

## Carbon Disclosure Project

CDP 2011 CDP Supply Chain 2011 Information Request

DANFOSS

## Module: Introduction - CDP Supply Chain 2011

## Page: Introduction Supply Chain

## 0.1

## Introduction

Please give a general description and introduction to your organization.

The world is facing major global climate change challenges. Danfoss' competencies within climate & energy efficiency and food safety can help solving these challenges.

Since its foundation in 1933, the Danfoss Group has based its work on the fundamental respect for efficient use of Nature's resources. The philosophy behind the first Danfoss products was to make optimum use of energy while minimizing waste, in the best way possible.

Danfoss' three key competencies are the heating of buildings, refrigeration techniques and energy consumption control in electrical engines. With this as its firm platform, the company is constantly searching for new areas where it can contribute to making the technology of modern life work even more efficiently.

The Bitten and Mads Clausen Foundation holds the majority of shares in Danfoss. Employee shareholders and top management own about 2% of Danfoss' share capital.

## 0.2

## Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day/month/year (in full i.e. 2001).

Enter Periods that will be disclosed
Fri 01 Jan 2010 - Fri 31 Dec 2010

## 0.3

## Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country
Brazil
Bulgaria
China
Denmark
Finland
France
Germany
Mexico
Poland
Romania
Russia
Slovakia
Slovenia
Sweden
United Kingdom
United States of America

## 0.4

**Currency selection**

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

EUR(€)

**0.5**

Please select if you wish to complete a shorter information request.

**Module: Management [Investor]****Page: 1. Governance****1.1**

Where is the highest level of direct responsibility for climate change within your company?

Senior Manager/Officer

**1.1a**

Please identify the position of the individual or name of the committee with this responsibility

Chief Reputation Officer (CRO) reporting directly to the CEO

**1.2**

Do you provide incentives for the management of climate change issues, including the attainment of targets?

No

**Page: 2. Strategy****2.1**

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

There are no documented processes for assessing and managing risks and opportunities from climate change

**2.2**

Is climate change integrated into your business strategy?

Yes

**2.2a**

Please describe the process and outcomes (see guidance)

Danfoss aims to contribute as much as possible to global efforts to reduce CO2 emissions from energy-consuming processes and systems. Danfoss' products save energy for the customer and shall use as little energy as possible. The company wishes to use its knowledge and products to reduce Danfoss' emission of greenhouse gases resulting from production and transport.

In 2008, the group began the process of setting ambitious targets for the development of energy consumption and the emission of greenhouse gases. At the beginning of 2009, the work resulted in a climate strategy which has been approved by the Executive Committee.

Danfoss has chosen a climate strategy named "3x25" meaning that the company will cut CO2 emissions from energy consumption, transport of finished goods and business travel by 25% and raise the share of CO2 neutral energy by 25% by 2025 compared to the emissions in 2007 (baseline).

That equals a cut of close to 1.5% in total CO2 emissions per year. The target is in absolute figures.

On the short term, reductions in our own energy consumption is in focus together with "taking our own medicine" meaning that we will ensure that our own products, solutions and knowledge is use in-house to the widest possible extent.

The long term strategy of Danfoss is primarily based on the business opportunities defining Danfoss as a Climate & Energy Company. The increasing focus amongst authorities, states and customers on reducing the energy consumption and the emissions of greenhouse gasses is a near perfect match for Danfoss, as the company has the solutions to help customers facing the challenge. Energy savings and CO2 reduction is now the core business area of Danfoss.

The implementation of the climate strategy has begun and will for the first years focus on reduction of energy consumption and scope 1 and 2 emissions. Efforts to map and reduce scope 3 emissions will be initiated from 2012.

The Climate Strategy was revised in 2010 and the revision will strengthen the focus on implementation of Danfoss' own energy management solutions and the roles and responsibilities for global roll-out of the strategy.

Danfoss' Chief Reputation Officer holds the overall responsibility for the strategy and the implementation.

There are no substantial business decisions to report.

### 2.3

#### Do you engage with policy makers to encourage further action on mitigation and/or adaptation?

Yes

### 2.3a

#### Please explain (i) the engagement process and (ii) actions you are advocating

In 2009, Danfoss registered with the lobby registers in both the EU and USA, continuing to build-up contacts to political decision-makers in the EU institutions and the American Congress, to promote energy and environmental policies.

