

Environment

Environmental Action Plan 2020

Action targets		Fiscal 2020 target values	Fiscal 2016 target values	Fiscal 2016 results	Self-assessment	
1 Provide Environmentally Conscious Products and Services Worldwide						
Contribute to reducing greenhouse gas emissions by spreading the use of following products		Contribution to Greenhouse Gas Emission Reductions*1	Contribution to Emission Reductions	Contribution to Emission Reductions	★★★	
<ul style="list-style-type: none"> ● Energy-efficient air conditioners and services including inverter products ● Air conditioners using refrigerants with low global warming potential ● Heat-pump-type heating systems and hot water heaters ● Energy-efficient solutions business 		60-million tons-CO ₂	39 million tons-CO ₂	45 million tons-CO ₂		
		Increase in Ratio of Environmentally Conscious Products*2		Sales of Environmentally Conscious Products as Percentage of Residential Air Conditioners 74%	★★★	
2 Minimize Environmental Impact in Production Activities						
Greenhouse Gas	Emission Reductions	70% reduction over fiscal 2005 (reduction to 1.58 million tons-CO ₂)	67% reduction		70% reduction (reduction to 1.57 million tons-CO ₂)	★★★
	Reduction of Energy-Induced CO ₂ Emissions	Unit reduction in energy-induced CO ₂ emissions of 5% against Standard value*3	Japan	1% reduction	3% reduction	★★★
			Overseas	1% reduction	8% reduction	★★★
Emissions	Unit Reduction in Emissions of 5% against Standard value*3		Japan	1% reduction	4% reduction	★★★
			Overseas	1% reduction	6% reduction	★★★
Water	Unit Reduction in Water Intake of 5% against Standard value*3		Japan	1% reduction	6% reduction	★★★
			Overseas	1% reduction	3% reduction	★★★
Chemicals	Unit Reduction in Chemical Emissions of 5% against Standard value*3		Japan	1% reduction	9% reduction	★★★
			Overseas	1% reduction	1% increase	★
Green procurement		Increase in Green Procurement Rate		74%	★★★	
3 Expand the Green Heart Circle of Love for the Earth						
Carry out and expand environmental activities in collaboration with stakeholders	Encourage employees to take part in environmental activities inside and outside work	Make all production bases Green Heart Factories*4		41 bases certified (8 in Japan, 33 overseas)	★★★	
	Promote environmental and social contribution activities	Carry out forest protection activities with NGOs Educate the younger generation about the environment		Protect 11 million hectares of forest Provide free learning materials to 2,000 students	★★★	

*1 Difference between emissions from all Daikin environmentally conscious products sold and emissions from non-inverter products, air conditioners using conventional refrigerants, and gas-combustion space heaters and hot water heaters.

*2 Products that satisfy either or both of the following conditions: consume at least 30% less electricity than conventional products, or use refrigerants with at least two-thirds less global warming potential than conventional refrigerants.

*3 Average for fiscal 2013-2015.

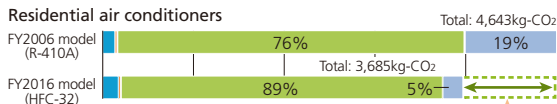
*4 A Daikin standard for assessing and certifying how well each production base is doing in achieving environmental criteria related to energy efficiency, waste reduction, and biodiversity protection.

Self-assessment: Shows level of achievement of targets in three designations: ★★★ : Succeeded ★★ : Will soon succeed ★ : Doing all we can

Comparison of CO₂ Emissions over Product Lifecycle*1

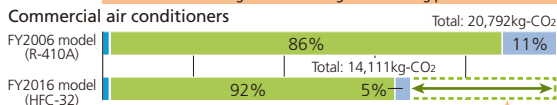
■ Materials/parts manufacturing ■ Product assembling process ■ Logistics ■ Use*2
■ Disposal/recycling process ■ Refrigerant impact*3 (during use + during disposal and recycling)

Residential air conditioners



21% reduction in CO₂ emissions due to greater energy efficiency and use of refrigerant with low global warming potential.

