

# Danfoss Yesterday and Today

The Danfoss story is like a fairytale – from a modest start in rural surroundings to a world-wide company, Denmark’s largest industrial company.

## Founded 1933

Danfoss was founded in 1933, when Mr. Mads Clausen first began manufacturing valve parts in his farmhouse in Nordborg, situated on a small island on the southern coast of Denmark. The farmhouse is still standing and today contains a museum, which tells the story of Danfoss.

## The spirit of Mads Clausen

From early on, Mads Clausen’s personality and talent as an entrepreneur provided the driving force behind the growth of the company. He understood how to find the right people, and to infect them with his own enthusiasm.

At the same time, Mads Clausen understood that growth and employment stability could be reached only through exports to markets outside Denmark. Thus the company expanded, beginning with a wholly owned Danfoss sales company in Argentina, as well as a worldwide network of distributors. During the mid-1980’s, a globalisation strategy helped Danfoss expand even faster, leading to many acquisitions and strengthened presence in new markets.

## Danfoss today

Today, Danfoss employees share the early enthusiasm of Mads Clausen. They are proud of their company and what it stands for. The pioneer spirit that clearly manifested itself in the early days of Danfoss still exists within the organisation, even though the numbers can now be counted in thousands.

## Product development

Contributing to its success is Danfoss’ adherence to the twin goals of product technology development, and of environmental sensitivity.

Through systematically keeping alert and devoting time and resources to product development, Danfoss continued to improve the performance and quality of its products. Thus do today’s certifications (ISO 9000) and Total Quality Management (TQM) have a long-standing tradition behind them.

## Environmental policy

With regard to the environment, Danfoss has developed and abides by a Corporate Environmental Policy which requires that the company “... will prevent, limit and as far as possible eliminate any effects (it) might have on the environment so that sustainable development remains possible.”

The company also commits itself to accomplish environmental work that will lead to measurable improvements in the external environment, the working environment and safety.

Beginning in 1995, Danfoss began to annually present accounts and reviews of its environmental performance.

In the autumn of 2002, Danfoss joined the UN Global Compact initiative, a proposal for the international business community to participate in creating global sustainable development. Global Compact comprises nine principles within labour relations, human rights and the environment;

- support a precautionary approach to environmental challenges
- undertake initiatives to promote greater environmental responsibility
- encourage the development and diffusion of environmentally friendly technologies
- support and respect the protection of internationally proclaimed human rights within our sphere of influence
- make sure our own corporations are not complicit in human rights abuses
- uphold the freedom of association and the effective recognition of the right to collective bargaining
- eliminate all forms of forced and compulsory labour
- effectively abolish child labour
- eliminate discrimination in respect of employment and occupation.

In the company’s ongoing work with its core values, Danfoss believes that supporting Global Compact is a natural consequence of its attitude towards globalisation, and the Group promotes sustainable development.

