

# Data

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## ESG Data

## Environment

Companies covered by data: **D** Daikin Industries, Ltd. **JG** Including group in Japan **Verified** Data verified by a third party**OG** Overseas group companies only**OJG** Including group companies in Japan and overseas

030 Environment

165 Data Third-Party Verification

## Mitigating Environmental Impacts in the Value Chain

GHG emissions in the value chain (Scope1,2,3) **OJG**(Thousand tons-CO<sub>2</sub>)

Scope and Category		Assessment method	2019 (base year)	2021	2022	2023
Scope1	Use of fuel and fluorocarbon <b>Verified</b>	167 Data Third-Party Verification Method of Calculating Greenhouse Gas Emissions Data	687	600	547	524
Scope 2 (market-based) <sup>1</sup>	Use of electricity and steam <b>Verified</b>		636	557	484	407
Scope 2 (location-based) <sup>2</sup>	Use of electricity and steam <b>Verified</b>		750	618	541	536
Scope3	Category 1 Purchased goods and services <b>Verified</b>	Volume of purchased materials x emission coefficient	4,137	4,048	4,701	4,198
	Category 2 Capital goods	Capital investment amount x emission coefficient	379	449	718	894
	Category 3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	Purchased electricity, steam, and fuel x emission coefficient for each type	93	100	99	96
	Category 4 Upstream transport and delivery	Transport weight x transport distance x emission coefficient for each type	197	279	325	309
	Category 5 Waste generated in operations	Waste volume x emission coefficient for each type	28	33	35	26
	Category 6 Business travel	Travel expenses x emission coefficient	99	77	83	119
	Category 7 Employee commuting	Number of employees x emission coefficient	31	37	37	41
	Category 8 Leased assets (upstream)	–	N/A <sup>5</sup>	N/A <sup>5</sup>	N/A <sup>5</sup>	N/A <sup>5</sup>
	Category 9 Downstream transportation and delivery	Transport volume x emission coefficient	53	77	99	70
	Category 10 Processing of sold products	Weight of manufactured intermediate products x emission coefficient	32	41	33	43
	Category 11 CO <sub>2</sub> from use of Daikin's air conditioners in the market <b>Verified</b>	167 Data Third-Party Verification Method of Calculating Greenhouse Gas Emissions Data	258,340	255,150	257,500	250,170
	CO <sub>2</sub> from use of other Daikin products <sup>3</sup> in the market		17,210	24,930	25,660	25,550
	Category 12 <sup>4</sup> Fluorocarbon at time of disposal of Daikin's air conditioners <b>Verified</b>		46,340	46,670	46,090	45,810
	Fluorocarbon at time of disposal of other Daikin products <sup>3</sup>		970	1,910	1,410	1,290
	Category 13 Downstream leased assets	–	N/A	N/A	N/A	N/A
	Category 14 Franchises	–	N/A	N/A	N/A	N/A
	Category 15 Investments	Emissions of investment target companies x ownership percentage	110	406	158	24
Total			328,020	334,210	336,940	328,640
Comprehensive total			329,340	335,360	337,970	329,570

1. Market-based is the calculation of Scope 2 emissions reflecting contracts for purchased electricity. 2. Location-based is the calculation of Scope 2 emissions based on the average emission coefficient for electricity of a specific location.

3. Non-air conditioner data indicates air purifiers and refrigeration/oil hydraulics/defense systems, etc. 4. Calculated with fluorocarbon recovery rate as 0%. 5. Includes Scope 1 and Scope 2.



Contributions to Greenhouse Gas (GHG) Emission Reduction OJG(Thousand tons-CO<sub>2</sub>)

		2020	2021	2022	2023
Amount of contribution to emission reduction*	Contribution to greenhouse gas emission reduction through the spread of air conditioners and heat pumps, hot water supply systems and refrigeration systems with lower emissions	1,500	5,000	6,680	5,330
	Contribution to greenhouse gas emission reduction due to the use of R-32 refrigerant in air conditioners and refrigeration systems by other companies as a result of the Daikin group's offer of free access to the patents, technical support, etc.	9,200	11,260	11,220	24,270
Amount of refrigerant recovery and recycling from market	Refrigerant recovered from the market or reclaimed by the Daikin group and reclaimed refrigerant purchased by the Daikin group (in CO <sub>2</sub> equivalent)	4,600	4,670	4,450	4,050

\* Calculated with F-gas recovery rate as 0%.

Note: Reviewed by the third-party.

Reduction Rate of Net Greenhouse Gas (GHG) Emissions\* OJG

(%)

	2020	2021	2022	2023
Reduction rate of net greenhouse gas (GHG) emissions (compared to BAU with 2019 as base year)	7	10	14	17

\* Net GHG emissions equals GHG emissions during the product lifecycle minus contribution to GHG emissions reduction.

Greenhouse Gas Emissions Reduction Target (SBT\* 1.5-degree Target) and Results OJG

Daikin has obtained certification from the SBTi for the following greenhouse gas reduction targets.

	Target	2023
Emissions from the Group's business activities (Scope 1 and 2)	46.2% reduction by fiscal 2030 (compared to fiscal 2019)	29.5% reduction
Emissions from use and disposal of the Group's products (Scope 3 category 11 and 12)	55% reduction per operating profit (yen) by fiscal 2030 (compared to fiscal 2019)	32.3% reduction

\* Science Based Targets: International greenhouse gas emissions reduction targets in line with the Paris Agreement goals.



### Environmentally Conscious Products\* as Percentage of Units Sold (Residential Air Conditioners)

OJG

(%)

	2019	2020	2021	2022	2023
Environmentally Conscious Products	97	98	99	99	99
Super Green Products	60	69	71	76	76
Green Products	36	29	28	23	23
Other products	3	2	1	1	1

\* Environmentally conscious products: A generic term that refers to Super Green Products and Green Products.

Air conditioners that meet all of the following conditions are considered Super Green Products, and air conditioners that meet at least one of the following conditions are considered 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 R-32, a refrigerant with lower global warming potential.

### Materials Used

OJG

(Thousand tons)

		2019	2020	2021	2022	2023
Japan	Iron	68	63	76	80	63
	Copper	14	14	13	16	13
	Aluminium	13	14	15	17	17
	Other metals	2	2	3	4	4
	Plastics	17	20	22	23	18
	Chemical product materials	141	132	145	143	120
	Glass	0.4	0.4	0.5	0.4	0.5
Overseas	Iron	511	465	519	497	485
	Copper	80	73	71	91	81
	Aluminium	72	69	58	90	79
	Other metals	11	2	2	4	3
	Plastics	88	81	90	104	88
	Chemical product materials	150	127	150	150	164
Total	Iron	579	528	595	577	548
	Copper	94	86	84	107	94
	Aluminium	85	83	73	107	95
	Other metals	13	4	5	8	6
	Plastics	105	101	112	127	106
	Chemical product materials	292	259	295	293	283



### CO<sub>2</sub> Emissions Reduction achieved with Packaging Improvements (Air Conditioning) D

(tons-CO<sub>2</sub>)

	2021	2022	2023
CO <sub>2</sub> emissions reduction achieved with packaging improvements*	146	270	395