Danfoss opened its lobby office in Brussels in August 2009 and has, among other things, contributed with information to be used for the phrasing of EU's Energy Performance Building Directive. One of Danfoss' proposals for the requirements was incorporated into the final Directive: increase the number of inspections of heating and air-conditioning systems, in order to remove the most energy-consuming products from the market, while minimising the administrative strain put on member countries and occupants of buildings.

Danfoss has also been pleased to witness that heat pumps and district heating have become central technologies in EU's ambition to obtain 20% renewable energy by 2020.

In the USA, the contact with other interest organisations and political institutions has contributed to obtaining consensus on the phasing out of HFC refrigerants. This has resulted in a draft bill and a US proposal to include the phasing out of HFC in the Montreal Protocol.

Moreover, a series of symposia arranged by Danfoss help foster discussions about energy and environmental politics by hosting forums where our customers, leaders in the business community and representatives of public-sector authorities can exchange ideas on politics, technologies and solutions that can pave the way for and shape an energy-efficient industrial sector.

## Page: 3. Targets and Initiatives

### 3.1

#### Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

### 3.1a

#### Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO <sub>2</sub> e)	Target year	Comment
1	Scope 2	100%	25%	2007	178000	2025	
2	Scope 3: Transportation and distribution of sold products	100%	25%	2007	73000	2025	
3	Scope 3: Business travel	100%	25%	2007	11000	2025	

### 3.1d

#### Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
1	17%	90%	
2	17%		No calculation of the emissions were made in 2010
3	17%	50%	This is based on estimates only

### 3.2

#### Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

**3.2a**

Please provide details (see guidance)

- i. Emissions are avoided through energy savings in customer applications; e.g. when using less energy for heating, cooling or process control than with conventional/older technology.
- ii. We have not a complete overview of all achieved or potential savings, but some examples can be provided:
- Use of frequency converters to control motors have in 2010 saved 33 million ton CO2 in customer applications;
  - 1 million ton CO2 is saved per year through the Danfoss Turbocor compressors that are installed in commercial buildings world-wide.
- iii. Estimations are based on our knowledge about the use of our products in customers' applications and based on the actual number of sold units per year. Calculations are made by application engineers and verified by an independent third party (Det Norske Veritas – DNV). Emissions factors and GWP stems from GHG Protocol or similar acknowledged sources.
- iv. We are not presently considering generating CERs or ERUs within the framework of CDM or JI (UNFCCC).

**3.3**

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

**3.3a**

Please provide details in the table below

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Energy efficiency: processes	We have several projects running where our own ESCO company Danfoss Solutions optimizes the processes and energy consumption.			1-3 years

**3.3b**

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal finance mechanisms	

**Page: 4. Communication****4.1**

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in other places than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section Reference	Identify the attachment
In annual reports (complete)	Corporate Citizenship section	Annual_Report_2010_EN.pdf
In voluntary communications (complete)	Communication on Progress to UN Global Compact	DanfossCommunicationonProgress2010.pdf

**Attachments**

[https://www.cdproject.net/Sites/2011/91/4291/CDP Supply Chain 2011/Shared Documents/Attachments/CDPSupplyChain2011/4.Communication/Annual\\_Report\\_2010\\_EN.pdf](https://www.cdproject.net/Sites/2011/91/4291/CDP%20Supply%20Chain%202011/Shared%20Documents/Attachments/CDPSupplyChain2011/4.Communication/Annual_Report_2010_EN.pdf)  
[https://www.cdproject.net/Sites/2011/91/4291/CDP Supply Chain 2011/Shared Documents/Attachments/CDPSupplyChain2011/4.Communication/DanfossCommunicationonProgress2010.pdf](https://www.cdproject.net/Sites/2011/91/4291/CDP%20Supply%20Chain%202011/Shared%20Documents/Attachments/CDPSupplyChain2011/4.Communication/DanfossCommunicationonProgress2010.pdf)

**Module: Risks and Opportunities [Investor]****Page: 5. Climate Change Risks****5.1**

Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation  
Risks driven by changes in physical climate parameters

