

September 15, 2023

Daikin Group Releases Its Sustainability Report 2023

Daikin Industries, Ltd. has released its English edition of Sustainability Report 2023. Because it summarizes ESG information, the report includes the basic approach of the Daikin Group for contributing to the realization of a sustainable society through its business along with its fiscal 2022 results and plans for the future.



In recent years, the movement toward carbon neutrality has been accelerating worldwide. Seeing these societal changes as an opportunity, Daikin set forth its Environmental Vision 2050, which aims to achieve net zero greenhouse gas emissions by 2050, and established “Challenge to Achieve Carbon Neutrality” as a growth strategy theme in the strategic management plan Fusion 25, which makes fiscal 2025 its target year.

In addition to existing measures, Daikin launched new measures in its latter-half three-year plan for Fusion 25 that included "Achieve net zero CO₂ emissions at air conditioning business bases by 2030" and "Promote conversion to heat pumps in the European heating market." In this way, it looks to focus even further on businesses that contribute to the realization of carbon neutrality while aiming to achieve both growth of the Daikin Group and contribution to a sustainable society.

Main Points of Sustainability Report 2023

Message from the President

Information Disclosure Based on the TCFD Framework

In 2019, the company endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), analyzed the risks and opportunities that climate change poses to its business, and reflected them in its management strategies and risk management. This fiscal year, the amount of carbon tax expected in 2030 was projected under both 4°C and 1.5°C scenarios, and the financial impacts of these are shown.

Features on Activities Providing Value to Society through Business

- **Environment “Contributing to a Carbon-Neutral Society by Promoting Heat Pump Heating”**
Compared to combustion heating, heat pump heating attracts attention for its capability to significantly reduce CO₂ emissions. Initiatives in Europe, where the market is rapidly expanding, are presented here along with plans for future business expansion.
- **Value with Air “Making Exercise a Good Habit Using the Power of Air”**
Using its unique oxygen concentration control technology, Daikin has developed a hypoxic system that can be installed in offices. Examples are presented for contribution to promoting human health by providing air environments that allow people to exercise effectively.

- **Human Resources “Accelerating Our Business Transformation through the Development of Human Resources in DX”**

The Daikin Information and Communications Technology College opened in 2017 to develop in-house DX human resources. Here actual examples are provided describing how graduates worked centered on digital technology in various departments to create new businesses and to improve operational efficiency.

Fiscal 2022 Sustainability Activity Results

The activities policies, organizational structures, activity targets, and results for fiscal 2022 are reported in detail for each of the ESG (environment, society, and governance) fields.

Data

Quantitative data along with various philosophies and policies are compiled.

Starting with the 2023 edition, this report will be published in PDF format on the Daikin website in order to improve the searchability of ESG information and can be accessed at the URL (<https://www.daikin.com/csr/report/>).