\* Reduced use of packaging materials and promotion of returnable packaging

### Recycling of Residential Air Conditioners JG

		2019	2020	2021	2022	2023
Residential air conditioners collected by Daikin (units: thousand)*		410	460	460	490	500
Weight of products recycled or reused (tons)		17,197	18,527	18,337	19,998	20,276
Amount recycled (tons)		15,672	16,862	16,700	18,234	18,596
Recycling ratio (%)		91	91	91	91	91
Breakdown (%)	Iron	33	31	32	31	29
	Copper	7	8	8	8	8
	Aluminium	2	2	2	2	2
	Mixture of non-ferrous and iron composite materials	41	41	40	41	41
	CFCs	1.6	1.6	1.7	1.7	1.7
	Other valuable materials	16	16	17	17	18
	Fluorocarbons recoverd (CO2-equivalent) (Thousand tons-CO2)	530	590	590	650	650

\* Number of units accepted

### Amount of Fluorocarbons Recovered JG

	2019	2020	2021	2022	2023
Electric appliances recycling	530	590	590	650	650
Fluorocarbon recovery and destruction	830	740	760	670	670

### Amount Destroyed in Fluorocarbon Recovery and Destruction at Time of Repair and at Time of Disposal JG

	2019	2020	2021	2022	2023
Recovered fluorocarbons at time of repair	367	318	333	305	317
Recovered fluorocarbons at time of disposal	63	57	68	34	24
Total	430	375	401	339	340

Note: Amount destroyed at contracted destruction facilities around Japan including our Yodogawa Plant and Kashima Plant.



## Reducing Environmental Impacts of Business Activities

### Indicators and Results at Manufacturing Bases

Main initiatives	Management items	Fiscal 2025	Fiscal 2023	
		Targets	Targets	Results
Greenhouse Gas	Reduce greenhouse gas emissions (fluorocarbons and energy)	1.10 million tons-CO <sub>2</sub> (17% reduction compared to fiscal 2019)	1.10 million tons-CO <sub>2</sub> (17% reduction compared to fiscal 2019)	0.93 million tons-CO <sub>2</sub> (30% reduction compared to fiscal 2019)
Emissions	Reduce waste generated	Unit reduction in emissions of 10% against standard value*	Unit reduction in emissions of 10% against standard value*	15% reduction
Water	Reduce water usage	Unit reduction in water intake of 10% against standard value*	Unit reduction in water intake of 10% against standard value*	18% reduction
Chemicals	Reduce PRTR substances and VOC emissions	Unit reduction in chemical emissions of 10% against standard value*	Unit reduction in chemical emissions of 10% against standard value*	49% reduction

\* Average for fiscal 2013–2015. Most recent figures are used for manufacturing bases that newly joined the Group.

### Greenhouse Gas Emissions (Development and Production) OJG Verified

(Thousand tons-CO<sub>2</sub>)

	2019	2020	2021	2022	2023
Energy-induced CO <sub>2</sub>	860	720	790	710	620
(Scope1)	220	220	230	230	210
(Scope2)	640	500	560	480	410
HFC (Scope1)	160	100	110	100	80
PFC (Scope1)	300	240	260	220	220
Non-energy-induced CO <sub>2</sub> (Scope1)	–	–	–	–	10
Total	1,320	1,060	1,160	1,030	930

Note: In accordance with the revision of the Act on Promotion of Global Warming Countermeasures in April 2023, we have added non-energy CO<sub>2</sub> emissions from limestone from fiscal 2023.

### Energy Consumption OJG

(GJ)

	2019	2020	2021	2022	2023
Electricity	9,116,573	8,538,470	10,335,299	10,294,418	10,209,713
Renewable energy generated	433,841	547,774	1,176,899	2,200,386	2,674,002
City gas	4,407,257	4,267,236	4,685,995	4,770,850	4,353,867
LPG	197,277	156,834	173,618	173,592	126,611
Steam	1,221,504	1,094,880	1,277,454	1,250,779	970,567
Petroleum	48,538	50,699	48,898	71,322	32,850
Total	14,991,148	14,108,119	16,521,264	16,560,960	15,693,608



Water Intake / per Unit of Production **OJG**

		2019	2020	2021	2022	2023
Water intake (thousand m <sup>3</sup> )	Japan	1,760	1,670	1,820	1,910	1,820
	Overseas	4,770	4,360	4,510	4,810	4,830
	Total	6,530	6,030	6,330	6,720	6,650
Unit with standard value set at 100 (%)	Japan	88	92	85	89	88
	Overseas	83	84	72	69	79
	Total	84	86	76	74	82

Note: These values are different from values for third-party verification.

Water Intake and Discharge Amounts **OJG** **Verified**

		2019	2020	2021	2022	2023
Water Intake		11,580	9,560	9,850	9,710	10,340
Water discharge		9,670	8,320	9,110	8,700	9,540
	Sewerage	3,930	3,880	5,010	4,780	4,790
	Released into ocean/river	5,740	4,440	4,100	3,920	4,740

Chemical Oxygen Demand (COD) emissions **OJG**

		2019	2020	2021	2022	2023
Emissions		1,592	1,764	2,382	2,404	855

Note: Daikin changed its measurement method in fiscal 2020. This new measurement method has been used to retroactively revise the figures for fiscal 2019.

## Water Intake and Discharge Amounts in Water-Stressed Regions (India and China)

## Daikin Airconditioning India Pvt. Ltd.

(Thousand m<sup>3</sup>)

	2019	2020	2021	2022	2023
Water intake	58	50	57	53	54
Water discharge	43	37	48	42	43

## Daikin Device (Xi'an) Co., Ltd.

(Thousand m<sup>3</sup>)

	2019	2020	2021	2022	2023
Water intake	25	26	22	23	22
Water discharge	20	21	17	19	18

Chemical Emissions (total of PRTR Substances and VOCs) /  
per Unit of Production **OJG**

		2019	2020	2021	2022	2023
Emissions (tons)	Japan	521	454	510	563	496
	Overseas	2,153	2,002	1,552	1,426	1,326
	Total	2,674	2,456	2,062	1,989	1,822
Unit with standard value set at 100 (%)	Japan	90	79	81	81	78
	Overseas	85	76	56	43	45
	Total	86	77	61	49	51

Note: These values are different from values for third-party verification.



## Compilation of PRTR Substances

(PRTR Substances of which at Least 1 ton was Handled) JG

(tons)

Substance name	2023				
	Amount emitted			Amount transported	
	Air	Public waterways	Soil	Waste	Sewage
allyl alcohol	0.00	0.00	0.00	0.00	0.00
alpha-Alkyl-omega-hydroxypoly (oxyethylene) (limited to those the alkyl group is C=9-11 and mixture thereof, and the number average molecular weight is less than 1,000)	0.00	0.00	0.00	3.40	0.05
antimony and its compounds	0.00	0.00	0.00	26.00	0.00
ethylbenzene	0.48	0.00	0.00	0.06	0.00
ethylene glycol monobutyl ether (synonym: Butyl cellosolve)	0.00	0.00	0.00	0.00	0.00
xylene	0.61	0.00	0.00	0.07	0.00
chromium and chromium (III) compounds	0.00	0.00	0.00	0.00	0.00
1-chloro-1,1-difluoroethane	10.00	0.00	0.00	0.00	0.00
chlorodifluoromethane	44.69	0.00	0.00	0.00	0.00
2-chloro-1,1,1,2-tetrafluoroethane	1.00	0.00	0.00	0.00	0.00
chloroform	0.84	0.00	0.00	9.53	0.00
tetrachloromethane	0.00	0.00	0.00	0.00	0.00
dichloromethane	19.77	0.00	0.00	4.00	0.00
N,N-dimethylacetamide	0.18	0.06	0.00	0.24	0.00
styrene	0.00	0.00	0.00	0.00	0.00
tetrachloroethylene	34.85	0.00	0.00	0.00	0.00
copper salts (water-soluble, except complex salts)	0.00	0.00	0.00	0.00	0.00
trimethylbenzene	0.04	0.00	0.00	0.00	0.00
toluene	3.24	0.02	0.00	0.59	0.00
nickel	0.00	0.00	0.00	0.00	0.00
nickel compounds	0.00	0.00	0.00	0.01	0.00
paraformaldehyde	0.00	0.00	0.00	0.00	0.00
phenol	0.73	0.00	0.00	0.74	0.00