### 5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Carbon taxes	High carbon taxes will have a negative impact on the operating costs of the company but will have a positive impact on the development of new energy saving products and the sale of existing energy saving products and solutions	Increased operational cost	6-10 years	Direct	Likely	Low
2	Fuel/energy taxes and regulations	Dramatically rising energy prizes will have a negative impact on the operating costs of the company but will have a positive impact on the development of new energy saving products and the sale of existing energy saving products and solutions	Increased operational cost	1-5 years	Direct	Very likely	Low
3	International agreements	Ban against known and currently used refrigerants	Other: Increased demand for other allowed refrigerants may increase prices and reduce availability	6-10 years	Direct	More likely than not	

### 5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

The below descriptions cover all the ID's listed.

(i) Increasing operating costs in the entire supply chain. This will lead to increasing material cost. Actual cost increase cannot be disclosed.

(ii) We monitor the development in legislation and proposed initiatives on a national, EU and global level through our own organization and through our lobbyists in Brussels and Washington. Significant changes that might have an adverse effect are assessed by Risk Management, Reputation or Business Unit specialists.

(iii) Cannot be determined/disclosed.

### 5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Change in precipitation extremes and droughts	Flooding and extreme droughts might affect a few of Danfoss' manufacturing locations increasing employees' difficulties getting to work or through	Reduction/disruption in production capacity	1-5 years	Direct	Likely	Low-medium

		increased difficulties recruiting staff in areas where weather extremes initiate migration.					
2	Induced changes in natural resources	Scarcity of certain materials like rare earths and minerals	Other: Supply problems or increased raw material prices if re-design of products does not allow for substitution of scarce materials.	6-10 years	Indirect (Supply chain)	More likely than not	Low-medium

**5.1d**

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

1

(i) No major financial implications are foreseen. Minor increase in operating costs can be expected if employees are hindered in getting to work. Actual cost increase cannot be determined.

(ii) We monitor the general development in the regions where we have facilities in order to react in time and set up preventive measures. No specific actions are required at this point in time.

(iii) Cannot be determined.

2

(i) Scarcity of vital metals or minerals can potentially lead to increased material costs. The increase seen on metals like copper is affecting the operating cost and raw material cost a present. Actual cost increase is not disclosed.

(ii) We monitor the development in material prices constantly and ensure during the negotiations with suppliers that the price increase is kept in control.

Danfoss monitors the development in the scarcity of rare earths and metal through our membership of various organization like DI (Danish Confederation of Industries), though DI's office in Brussels and through our own lobbyists work in Brussels and Washington.

(iii) Cannot be disclosed.

**5.1i**

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Our assessment so far of the climate situation does not indicate that we have other risks than the above listed. There might be other risks driven by changes in other climate-related developments but these have not yet been clarified.

The likelihood of Danfoss being exposed to other risks is considered to be very low and at this point in time "below the radar".

## Page: 6. Climate Change Opportunities

**6.1**

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

**6.1a**

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
1	Carbon taxes	Carbon taxes will lead to changed behaviour at our customers who will focus even	Increased demand for existing	6-10 years	Direct	Very likely	Medium-high

		more on reducing their energy consumption and carbon emissions.	products/services				
2	Fuel/energy taxes and regulations	Fuel/energy taxes will lead to changed behaviour at our customers who will focus even more on reducing their energy consumption and carbon emissions.	Increased demand for existing products/services	1-5 years	Direct	Virtually certain	Medium-high
3	Product efficiency regulations and standards	Being a provider of energy efficiency products and solutions, regulations will drive the demand for even more efficient and energy saving products	Increased demand for existing products/services	Current	Direct	Very likely	Medium-high
4	Voluntary agreements	As above	Increased demand for existing products/services	1-5 years	Direct	Likely	Medium-high
5	International agreements	As above	Increased demand for existing products/services	1-5 years	Direct	More likely than not	Medium-high

**6.1b**

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

The below descriptions are valid for all the above ID's.

(i) As Danfoss is a Climate & Energy company and a provider of energy saving products and solutions, we foresee a growing market for these products when the global focus on climate and energy savings increase. We supply components, equipment and products that control temperature and energy use in buildings, stores, industry and public property.

