoring performance in line with defined standards.

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