(tons)

Substance name	2023				
	Amount emitted			Amount transported	
	Air	Public waterways	Soil	Waste	Sewage
hydrogen fluoride and its water-soluble salts	0.25	0.00	0.00	120.01	0.00
n-hexane	0.20	0.00	0.00	0.45	0.00
water-soluble salts of peroxodisulfuric acid	0.00	0.00	0.00	0.00	0.00
boron compounds	0.00	0.48	0.00	0.64	0.00
poly (oxyethylene) alkyl ether (alkyl C=12-15)	0.03	0.01	0.00	30.00	0.16
poly (oxyethylene) octylphenyl ether	0.01	0.01	0.00	0.00	0.00
poly (oxyethylene) nonylphenyl ether	0.00	0.00	0.00	0.00	0.00
formaldehyde	0.40	0.65	0.00	0.28	0.00
manganese and its compounds	0.00	0.00	0.00	0.00	0.00
methyl isobutyl ketone	0.15	0.00	0.00	0.70	0.00
methylnaphthalene	0.00	0.00	0.00	0.00	0.00
N-methyl-2-pyrrolidone	0.00	0.00	0.00	4.10	0.00
methylenbis (4,1-phenylene) diisocyanate	0.00	0.00	0.00	0.07	0.00
molybdenum and its compounds	0.00	0.00	0.00	0.00	0.00
tritoyl phosphate	0.00	0.00	0.00	0.00	0.00

## Air Pollutant Emissions OJG

(tons)

	2019	2020	2021	2022	2023
NO <sub>x</sub>	205	119	111	86	75
SO <sub>x</sub>	8	5	7	6	5
Dust	70	45	57	61	47



Amount of Waste and Recycled Materials **OJG** **Verified**

(tons)

		2019	2020	2021	2022	2023
Japan	Amount of waste	3,274	3,650	4,126	4,060	2,465
	Amount of recycle	27,523	25,191	27,329	26,320	22,593
	Out of the above amount, hazardous waste	20,994	19,455	22,058	22,996	16,814
Overseas	Amount of waste	33,924	28,654	37,178	42,737	14,334
	Amount of recycle	118,383	111,896	142,059	152,359	140,582
	Out of the above amount, hazardous waste	44,062	43,221	57,239	69,076	28,216
Total	Amount of waste	37,198	32,304	41,304	46,797	16,799
	Amount of recycle	145,906	137,088	169,388	178,679	163,175
	Out of the above amount, hazardous waste	65,056	62,676	79,297	92,072	45,030

Emissions / per Unit of Production **OJG**

		2019	2020	2021	2022	2023
Emissions (tons)	Japan	28,404	26,752	30,917	28,482	23,692
	Overseas	158,400	160,077	180,283	190,898	169,757
	Total	186,804	186,829	211,200	219,380	193,449
Unit with standard value set at 100 (%)	Japan	84	84	70	76	78
	Overseas	88	89	90	89	86
	Total	87	88	87	87	85

Note: These values are different from values for third-party verification.

## Environmental Management

Serious Violation so Environmental Laws **OJG**

(Violations)

	2021	2022	2023
Serious violations of environmental laws	0	0	0

Report from Audits **JG**

(cases)

		2019	2020	2021	2022	2023
Problems found from internal environmental audits	Major nonconformity	2	1	0	0	1
	Minor nonconformity	22	9	8	3	5
	Improvement	126	77	97	91	76
Problems found by third-party certification institutes	Major nonconformity	0	0	0	0	0
	Minor nonconformity	0	0	1	0	0
	Improvement	7	5	3	4	3

Ratio of Employees Belonging to Facilities That Obtained ISO 14001 Certification **OJG**

(%)

	2019	2020	2021	2022	2023
Japan	100	100	100	100	100
Overseas	94	93	91	90	91

## Daikin Bases Certified for ISO 14001

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/environment/2024/certified-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/environment/2024/certified-pdf.pdf)



## Environmental Accounting<sup>1</sup>

### Cost of Environmental Conservation<sup>2</sup>

(million yen)

Category	Major activities	2022		2023	
		Amount of equipment invested	Expenses	Amount of equipment invested	Expenses
Cost in business area		4,639	9,590	10,998	15,175
1. Environmental impact reduction	Introduction, maintenance, and management of pollution prevention facilities/equipment, expenses for measurement/analysis of air pollution control, water pollution control, vibration, and noise.	1,899	2,392	4,545	6,952
2. Global environmental conservation	Introduction of energy efficient facilities/equipment, reduction of fluorocarbon emissions in the production process, and recovery of fluorocarbons.	2,515	2,670	6,064	2,698
3. Resource circulation	Reduction or recycling of waste, subcontracting of waste disposal, and resource conservation activities.	225	4,528	390	5,525
Upstream/downstream	Recycling of used products, and recovery, recycling, and destruction of fluorocarbons in used products or products still in service.	27	241	49	262
Management activities	Running of company organization for environmental matters, environmental education, environmental information disclosure, and establishment/maintenance of environmental management systems.	100	1,579	74	1,820
Research and development	Work on three major tasks for air conditioners, and development of fluorochemical products with minimized environmental impact.	3,911	17,498	4,647	25,546
Social activities	Provision of personnel and monetary aid to environment-related organizations, and environmental protection activities in local communities.	0.07	201	5	140
Environmental damage	Costs for purification of polluted groundwater and soil.	13	265	14	266
Total		8,691	29,373	15,788	43,208
Total of investment in facilities within the period			250,300		311,500
Total of investment in R&D activities within the period			102,200		122,500



## Effects of Environmental Conservation

Effects			Figures	
			2022	2023
Effects corresponding to business area cost	1. Effects of the resources used for business activities	Reduction in CO <sub>2</sub> emissions caused by energy consumption	242,900 tons-CO <sub>2</sub>	45,364 tons-CO <sub>2</sub>
		Reduction in water consumption	2,224,718 m <sup>3</sup>	-1,191,337 m <sup>3</sup>
	2. Effects against environmental impacts and waste resulting from business activities	Reduction in fluorocarbon emissions	29 tons	-0.3 tons
		Reduction in waste materials	3,123 tons	26,880 tons
Effects corresponding to upstream/downstream cost	Effects associated with benefits and services that are calculated and based on business activities	Number of residential air conditioners collected	490,000 units	500,000 units
		Amount of fluorocarbons recovered	336 tons	341 tons
		Amount of packaging material recycled	145 tons	159 tons

Economic Benefits of Environmental Conservation Efforts (monetary benefits)<sup>3</sup>

(million yen)

Effects		2022	2023
Profit	Profit from sale of recycled items, such as waste or used products, etc.	8,535	7,881
Reduction in expenses	Reduction in energy expenses resulting from energy conservation efforts	-805	349
	Reduction in waste disposal expenses resulting from resource conservation or recycling resources	286	112

1 The costs and effects of Daikin's environmental efforts were calculated based on the Environmental Accounting Guidelines 2005 released by Japan's Ministry of the Environment.

2 Expenses include labor costs but not depreciation expenses for investment in facilities. The expenses not fully allocated to environmental protection were proportionally divided and totaled according to a relevant Daikin standard.

