

Danfoss' new climate strategy

Danfoss' new climate strategy means 25 per cent less CO₂ and 25 per cent more renewable energy by 2025.

Major savings can be obtained if only 10 % are persuaded not to travel by plane, but to hold a video meeting at their place of work instead.

These are the sort of large and small figures that form the basis of the climate strategy adopted by Danfoss' Executive Committee in January. In advance of this, a team ploughed through piles of statistical material and against that background, the Executive Committee decided that by 2025 the company would only be permitted to emit 75 % of the CO₂ that Danfoss did in 2007. This roughly equals an annual reduction of 1 % although in real terms, this figure will grow, because Danfoss is expanding and will consume more energy as a consequence. So, the increase will have to be saved elsewhere. Therefore, it is a rather extensive initiative and it will affect the daily operation of, not least, the factory areas where the most energy is consumed.

Taking one's own medicine

Danfoss Business System (DBS) will make sure that the new climate



strategy is practised and incorporated into the daily running of Danfoss. DBS already heads the major change programmes which over the past five years have been implemented within production, sales, purchasing and the development of new products. The reasoning of the Executive Committee is that considering DBS is already creating good results, why not also reap what's possible when it comes to energy issues. This would save energy, CO₂ and improve the bottom line. »One way will be to take our own medicine to ensure that Danfoss technologies and products are utilised as optimally as possible,« says head of Danfoss Business System, Bendt Jørgensen. He points to the fact that an increased use of products such as frequency converters could save a huge amount of electricity.

The primary target for the next three years will be to reduce the energy consumption of the plants and then to do something about the transpor-

tation of goods and people. The target is for the largest 15 plants – which total 90 % of Danfoss' energy consumption – to limit their consumption by 20-25 % over the next three to four years. In parallel, a policy on energy-efficient buildings and a policy on the limitation of transportation emissions are in the pipeline.

More renewable energy

The climate strategy also prescribes that the share of energy coming from CO₂ neutral sources must be increased by 25 percentage points before 2025. In 2008, the total share of CO₂ neutral energy was 23 %. Therefore, in this context, we should get nearer a 50 % target, but it has not been finally decided how to reach the 25 % target. All activities introduced within the first few years must be carried out within existing budgets. Corporate Environmental Manager Flemming Lyng Nielsen was the coordinator of the collection of numerous data for the proposal by the Executive Committee and he is

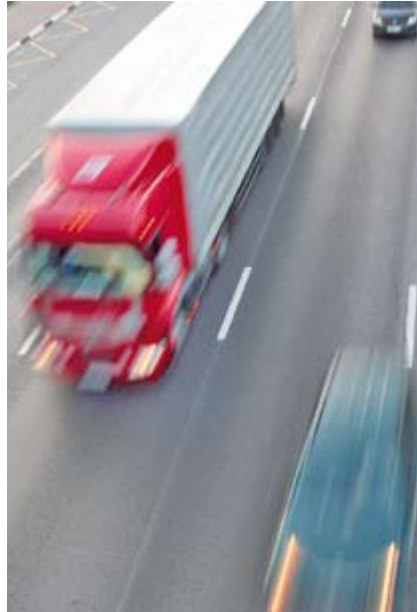
pleased that Danfoss now has its own climate strategy.

»Since its foundation 75 years ago, Danfoss has produced energy-friendly solutions and it has a strong global profile. So, it is logical that we also make an extra effort,« he says.

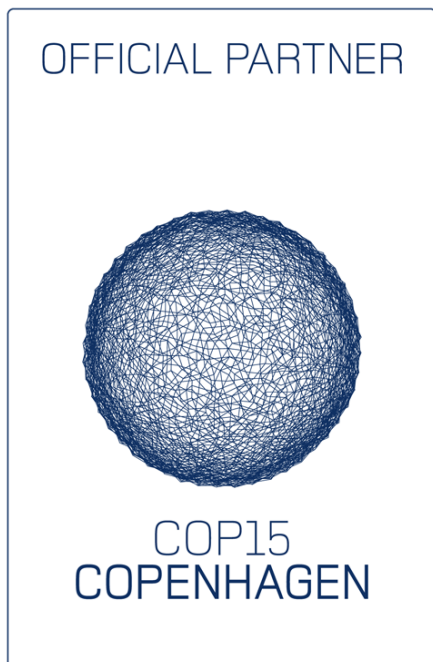
Air traffic, the main culprit

As for transportation, planes are the main culprits. The divisions transport almost all goods by lorry and ship. Just 4 % of the cargo goes on board planes but it represents almost three quarters of the total CO₂ emission.

Aiming to obtain reductions, fundamentally, there is no point in asking the lorry driver to reduce the speed. The culprit is air traffic, but of course one must meet the needs of customers who will expect the same delivery service as has been offered up to now. Likewise, planes are also culprits when it comes to the transportation of employees.



- All of Danfoss' production companies are asked to record their energy consumption of fossil and renewable energy sources. Most plants have succeeded in obtaining this information from the utility companies. Consequently, Danfoss is able to calculate each plant's emission of CO₂.
- The calculation basis is the data from the World Resource Institute that the UN's climate panel (IPCC) use for their reports.



Danfoss main sponsor for Climate Consortium Denmark