If regulation changes towards the more restrictive setting efficiency requirements for i.e air-conditioning and freezers, Danfoss has the potential for developing and selling components or products enabling customers to fulfill the new regulatory requirements. This will eventually lead to larger market shares and increased revenue.

(ii) We monitor the development in regulations and proposed initiatives on national, EU and global level through our own organization, membership of industry organizations and through our lobbyists in Brussels and Washington. Changes that might have an impact on the development of products or services will be directed to the appropriate business unit.

(iii) Cannot be determined/disclosed at present time.

**6.1c**

Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Change in mean (average) temperature	Higher average temperature will increase the need for cooling of buildings and of food in the entire supply	Increased demand for existing products/services	1-5 years	Direct	Very likely	Medium

		chain.					
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**6.1d**

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

- (i) The potential financial implications are expected to be larger market shares and increased revenue  
(ii) We monitor the development in the customers behavior and demand for products through our market intelligence functions and sales organization.  
A change in the physical climate will affect the customers demand for products and services and lead to the development of new products or increased sale of existing energy efficient solutions.  
Changes that might have an impact on the development of products or services will be directed to the appropriate business unit.  
(iii) Cannot be determined/disclosed at present time.

**6.1e**

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
	Changing consumer behaviour	Climate change could increase the consumers focus on energy saving products and more energy efficient solutions and thereby increase the demand for Danfoss' products and solutions and create new or expanding markets.	Increased demand for existing products/services	Current	Direct	Virtually certain	Medium-high

**6.1f**

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

- (i) The potential financial implications are expected to be larger market shares and increased revenue  
(ii) We monitor the development in the customers behavior and demand for products through our market intelligence functions and sales organization.  
Changes that might have an impact on the development of products or services will be directed to the appropriate business unit.  
(iii) Cannot be determined/disclosed at present time.

## Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

### Page: 7. Emissions Methodology

**7.1**

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Mon 01 Jan 2007 - Mon 31 Dec 2007	25396	95937

**7.2**

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

**7.2a**

If you have selected "Other", please provide details below

### 7.3

Please give the source for the global warming potentials you have used

Gas	Reference
Other: CHCl3	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: CFC-113	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: HCFC-22	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: HFC-134a	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: HFC-404A	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: HFC-407C	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: HFC-410A	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: HFC-152a	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: HFC-125	IPCC Fourth Assessment Report (AR4 - 100 year)

### 7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	56.78	Other: kg per GJ	ILCD (PE/Marcogaz)
Diesel/Gas oil	74	Other: kg per GJ	ILCD (PE/CONCAWE/EUROPIA)
Distillate fuel oil No 6	78	Other: kg per GJ	ILCD (PE/CONCAWE/EUROPIA)
Other: District heat	43.9	Other: kg per GJ	Energinet.dk

[Page: 8. Emissions Data - \(1 Jan 2010 - 31 Dec 2010\)](#)

### 8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

### 8.2a

Please provide your gross global Scope 1 emissions figure in metric tonnes CO<sub>2</sub>e

28698

### 8.3a

Please provide your gross global Scope 2 emissions figure in metric tonnes CO<sub>2</sub>e

108410

### 8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

No

### 8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

Scope	Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Metering/ Measurement Constraints Published Emissions Factors	
Scope 2	More than 2% but less than or equal to 5%	Metering/ Measurement Constraints Published Emissions Factors	

### 8.6

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Verification or assurance complete

#### 8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 90% but less than or equal to 100%

#### 8.6b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Moderate assurance (qualified)	AA1000 Assurance Standard	Danfoss Assurance Statement March 2011 GB_1.pdf
Moderate assurance (qualified)	ISAE 3000	Danfoss Assurance Statement March 2011 GB_1.pdf

#### 8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Verification or assurance complete

#### 8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 90% but less than or equal to 100%

#### 8.7b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Moderate assurance (qualified)	AA1000 Assurance Standard	Danfoss Assurance Statement March 2011 GB_1.pdf
Moderate assurance (qualified)	ISAE 3000	Danfoss Assurance Statement March 2011 GB_1.pdf

#### 8.8

Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e. carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