3 The environmental conservation effects and economic benefits were calculated by comparing the adjusted output to the previous fiscal year.



## ESG Data

## Society

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

 067 Social

## Co-creation

Research and Development Expenses **OJG**

(billion yen)

	2019	2020	2021	2022	2023
Research and development expenses	68.0	71.7	81.5	102.2	122.5

## Customer Satisfaction

## Improvement in Customer Satisfaction\*

	(Base year)	2019	2020	2021	2022	2023
Japan	(FY2015)	1.14	1.14	1.14	1.15	1.15
China	(FY2018)	1.04	1.04	1.00	1.01	1.00
India	(FY2016)	1.13	1.15	1.19	1.22	1.24
Indonesia	(FY2017)	1.03	1.10	1.11	1.07	1.15
Singapore	(FY2015)	1.00	1.01	1.00	1.00	1.02
Vietnam	(FY2015)	1.14	1.22	1.21	1.22	1.22
Australia	(FY2015)	1.00	1.00	1.02	1.02	1.03
Spain	(FY2016)	1.12	1.13	1.14	1.11	1.11
Italy	(FY2019)	1.00	1.07	1.07	1.08	1.06
France	(FY2019)	1.00	0.98	1.02	1.00	0.97
UAE	(FY2015)	1.04	1.05	1.05	1.05	1.07
Brazil	(FY2020)	–	1.00	1.03	1.06	1.02

\* Satisfaction of after-sales services, regarding the base year as 1.00.



Customer Satisfaction with After-sales Service\* **D**

	2019	2020	2021	2022	2023
Overall satisfaction	4.63	4.60	4.60	4.66	4.67

\* Results of responses online as well as on postcard-sized surveys that are sent to a random sampling of customers one or two weeks after they receive servicing. Average of a scale of 5.

Number of Inquiries to the Contact Center **JG**

(thousands)

	2019	2020	2021	2022	2023
Repair inquiries	919	800	604	579	586
Technical advice	758	789	595	565	589
Parts inquiries	311	254	207	194	176
Others	29	14	13	9	12
Total	2,017	1,858	1,419	1,347	1,363

Number of Inquiries to the Contact Center **China**

(thousands)

	2019	2020	2021	2022	2023
Repair inquiries	689	788	843	913	970
Technical advice	32	31	36	30	21
Parts inquiries	106	104	97	100	104
Total	828	923	976	1,043	1,096



## Human Resources

### Employees

#### Employee Composition\* D

	2019		2020		2021		2022		2023	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Number of employees	7,352	1,440	7,458	1,527	7,339	1,579	7,276	1,601	7,236	1,658
Average range of services (years)	16.9	11.0	16.8	10.9	16.7	10.9	16.5	10.6	17.2	12.1
Average age	42.4	35.2	42.4	35.2	41.8	35.4	42.0	35.7	41.9	35.9
Number of managers	1,100	63	1,110	71	1,122	68	1,149	95	1,174	108
Number of directors, Audit & Supervisory Board members and senior executive officers	34	1	37	1	40	2	40	2	41	3
Number of foreign nationals	62	31	64	33	62	34	61	33	58	37

\* Includes employees on loan.

Note: Figures as of fiscal year-end.

#### Employee Make-up by Region\* OJG

	2019		2020		2021		2022		2023	
	Number of companies	Number of employees	Number of companies	Number of employees	Number of companies	Number of employees	Number of companies	Number of employees	Number of companies	Number of employees
Daikin Industries, Ltd. (Only)	1	7,499	1	7,732	1	7,652	1	7,618	1	7,654
Domestic Group (Excluding Daikin Industries, Ltd.)	29	5,380	30	5,586	30	5,717	30	5,817	31	5,914
U.S.	58	17,497	61	19,812	67	20,275	75	22,966	72	22,412
China	36	18,996	33	19,360	32	19,567	33	20,599	32	19,645
Europe	78	9,407	75	9,947	77	11,147	86	12,215	90	13,293
Asia, Oceania	51	16,456	54	17,367	55	18,542	61	20,083	62	21,187
Others (Latin America, Middle East, Africa, etc.)	61	5,134	62	5,066	61	5,798	62	7,039	62	8,057
Total	314	80,369	316	84,870	323	88,698	348	96,337	350	98,162

\* Figures as of fiscal year-end.



## Number of Employees by Gender and Employment Rate of Women OJG

	2019	2020	2021	2022	2023
Men	58,229	61,046	63,753	69,733	73,925
Women	22,140	23,824	24,945	26,604	24,237
Total	80,369	84,870	88,698	96,337	98,162
Women as % of all employees	27.5	28.1	28.1	27.6	24.7

## Number of Employees Leaving, Employee Turnover D

	2019	2020	2021	2022	2023
Men	272	369	332	376	389
Women	69	57	61	69	73
Total	341	426	393	445	462
Employee turnover (%)	3.9	3.7	4.4	5.0	5.2

## Development of Human Resources

## Human Resources Development of Manufacturing OJG

		2019	2020	2021	2022	2023
Japan	The ratio of excellent or advanced skilled engineers <sup>1</sup> in manufacturing (%)	31.6	30.3	30.5	31.7	34.8
	Ratio <sup>2</sup>	1 in 3.2 employees	1 in 3.3 employees	1 in 3.3 employees	1 in 3.2 employees	1 in 2.9 employees
Overseas	The ratio of excellent or advanced skilled engineers <sup>1</sup> in manufacturing (%)	–	–	6.2	9.1	12.3
	Ratio <sup>2</sup>	–	–	1 in 16.1 employees	1 in 11.0 employees	1 in 8.1 employees
Total	The ratio of excellent or advanced skilled engineers <sup>1</sup> in manufacturing (%)	–	–	14.8	12.5	15.8
	Ratio <sup>2</sup>	–	–	1 in 6.8 employees	1 in 8.0 employees	1 in 6.3 employees

<sup>1</sup> High-skilled engineers with knowledge and leadership.<sup>2</sup> One out of every employee is Excellent or Advanced Skilled Engineer.

## Number of New Employees Hired; Women as Percentage of All New Employees Hired\* D

	2019	2020	2021	2022	2023
Men	308	303	284	204	201
Women	123	118	112	87	98
Total	431	421	396	291	299
Women as % of all new employees	28.5	28.0	28.3	29.9	32.8

\* Number of people joining the company on April 1.



## Workplace Diversity

### Number and Percentage of Women in Management Positions D

	2019	2020	2021	2022	2023
Number of female managers	63	71	68	95	108
Females as % of all managers	5.4	6.0	5.7	7.6	8.4

### Number of Overseas Bases Where Local Nationals are Presidents and Executives OG

	2019	2020	2021	2022	2023
Number of bases where local nationals are presidents and executives	48	43	44	45	47
Number of presidents who are local nationals	32	30	32	34	36
Number of executives who are local nationals	68	68	63	65	73

### Percentage of Overseas Bases Where Local Nationals are President and Executives OG (%)

	2019	2020	2021	2022	2023
Percentage of overseas bases where local nationals are president	47.1	42.9	45.0	44.0	46.0
Percentage of overseas bases where local nationals are executives	48.6	48.2	44.0	45.0	50.0

### Number of People with Disabilities Employed and Employment Rate JG

	2019	2020	2021	2022	2023
Number of people with disabilities employed <sup>1</sup>	369	390	362	365	371
Employment rate of people with disabilities <sup>2</sup> (%)	2.44	2.55	2.60	2.69	2.81

1. Legally, one severely disabled person employed is counted as two people with disabilities.

2. Disability employment rate = number of people with disabilities employed / number of full-time employees.

Note: Figures as of end of fiscal year.