Commercial air conditioners



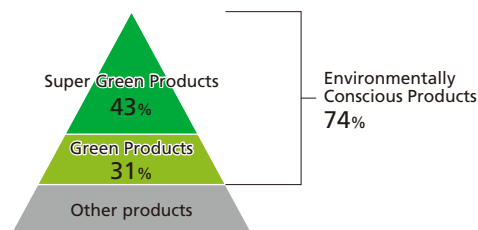
32% reduction in CO₂ emissions due to greater energy efficiency and use of refrigerant with low global warming potential.

*1 Based on Daikin standards for 2.8-kW class residential air conditioners and 14-kW class commercial air conditioners.

*2 The seasonal power consumption is calculated in accordance with the standard of the Japanese Industrial Standards (JIS) for residential air conditioners and the Japan Refrigeration and Air Conditioning Industries Association for commercial air conditioners.

*3 Refrigerant impact is calculated by obtaining the global warming potential per unit of weight, while factoring in the average leakage rate during the product use, disposal, and recycling stages.

Environmentally Conscious Products* as Percentage of Net Sales (residential air conditioners)

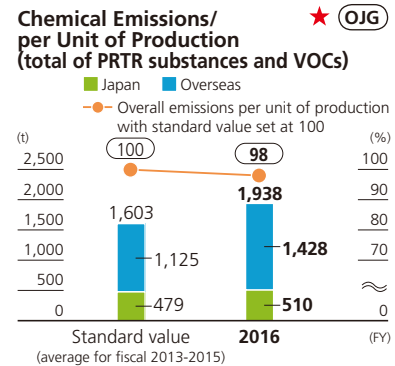
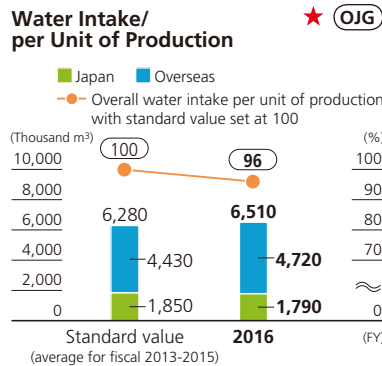
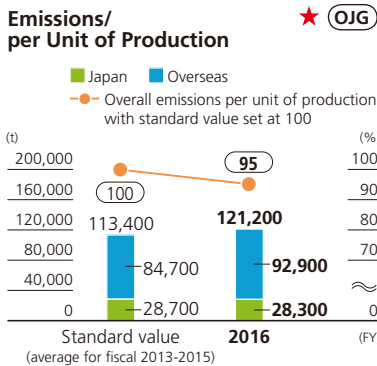
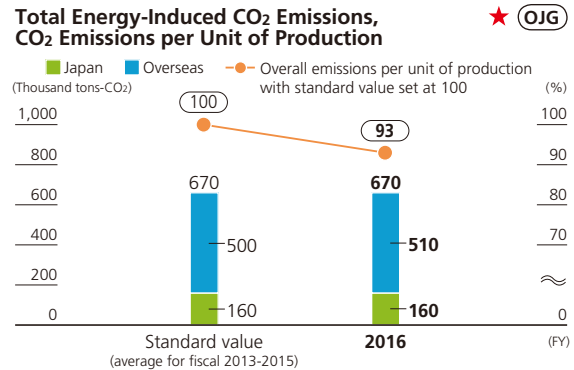
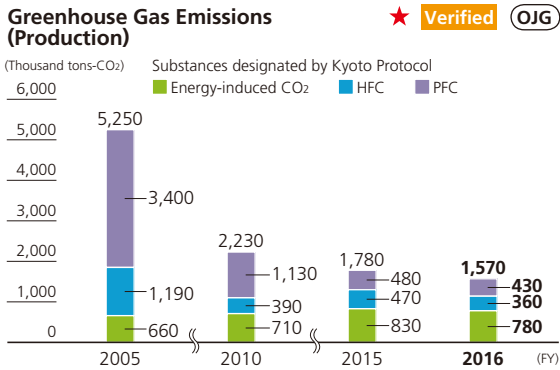


*Environmentally Conscious products: Name for Super Green Products and Green Products. Products that satisfy all of the conditions below are Super Green Products. Products that satisfy at least one of the conditions are Green Products.