No

#### Attachments

[https://www.cdproject.net/Sites/2011/91/4291/CDP Supply Chain 2011/Shared Documents/Attachments/CDPSupplyChain2011/8.EmissionsData\(1Jan2010-31Dec2010\)/Danfoss Assurance Statement March 2011 GB\\_1.pdf](https://www.cdproject.net/Sites/2011/91/4291/CDP%20Supply%20Chain%202011/Shared%20Documents/Attachments/CDPSupplyChain2011/8.EmissionsData(1Jan2010-31Dec2010)/Danfoss%20Assurance%20Statement%20March%202011%20GB_1.pdf)

**Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)**

#### 9.1

Do you have Scope 1 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

#### 9.1a

Please complete the table below

Country	Scope 1 metric tonnes CO2e
China	2484
Germany	310
Denmark	14299
France	3037

Mexico	1717
Poland	1472
Russia	733
Slovakia	596
Slovenia	0
Sweden	25
Finland	0
United Kingdom	419
United States of America	3541

**9.2**

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

[Page: 10. Scope 2 Emissions Breakdown - \(1 Jan 2010 - 31 Dec 2010\)](#)

**10.1**

Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

**10.1a**

Please complete the table below

Country	Scope 2 metric tonnes CO2e
Bulgaria	101
China	33666
Denmark	24734
Finland	683
France	1603
Germany	2253
Mexico	9910
Poland	5340
Romania	152
Russia	1023
Slovakia	735
Slovenia	1154
United Kingdom	376
United States of America	26680

**10.2**

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

[Page: 11. Emissions Scope 2 Contractual](#)

**11.1**

Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?

Yes

**11.2**

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

[Page: 12. Energy](#)

**12.1**

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

**12.2**

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year

Energy type	MWh
Fuel	614320
Electricity	226410
Heat	87260
Steam	
Cooling	

**12.3**

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Other: Gas/Diesel oil	4256
Distillate fuel oil No 6	2382
Natural gas	603830
Other: Unspecified fuel	1728

**Page: 13. Emissions Performance**

**13.1**

How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

**13.1a**

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Divestment	25	Decrease	
Change in output	16	Increase	

**13.2**

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO<sub>2</sub>e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
22.93	metric tonnes CO <sub>2</sub> e	unit total revenue	57	Decrease	Revenue increased 31% but emissions only increased 16%

**13.3**

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO<sub>2</sub>e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
7.89	metric tonnes CO <sub>2</sub> e	FTE Employee	1.5	Decrease	

**13.4**

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
0.83	metric tonnes CO <sub>2</sub> e	Other: tonne raw material	33.9	Increase	The base energy consumption (fixed consumption) is more than half of the total consumption. The divested businesses counted for 25% of the emissions but 50% of

the raw material consumption.

## Page: 14. Emissions Trading

### 14.1

Do you participate in any emission trading schemes?

Yes

### 14.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
European Union ETS	Fri 01 Jan 2010 - Fri 31 Dec 2010	24865		20765	Facilities we own and operate

### 14.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

We comply with the ETS

### 14.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

## Page: 15. Scope 3 Emissions

### 15.1

Please provide data on sources of Scope 3 emissions that are relevant to your organization

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
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### 15.2

Please indicate the verification/assurance status that applies to your Scope 3 emissions

No emissions data provided

### 15.3

How do your absolute Scope 3 emissions for the reporting year compare to the previous year?

We don't have any emissions data

## Module: 2011-Supplier

### Page: Supplier Module - Introduction

#### SM0.0

Please take this opportunity, if you would like to do so, to provide a separate introduction to this module.

### Page: 2011-Supplier-Allocation

#### SM1.1

Please allocate your Scope 1 and Scope 2 emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

*Please note that this table (for SM1.1) is designed so that only the customer that you select in column 1 ("Please select requesting member") will be able to see the data relevant to them. If you enter an answer without selecting a requesting member, your answer will not be viewable at all.*

Please select requesting member	Quantity in metric tonnes CO2-e	Do these represent emissions from Scope 1 only, Scope 2 only or both?	Major emissions sources	Uncertainty (+/- %) (a)	Verified (b)	Please give details
Johnson Controls BE	3265	Scope 1 and 2	Energy consumption for building, heating/cooling and manufacturing processes	10	No	

**SM****1.2**

Please explain how you have identified the GHG sources listed above (column 4), including major limitations to this process and assumptions made.