### Gender Pay Gap D

	2022	2023
All workers	77.2	79.5
Full-time employees	80.3	81.6
Part-time and contract employees	65.4	63.1

Note: Figures calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).

Average annual wage of female workers ÷ Average annual wage of male workers x 100



## Work-Life Balance

### Number of Employees Taking Childcare Leave\* D

(people)

		2019	2020	2021	2022	2023
Number taking childcare leave	Men	337	327	233	214	221
	Women	145	173	93	78	82
	Total	482	500	326	292	303

\* Number of employees taking childcare leave each fiscal year.

Note: Revisions to the Act on Childcare Leave, Caregiver Leave in April 2023 require that companies disclose the rate of employees taking childcare leave calculated according to a specified formula. As a result, figures for fiscal 2021 were changed to this formula and revised retroactively.

### Number Taking Family Care Leave D

(people)

		2019	2020	2021	2022	2023
Number taking family care leave	Men	4	3	3	2	5
	Women	1	1	2	2	3
	Total	5	4	5	4	8

## Occupational Safety and Health

### Frequency Rate of Lost Work Time Accidents<sup>1</sup> OJG

	2019	2020	2021	2022	2023
Daikin Group (including overseas)	1.26	1.01	1.19	1.35	1.24
Japan (manufacturing industry average)	1.80	1.95	2.09	2.06	2.14
U.S. (average for all industries) <sup>2</sup>	14.0	13.5	13.5	13.5	–

1. This shows the frequency of occupational accidents resulting in lost work time, expressed in number of casualties for every 1,000,000 working hours.

Frequency rate = Number of injuries or fatalities from occupational accidents resulting in lost work time / Total actual working hours × 1,000,000

2. Calculated based on information from U.S. Bureau of Labor Statistics (November 2023).

No data was released for the U.S. in fiscal 2023 (as of the end of June 2024).

### Severity Rate\* OJG

	2019	2020	2021	2022	2023
Daikin Group (including overseas)	0.04	0.03	0.03	0.04	0.04
Japan (manufacturing industry average)	0.09	0.09	0.09	0.09	0.09

\* This shows the severity of the calamity, expressed in man-days lost per 1,000 hours worked.

Severity rate = Total number of working days lost / Total actual working hours × 1,000

### Number of Sites that Obtained Occupational Safety and Health Management System Certification OJG

(base)

2023	
Japan	3
China	18
Asia and Oceania	15
Europe	25
Americas	1
Total	62

Note: The number of bases with ISO 45001 certification, with approximately 50% of all production bases having obtained the certification. Bases with other certifications are excluded.



## Percentage of Employees Taking All Paid Leave

D

(%)

	2019	2020	2021	2022	2023
Percentage of Daikin Industries, Ltd. Employees	95.7	91.5	95.8	97.7	97.7
Percentage of Japanese workers in the manufacturing industry (according to Ministry of Health, Labour and Welfare)	52.4	56.3	61.6	62.6	65.8

## Average Hours of Overtime per Employee

D

(hours)

	2019	2020	2021	2022	2023
Hours	207.80	193.00	211.80	220.80	211.40

## Periodic Health Checkup Results

D

(%)

	2019	2020	2021	2022	2023
Percentage of employees taking checkup	94	99	99	99	99
Percentage of employees requiring treatment	69	59	63	76	49

## Labor-Management Relations

## Ratio of Union Member

D

(%)

	2019	2020	2021	2022	2023
Percentage of employees in union	87	87	87	86	84

## Supply Chain Management

## Class A CSR Procurement Achievement Rate\*

OJG

(%)

	2019	2020	2021	2022	2023
Japan	60	65	66	66	79
Overseas	64	65	73	77	82
Entire Group	63	65	72	75	81

\* Procurement value from suppliers that satisfy Daikin's Class A standards of total procurement value.

## Green Procurement Rate\*

OJG

(%)

	2019	2020	2021	2022	2023
Japan	93	95	95	91	93
Overseas	77	77	78	76	75
Entire Group	80	80	80	79	79

\* Green procurement rate = Value of goods procured from suppliers who meet our assessment criteria / Value of all goods procured

## Communities

## Expenditure for Social Contribution Activities

OJG

(million yen)

	2019	2020	2021	2022	2023
Total	1,477	1,292	1,388	1,794	1,828



## ESG Data

## Governance

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

## 128 Governance

## Number of Executives and Breakdown\*

D

(people)

			2022	2023	2024
Executives	Internal	Men	7 (non-Japanese 1)	6 (non-Japanese 1)	5 (non-Japanese 1)
		Women	0	0	1
	External	Men	3	3	3
		Women	1	1	1
	Total		11	10	10

\* Current as of July 1, 2024.

## Number of Auditors and Breakdown\*

D

(people)

			2022	2023	2024
Auditors	Internal	Men	2	2	2
		Women	0	0	0
	External	Men	2	2	1
		Women	0	1	2
	Total		4	5	5

\* Current as of July 1, 2024.

## Number of Board of Directors' Meetings and Average Attendance

D

	2021	2022	2023
Number of meetings	15	16	16
Average attendance of Board of Directors' meetings (%)	97	98	96

## Average Appointment Term for Directors\*

D

(years)

2024	
Average appointment term	5.5

\* Current as of July 1, 2024.

## Make-up of Human Resources Advisory Committee and Compensation Advisory Committee\*

D

(people)

			2022	2023	2024
Human Resources Advisory Committee and Compensation Advisory Committee	Internal directors	Men	1	1	1
		Women	0	0	0
	External directors	Men	3	3	3
		Women	1	1	1
	Executive officers	Men	1	1	0
		Women	0	0	0

\* Current as of July 1, 2024.



## The Vesting for Variable CEO Compensation

D

Period during which CEO's change in compensation is based on	Within 3 to 12 years from the allotment date
--	--

## Executive Compensation\*

D

		2019	2020	2021	2022	2023
Directors	Number	12	12	14	12	11
	Amount of compensation (million yen)	1,186	1,281	1,364	1,435	1,441
Audit & Supervisory Board Member	Number	5	4	4	4	5
	Amount of compensation (million yen)	99	99	99	102	122
Total	Number	17	16	18	16	16
	Amount of compensation (million yen)	1,285	1,380	1,463	1,537	1,563

\* About compensation amounts

For fiscal 2019, the compensation amount for the term of office of one auditor and two directors who retired is included.

For fiscal 2020, the compensation amount for the term of office of one director who retired is included.

For fiscal 2021, the compensation amount for the term of office of three directors who retired are included.

For fiscal 2022, the compensation amount for the term of office of one director who retired is included.

For fiscal 2023, the compensation amount for the term of office of one director who retired is included.

## Corporate Officers with Compensation Over 100 Million Yen (Fiscal 2023)

D

Name	Total consolidated compensation (million yen)	Category	Company	Total consolidated compensation by type (million yen)		
				Fixed compensation	Stock options	Performance-linked compensation
Noriyuki Inoue	448	Director	Daikin Industries, Ltd.	195	73	218
Masanori Togawa	352	Director	Daikin Industries, Ltd.	132	73	145
Ken Tayano	212	Director	Daikin Industries, Ltd.	95	44	57
		President	Daikin (CHINA) Investment Co., Ltd. (Consolidated subsidiary)	15	–	–
Kanwal Jeet Jawa	189	Director	Daikin Industries, Ltd.	16	34	–
		Director	Daikin Airconditioning India Pvt. Ltd. (Consolidated subsidiary)	84	–	54
Masatsugu Minaka	179	Director	Daikin Industries, Ltd.	–	39	44
		Director	Daikin Europe N.V. (Consolidated subsidiary)	88	–	6
Takashi Matsuzaki	152	Director	Daikin Industries, Ltd.	57	31	63

Note: Only those individuals receiving 100 million yen or more of consolidated remuneration are listed.