● Consume at least 30% less electricity than conventional products
Example: Air conditioners equipped with inverters

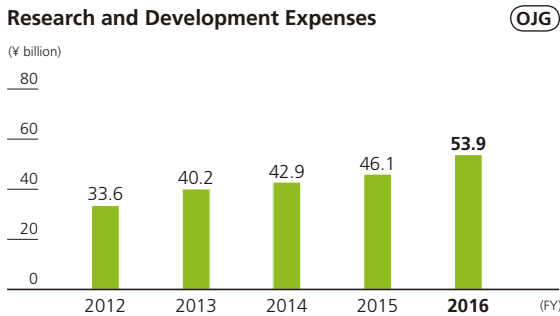
● Use refrigerants with at least two-thirds less global warming potential than conventional refrigerants
Example: Air conditioners using HFC-32, a refrigerant with lower global warming potential

Companies covered by data: (D) Daikin Industries, Ltd. (JG) Including Group in Japan (OG) Overseas Group companies only (OJG) Including Group companies in Japan and overseas

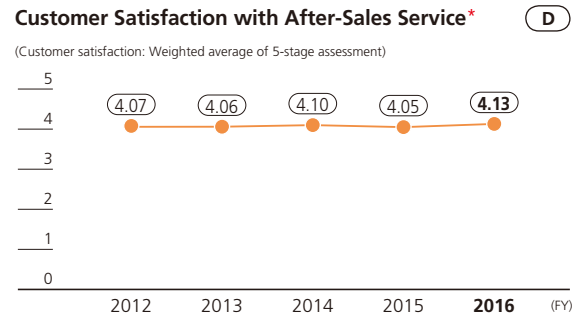


★ Because the scope of calculations and the calculation method were revised in formulating the 2020 Environmental Action Plan, the past fiscal year values were retroactively corrected. For details, please visit our sustainability website.

New Value Creation

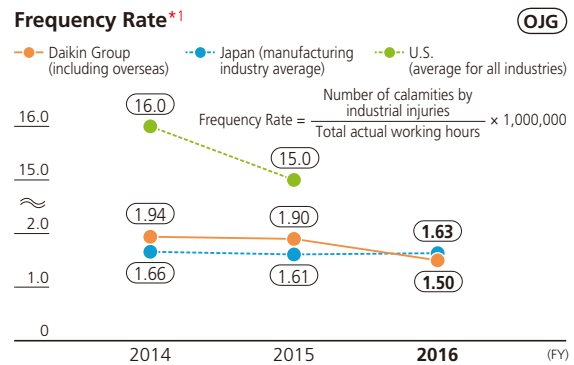
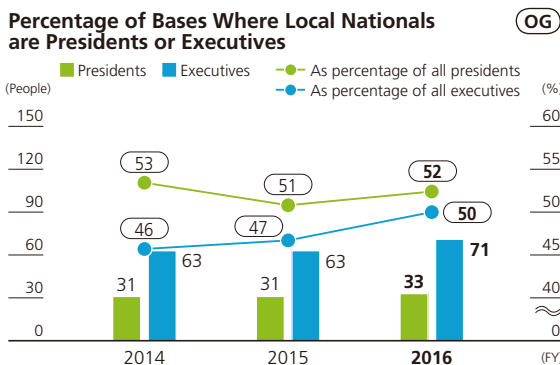


Customer Satisfaction



*Results from surveys sent to a random sampling of customers within two weeks after a Daikin product is fixed. A weighted average of a five-stage assessment.

Human Resources



*1 This shows the frequency of work-related calamities, expressed in number of calamities for every 1,000,000 working hours.
 *2 No data was released for the U.S. in fiscal 2016. (As of end of June 2016) Calculated based on information from U.S. Bureau of Labor Statistics (October 2016).