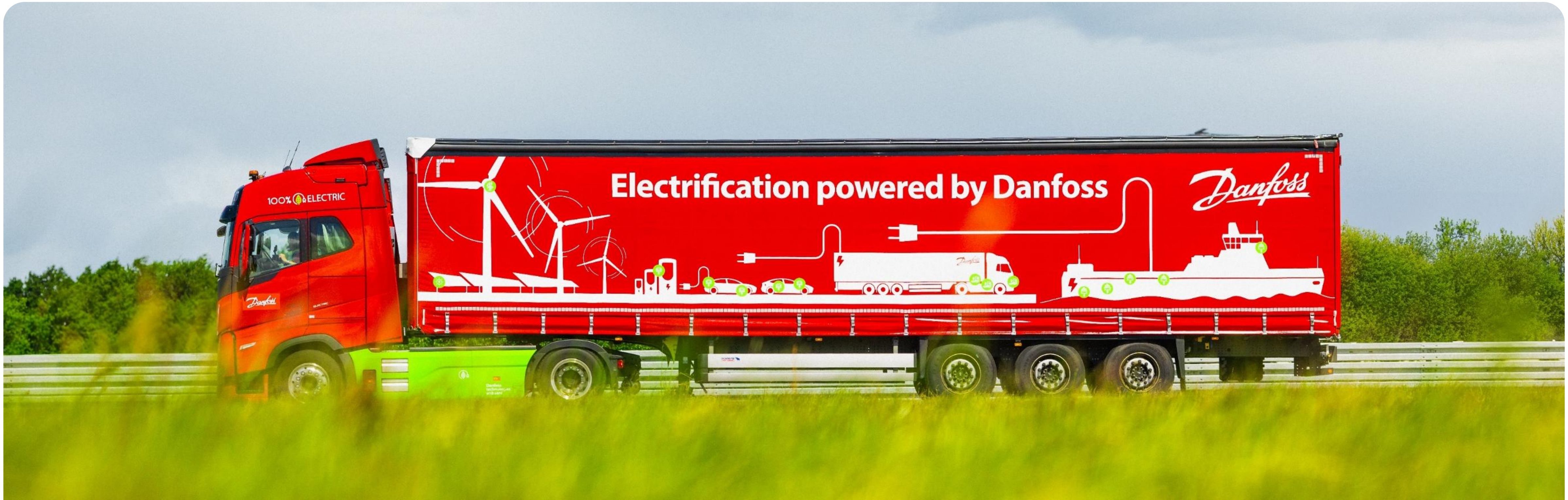
Climate policy extracted from Policies on Danfoss business conduct

Issue 5,0
Approved: July 10, 2026

Strategic Owner: CEO/CFO	Content owner: CF-L, Group Legal	Approved by: Kim Fausing



Climate Policy

As a technology leader enabling the green transition, we are committed to driving competitive decarbonization across industries and to achieving net-zero greenhouse gas emissions across the value chain by 2050.

We are committed to integrating climate change-related considerations into our operations, including strategy, financial planning and risk management, to ensure operational resilience and support long-term growth. As such we are continuously implementing environmentally sound practices, engaging relevant stakeholders, driving decarbonization across our value chain in accordance with the 2015 Paris Agreement's 1.5°C commitment and monitoring our progress towards our targets.

Driving competitive decarbonization

Across industries, we are committed to driving industrial decarbonization. The principles of our competitive decarbonization approach — Reduce, Reuse, Re-source — are central to how we decarbonize Danfoss and how we drive industrial decarbonization with our customers and partners.

- *Reduce* energy consumption and waste by scaling energy-efficient technologies and increasing machine productivity.
- *Reuse* energy through energy recovery and sector coupling.
- *Re-source* renewable energy and transition to more sustainable fuel sources.

This policy outlines our commitment to:

Support our customers' decarbonization ambitions

- Enable downstream decarbonization through our product portfolio of energy efficient and lower-emitting solutions, helping our customers to save energy and avoid emissions during use.

Setting ambitious targets to drive performance

Danfoss has set near- and long-term science-based targets validated by the SBTi. Through this initiative, we commit to:

- Achieve a 90% absolute emissions reduction in our scope 1 and 2 in 2035 from a 2024 base year. In addition, our ambition is to reach a 90% reduction in our scope 1 and 2 compared to our 2019 base year, already in 2030.
- Reduce scope 3 GHG emissions 66.33% per EUR value added by 2035 from a 2024 base year
- Reduce scope 3 GHG emissions from use of sold products 66.33% per Ton of refrigeration from sold compressors over the same timeframe.
- Maintain a minimum 90% absolute scope 1 and 2 GHG emissions reduction from 2035 through 2050, from a 2024 base year.
- Reach net-zero emissions across our value chain by 2050.

Meeting our Climate Group "triple joiner" commitments

- Double our economic output from every unit of energy consumed by 2030 (Smart Energy Coalition).
- 100% zero-emission light-duty vehicle procurement from 2030 in advanced markets and from 2035 globally, and 100% zero-emission heavy-duty vehicle procurement from 2040 (EV100).
- Use 100% renewable electricity across our operations by 2030 (RE100).

Engaging our employees and suppliers on climate change

- Strengthen employee capabilities to make decarbonization part of everyday decisions and actions.
- Deepen engagements with our suppliers on climate change through our Green Ask supplier engagement program, focusing on climate change and decarbonization