Accounting Auditor Compensation D

(million yen)

2023	
Auditing expenses	307

Number of Patent Applications D

(cases)

	2018	2019	2020	2021	2022
Japanese applications	957	1,076	1,045	1,190	1,067
Overseas applications	513	467	587	597	772

Major Legal Violations OJG

(cases)

	2021	2022	2023
Number of major legal violations	0	0	0



## Third-Party Verification

# Third-Party Verification

To ensure reliability of the content of this report, Daikin contracts with a third-party to verify its data on greenhouse gas emissions, water use, waste water, waste emissions, and chemical substances emissions.

## Data Covered by Verification

### Environmental Impact Data on Business Operations in FY2023

- Scope 1 and Scope 2 greenhouse gas (GHG) emissions, water use, waste water, waste emissions, and chemical substances emissions from business operations of four manufacturing bases in Japan of Daikin Industries, Ltd., eight manufacturing subsidiaries in Japan, and 58 manufacturing subsidiaries overseas.
- Category 1 (purchased goods and services), 11 (use of sold products), and 12 (final product disposal) emissions of Scope 3 GHG emissions calculated in line with the GHG Protocol's "Corporate Value Chain (Scope 3) Accounting and Reporting Standard."

## Scope of Review

### Contribution to Greenhouse Gas Emission Reduction through the Use of Products

- Amount of contribution to greenhouse gas emission reduction\*
  - Contribution to greenhouse gas emission reduction through the spread of air conditioners, space and water heaters, and refrigeration systems with lower emissions
  - Contribution to greenhouse gas emission reduction due to the use of R-32 refrigerant in air conditioners and refrigeration systems by other companies as a result of the Daikin group's offer of free access to the patents, technical support, etc.
- Amount of refrigerant recovery and reclamation from market
  - Refrigerant recovered from the market or reclaimed by the Daikin group and reclaimed refrigerant purchased by the Daikin group (in CO<sub>2</sub> equivalent)

\* Calculated with F-gas recovery rate as 0%.

 [167 Data Third-Party Verification Method of Calculating Greenhouse Gas Emissions](#)  
[Data](#)



## Independent Assurance Statement

### INDEPENDENT ASSURANCE STATEMENT

To: Daikin Industries, Ltd.



Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has been engaged by Daikin Industries, Ltd. (Daikin) to provide limited assurance and to conduct an external review over sustainability information selected by Daikin. This Assurance Statement applies to the related information included within the scope of work described below.

#### Selected information

The scope of our assurance work was limited to assurance over the following information included within Daikin Group Sustainability Report 2024 (the 'Report') or reported internally to Daikin Group only for the purpose of internal management for the period of April 1, 2023 through March 31, 2024 (the 'Selected Information'):

- 1) The following data through business operations of four production bases of Daikin, eight production subsidiaries within Japan and 58 production subsidiaries overseas
  - CO<sub>2</sub> emissions from energy use
  - HFCs and PFCs emissions
  - Water intake and Wastewater
  - Recycled materials and Waste
  - VOC emissions
- 2) Release amount of PRTR <sup>(\*)</sup> chemical substances through business operations of four production bases of Daikin and eight production subsidiaries within Japan
  - <sup>(\*)</sup> Pollutant Release and Transfer Register system
- 3) CO<sub>2</sub> emissions from non-energy use through the use of CaCO<sub>3</sub> at two production bases of Daikin and one production subsidiary overseas
- 4) Categories 1, 11 and 12 of Scope 3 GHG emissions accounted in line with the GHG Protocol's 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard'

The scope of our review work was limited to review about the following information included within Daikin Group Sustainability Report 2024 (the 'Report') or reported internally to Daikin Group only for the purpose of internal management for the period of April 1, 2023 through March 31, 2024 (the 'Selected Information'):

- 1) Contribution to greenhouse gas emission reduction through the spread of air conditioners and heat pumps, hot water supply systems and refrigeration systems with lower emissions
- 2) Contribution to greenhouse gas emission reduction due to the use of R-32 refrigerant in air conditioners and refrigeration systems by other companies as a result of the Daikin group's offer of free access to the patents, technical support, etc.
- 3) Refrigerant recovered from the market or reclaimed by the Daikin group and reclaimed refrigerant purchased by the Daikin group (in CO<sub>2</sub> equivalent)

#### Reporting criteria

The Selected Information included within the Report needs to be read and understood together with the reporting criteria stated in the Report.

The Selected Information reported internally to Daikin Group only for the purpose of internal management needs to be read and understood together with the internal reporting criteria defined by Daikin.

#### Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Any other information within the Report, which is not listed as the 'Selected Information'.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

#### Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Daikin.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria by conducting our assurance work;
- assess the reliability and accuracy of the Selected Information by conducting our review work;
- form an independent conclusion based on the procedures performed and evidence obtained; and
- report our conclusions to the Directors of Daikin.

#### Assessment Standard

We performed our assurance work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Effective for assurance reports dated on or after December 15, 2015) issued by the International Auditing and Assurance Standards Board and ISO 14064-3 (2019): Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

We performed our review work by using Bureau Veritas' standard procedures for external review of sustainability information.

Ref: BVJ\_20898344



#### Summary of work performed

As part of our independent verification, our work included:

1. Conducting interviews with relevant personnel of Daikin;
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by Daikin;
4. Reviewing Daikin systems for quantitative data aggregation and analysis;
5. Verification of sample of data back to source by carrying out seven physical site visits, selected on a risk based bases at the following locations:
  - Daikin Head Office
  - Daikin Industries, Ltd., Sakai Plant
  - Daikin Comfort Technologies Manufacturing, L.P., DTTP
  - Daikin Applied Americas Inc. Staunton
  - Daikin Device (Kian) Co., Ltd.
  - Daikin Isitma Ve Sogutma Sistemleri San. Tic. A.S.
  - Daikin Manufacturing Germany GmbH
6. Reperforming a selection of aggregation calculations of the Selected Information;
7. Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### Verified greenhouse gas emissions

We performed our verification work on greenhouse gas emissions data in accordance with the requirements of ISO 14064-3(2019). Verified data in greenhouse gas assertion made by Daikin are as follows.

	Greenhouse gas emissions (t-CO <sub>2</sub> e)	Boundary
Scope 1	523,608	-CO <sub>2</sub> from energy use, HFCs and PFCs: GHG emissions through business operations of four production bases of Daikin, eight production subsidiaries within Japan and 58 production subsidiaries overseas
Scope 2 (location-based)	536,372	-CO <sub>2</sub> emissions from non-energy use through the use of CaCO <sub>3</sub> at two production bases of Daikin and one production subsidiary overseas
Scope 2 (market-based)	406,757	
Scope 3 (Category 1, 11 and 12)	300,180,155	Categories 1, 11 and 12 of Scope 3 GHG emissions accounted and reported in line with the GHG Protocol's 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' within the boundaries defined by Daikin for each category.

The breakdown of Scope 3 emissions are as follows.

Category 1: 4,198,489 t-CO<sub>2</sub>e | Category 11: 250,174,542 t-CO<sub>2</sub>e | Category 12: 45,807,124 t-CO<sub>2</sub>e

#### Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria;
- It is our opinion that Daikin has established appropriate systems for the collection, aggregation and analysis of quantitative data within the scope of our work.

#### Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 150 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates Quality Management System which complies with the requirements of globally recognized quality management standard, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2<sup>1</sup>.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspection Agencies (IFIA)<sup>2</sup>, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behavior and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA code<sup>3</sup>.

Bureau Veritas Japan Co., Ltd.  
Yokohama, Japan  
June 28, 2024

<sup>1</sup> International Standard on Quality Management 1 & 2

<sup>2</sup> International Federation of Inspection Agencies - Compliance Code - Third Edition

<sup>3</sup> Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants

Ref: BVJ\_20898344





## Third-Party Verification

# Method of Calculating Greenhouse Gas Emissions Data

Greenhouse gas emissions data are calculated as follows.

## (1) Use of fuel at sites (Energy-induced CO<sub>2</sub>) Scope 1

- The scope of calculation covers four manufacturing bases of Daikin Industries, Ltd., eight manufacturing subsidiaries in Japan, and 58 manufacturing subsidiaries overseas.
- However, the following may not be included in calculation: newly consolidated bases, sites that are newly established and that don't yet have a data collection system in place, and sites whose emissions are negligible. For sites where data procurement is difficult, calculation is based on estimates of past data, for example.
- Heat generation per unit, CO<sub>2</sub> emissions coefficient: Based on Environmental Activity Evaluation Program (Eco-Action 21) (1998, Ministry of the Environment); for natural gas in Japan, the coefficient used is based on the Act on the Promotion of Global Warming Countermeasures.

## (2) Emissions of HFCs and PFCs in production processes at sites Scope 1

- The scope of calculation covers four manufacturing bases of Daikin Industries, Ltd., eight manufacturing subsidiaries in Japan, and 58 manufacturing subsidiaries overseas.
- For estimates of emissions of HFCs and PFCs, material balances and emissions coefficients are set and calculated based on methods stipulated in the Act on the Promotion of Global Warming Countermeasures.
- Global warming potentials of HFCs and PFCs are from the IPCC Fifth Assessment Report.

## (3) Non-energy-induced and energy-induced CO<sub>2</sub> (from limestone) emissions in production processes at sites Scope 1

- The scope of calculation is the four manufacturing bases of Daikin Industries, Ltd. as well as the eight domestic manufacturing subsidiaries and 58 overseas manufacturing subsidiaries.
- Calculations are based on emissions coefficients stipulated in the Act on the Promotion of Global Warming Countermeasures.
- Global warming potentials are from the IPCC Fifth Assessment Report.

## (4) Use of electricity and heat at sites (Energy-induced CO<sub>2</sub>) Scope 2

- The scope of calculation covers four manufacturing bases of Daikin Industries, Ltd., eight manufacturing subsidiaries in Japan, and 58 manufacturing subsidiaries overseas.
- CO<sub>2</sub> emissions coefficients are as follows.
  - Purchased electricity: Use one of the following
    - Coefficients provided by electricity distribution companies
    - Coefficients published by national and local governments (and government agencies)
    - Coefficients published by the IEA
  - Purchased heat: Use one of the following
    - Coefficients provided by heat distributors
    - Based on Environmental Activity Evaluation Program (Eco-Action 21) (1998, Ministry of the Environment)

## (5) Purchased products and services (Energy-induced CO<sub>2</sub>) Scope 3

- Scope of calculation covers components and materials purchased for air conditioners, water heaters, oil hydraulic products, filters, and fluorochemical products produced in Japan, China, Thailand, Malaysia, India, Belgium, the Czech Republic, the Netherlands, France, Italy, Germany, Türkiye, and the U.S.
- For each, purchased amount is multiplied by CO<sub>2</sub> emission coefficient.
- CO<sub>2</sub> emission coefficient is based on the Inventory Database for Environment Analysis, by the National Institute of Advanced Industrial Science and Technology, and the Japan Environmental Management Association for Industry.
- For raw materials used to produce chemical products, approximately 80% of the highest volume ones were selected, and a 100% value estimate calculation was done.



**(6) CO<sub>2</sub> emissions from the use of products sold (Energy-induced CO<sub>2</sub>)** Scope 3

- Scope of calculation covers the use of products sold globally which includes residential air conditioners, air conditioners for shops, offices and buildings, air conditioners for factories, central air conditioning units and equipment for hot water supply and heating.
- Calculation method: Annual energy consumption × Product lifecycle × Electricity CO<sub>2</sub> emission coefficient (or Gas\* CO<sub>2</sub> emission coefficient) × Sales volume  
\* used as fuel in combustion heating equipment
- Data for the calculation method are as follows.  
Annual energy consumption: Catalogue value, standard value, or value calculated assuming actual usage conditions  
Product lifecycle: 10 years for residential equipment and 13 years for others  
Electricity CO<sub>2</sub> emission coefficient: Value reported in IEA Emissions Factors

**(7) CO<sub>2</sub> emissions from the use of products sold (Fluorocarbons)** Scope 3

- Scope of calculation is same as part (6).
- Calculation method: Refrigerant charge amount × Annual leakage rate × Product lifecycle × Global warming potential × Sales volume
- Data for the calculation method are as follows.  
Refrigerant charge amount: Catalogue value  
Annual leakage rate: Value reported in “Revisions of Emission Coefficient, Etc. During Use of Refrigeration and Air Conditioning Equipment” by Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry, March 17, 2009  
Product lifecycle: 10 years for residential equipment and 13 years for others  
Global warming potential: Value reported in IPCC Assessment Report

**(8) CO<sub>2</sub> emissions from the disposal of products sold** Scope 3

- Scope of calculation is same as part (6).
- For calculation method, impact by refrigerant release is calculated by refrigerant charge amount × global warming potential × (1- recovery rate) × sales volume. Emissions associated with the transport, disassembly etc. of waste products is calculated by multiplying the emission per unit by sales volume.
- Data for the calculation method are as follows.  
Refrigerant charge amount: Catalogue value  
Global warming potential: Value reported in IPCC Assessment Report  
Recovery rate: Set to 0% conservatively



## Policies, Regulations and Guidelines

## CSR Philosophy

## Basic Management Policy of the Daikin Group

## Our Group Philosophy and People-Centered Management

Our Group Philosophy is the basis for all action aimed at becoming a corporate group that is trusted by customers worldwide, and that instills pride in Daikin employees around the globe. Daikin's People-Centered Management, meanwhile, is based on the belief that employee growth generates corporate growth and is implemented with the goal of creating a workplace where employees can use their talents to the fullest.

Daikin believes that if both employees and company executives put Our Group Philosophy and People-Centered Management into practice, then we can achieve sustainable development and growth.

## Corporate Policies

1. Absolute Credibility
2. Enterprising Management
3. Harmonious Personal Relations

## Our Group Philosophy

The basis for the shared thoughts and actions of all employees

## People-Centered Management

The cumulative growth of all Group members serves as the foundation for the Group's development


## Daikin Group Philosophy

## Purpose

Our purpose is to provide comfort and security for all.  
At Daikin, we believe in the infinite potential of people.  
With our passion and innovative technologies,  
we create a sustainable and bright future.