The sources are all manufacturing facilities in the Danfoss Group (corporate level data) as we cannot establish a firm link between the products sold to JCI and the factories in which the products were produced.

**SM****1.3**

Describe your system for allocating emissions to your customers. Where published information has been used, please provide a reference(s).

We have used the second allocation method: to split emissions according to the market value of goods or services that they have provided, e.g.  $(\text{Customer spend} / \text{Total sales figure}) \times \text{emissions total} = \text{emissions allocated to customer}$

**SM****1.4**

What are the challenges in allocating emissions to different customers and what would help you to overcome these challenges? Please describe whether and how you plan to develop your capabilities to allocate your emissions in the future.

Most of the products manufactured within on product line are varying in size and weight and it is therefore very difficult and time consuming to allocate all emissions precisely. It will require a complete list of all products sold to a specific customer as well as detailed LCA studies internally at Danfoss. Allocations can at the moment only be done based on customer spend or total mass of purchased products and only using corporate figures. We are currently considering which methods to apply to make these figures more accurate.

[Page: 2011-Supplier-Collaboration](#)

**SM2.1**

Please use the table below to communicate any proposals you would like to make to specific Supply Chain / Public Procurement members for the collaborative development of GHG emission reducing projects or products.

*Please note that this table (for SM2.1) is designed so that only the customer that you select in column 1 ("Please select requesting member") will be able to see the data relevant to them. If you enter an answer without selecting a requesting member, your answer will not be viewable at all.*

Please select requesting member    Details of proposal

[Page: 2011-Supplier-Engagement](#)

**SM****3.1**

Do you have a strategy for engaging with your suppliers on their GHG emissions and the impacts of climate change on their business?

No

**SM****3.4**

If you currently have no strategy, please explain any plans you have to develop one in the future.

Danfoss has not yet formalized a strategy on engagement with with suppliers except from providers of transportation and logistics services:  
Danfoss aim to reduce the absolute CO2 emissions from transport of our raw material and products by at least 1% annually and we expect our supplier to assist us in achieving this target.

Providers of transportation services and logistic must act environmentally conscious and ensure that the impact on the environment including emissions of carbon dioxide and other gasses is held as low as possible.

The providers must strive to reduce transport emissions and improve fuel efficiency and must on request be able to present emission statements detailing:

- Accumulated weight of goods transported per month per source
- Accumulated transport distance per month per source
- Accumulated emissions per month per source
- Calculation methods and reference standards
- Targets for emission reduction and achieved results

Emission must be calculated for Danfoss goods only and expressed as CO<sub>2</sub>e (carbon dioxide equivalents).

Sources of emission can be air, truck, train, ship etc.

## SM

### 3.5

**If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data (for example: identifying major GHG sources to prioritise emissions reduction actions, identifying physical risks in the supply chain, stimulating innovation, etc).**

[Page: 2011-Supplier-Product-LCA](#)

#### SM4.1

**Please list measures (completed or planned) to reduce GHG emissions in the lifecycle of groups of products or individual products, including an estimate of the possible reductions for each initiative.**

We have received very few requests from customer to provide them with detailed LCA studies or carbon footprint figures on product level. Due to the diversity of our product portfolio, it is a present not possible to calculate precise figures per product.

Danfoss is currently determining which methods and tools shall be implemented to provide for these data. This process is expected to be finished by the end of 2011 whereafter management decisions will be taken on the future progress.

In the meantime, we are participating in a project governed by the Danish Council for Sustainable Business Development focusing on the establishment of method for carbon footprint and sustainability declarations. This project will define when a product or service is to be marketed as sustainable and determine the detailed criteria for assessment of whether a product or service is sustainable or not. This project is expected to be finished by the end of 2011 whereafter Danish Council for Sustainable Business Development will make the guidelines and results of the first products screenings available to the public.

The guidelines developed in the project are endorsed by the Danish Consumer Ombudsman.

#### SM4.2

**For how many goods/services do you wish to provide data?**

[Module: Sign Off \[SupplyChain\]](#)

[Page: Sign Off \[SupplyChain\]](#)

**Please enter the name of the individual that has signed off (approved) the response and their job title**

Flemming Lynge Nielsen, Corporate Environmental Manager

Carbon Disclosure Project