## Together, We Brighten the Future

1. Resolve Social Issues and Enhance Corporate Value
2. Create New Value by Anticipating Future Needs
3. Realize a Better Society through Innovative Technologies
4. Take Action to Maintain Society's Trust
  - (1) Be Transparent to Society and Build Mutual Development
  - (2) Grow with our Business Partners
5. Think Globally and Be Flexible and Vibrant
6. Practice "People-Centered Management (PCM)" and Provide Challenging Opportunities
  - (1) Create an Open-minded Atmosphere and Provide Challengers with More Opportunities
  - (2) Value Empathy for Daikin Group Philosophy and Cherish the Pride and Joy of Being Part of the Daikin Group
  - (3) Promote and Respect Diversity Management

 Daikin Group Philosophy (About Daikin)

<https://www.daikin.com/corporate/overview/philosophy>



## How We View CSR

### How We View CSR

1. Through the strict implementation of Our Group Philosophy, the Daikin Group will fulfill its social responsibilities worldwide in all facets of relationships with stakeholders, thereby raising corporate value and contributing to the sustainable development of society.
2. Based upon thorough observance of legal compliance and corporate ethics, the Daikin Group will focus on contributing to society through its business activities. As a good corporate citizen, we will be highly sensitive to the needs of each world region in carrying out our social contribution activities.
3. We will incorporate CSR into business activities so that CSR and our business are integrally intertwined in an ongoing synergy that contributes to better business performance.
4. We will carry out CSR activities through open, two-way communication with society and always ensure that we are accountable for, and transparent in, our actions.



## Group Conduct Guidelines

### Group Conduct Guidelines

Daikin's Group Conduct Guidelines define the fundamental corporate ethics and compliance that each and every officer and employee of all Group companies around the world must follow in conducting businesses globally.

Each Group company globally then establishes their specific codes of conduct in accordance with the laws and customs of each country and region. In this manner, we comprehensively promote best practices in corporate ethics and compliance.

Note: The specific guidelines apply to Daikin Industries, Ltd. and its Group companies in Japan only.

#### 1. Providing Safe, High Quality Products and Services

We shall make every effort to ensure the safety and quality of our products and services from the standpoint of our customers. Should a problem occur regarding safety, we shall immediately take appropriate action.

##### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_01-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_01-pdf.pdf)

#### 2. Free Competition and Fair Trading

We shall observe all applicable laws and regulations relating to fair competition and fair trade of each country and region, including antimonopoly laws. Furthermore, we shall conduct fair sales and procurement activities based on proper corporate ethics and in accordance with sound business practices and social norms.

##### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_02-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_02-pdf.pdf)

#### 3. Observing Trade Control Laws

We shall not participate in any transactions that may undermine the maintenance of global peace and security and world order. We shall always act in compliance with all applicable export- and import-related laws and regulations of each country and region, as well as the Daikin Group Security Trade Control Policy, which relates to foreign trade control.

##### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_03-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_03-pdf.pdf)

#### 4. Respect and Protection of Intellectual Property Rights

Recognizing that intellectual property rights are important company assets, we shall strive to protect and maintain our intellectual property rights and effectively utilize them. Furthermore, we shall respect and make every effort not to infringe upon the intellectual property rights of other companies.

##### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_04-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_04-pdf.pdf)

#### 5. Proper Management and Utilization of Information

We shall properly manage and effectively utilize the confidential information of our company, the confidential information obtained from other companies, and the personal information of our customers and employees and shall not obtain any information through improper means. We shall thoroughly execute IT security management for our computer systems and the data-resources saved on them.

##### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_05-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_05-pdf.pdf)

#### 6. Prohibition of Insider Trading

To maintain the trust of the securities market, we shall not use non-public information about the Daikin Group or other companies to buy or sell stocks or other securities (insider trading).

##### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_06-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_06-pdf.pdf)



## 7. Timely and Appropriate Disclosure of Corporate Information

Aiming to be an “open company” with high transparency and earn the respect of society, we shall actively convey corporate information in a timely fashion not only to shareholders and investors but also to a wide spectrum of society, and engage in two-way communication.

### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_07-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_07-pdf.pdf)

## 8. Preservation of the Global Environment

We shall observe all applicable environmental laws and regulations of each country and region and practice initiatives that preserve the global environment in all aspects of our business operations, including product development, manufacturing, sales, distribution, and services. Also, each and every one of us shall deepen our knowledge of environmental issues, reduce the environmental load in the workplace and at home, and strive toward biodiversity conservation.

### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_08-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_08-pdf.pdf)

## 9. Ensuring the Safety of Operations

We shall take all possible precautions for safe operations and act with a mindset of “Safety First” to ensure the safety of the workplace and further gain the trust of people in the regions we serve.

### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_09-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_09-pdf.pdf)

## 10. Respect for Human Rights and Diversity and Observance of Labor Laws

We shall respect the human rights of each and every employee and shall not engage in conduct that discriminates

on the basis of nationality, race, ethnicity, religion, color of skin, age, gender, sexual orientation, or disability. Diversity in individual values is enthusiastically accepted, and we shall work to make the unique talents and abilities of each and every person the driving force of the organization. We shall also observe both the letter and spirit of all labor laws and regulations of each country and region, and under no circumstances shall we sanction the labor of underage employees, minors who do not meet the minimum legal age requirements (child labor), or labor performed under compulsion or against a person's will (forced labor).

### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_10-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_10-pdf.pdf)

## 11. Protection of Company Assets

We shall properly manage the tangible and intangible assets of our company to protect and utilize effectively these assets.

### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_11-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_11-pdf.pdf)

## 12. Proper Handling of Accounting Procedures

We shall comply with all accounting standards and tax laws of each country and region as well as internal company rules in properly performing accounting procedures.

### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_12-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_12-pdf.pdf)

## 13. Practicing Moderation in Entertainment, Gift Exchanges, and Invitations

We shall exercise moderation and perform within the acceptable range of social norms and obey the laws and regulations of each country and region in regards to entertainment, the exchange of presents, and invitations relating to the development of our global business. In particular, we shall not entertain, provide gifts of monetary

value to, or extend invitations to public officials in Japan or abroad that violate the applicable laws and regulations in each respective country and region.

### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_13-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_13-pdf.pdf)

## 14. Maintaining a Firm Attitude against Anti-social Activities

We shall take a firm attitude against anti-social forces or organizations that threaten the safety and order of the citizens of society.

### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_14-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_14-pdf.pdf)

## 15. Relationship with Society

We aim to be a good corporate citizen that is trusted by society and we shall do our best to act with humility and modesty while at the same time having self-awareness and taking pride in our actions. Moreover, we shall participate in social contribution activities centered on environmental conservation, education support, and cooperation with the local community.

### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_15-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_15-pdf.pdf)

## 16. Observing Each Category of Industry Law and Regulation

We shall accurately comprehend and observe all business laws and regulations of each country and region applicable to our business activities.

### Specific Guidelines

[https://www.daikin.com/-/media/Project/Daikin/daikin\\_com/csr/pdf/data/conduct\\_16-pdf.pdf](https://www.daikin.com/-/media/Project/Daikin/daikin_com/csr/pdf/data/conduct_16-pdf.pdf)



**Policies, Regulations and Guidelines**

# Human Rights Policy

## Daikin Group Human Rights Policy

Based on Our Group Philosophy, we at the Daikin Group have promoted the creation of a work environment that respects diverse personal values and work ethics while enabling employees to feel both pride and enthusiasm toward their work.

Owing to our good corporate culture as exemplified by our free and open organizational culture, sense of unity, and teamwork, we continue to challenge high goals by empowering all members with the means to fully demonstrate their respective individuality and capabilities.

It is our firm conviction that the constant refinement of this unique corporate culture and creation of environments in which diverse human resources take on challenges and play active roles lead to “respect for human rights” and sustainable growth for our business.

For our business overall, including manufacturing and sales, we will continue to work in cooperation with all business partners and affiliated companies based on strong relationships of trust by promoting “respect for human rights” as we aim for mutual growth and contribution to a sustainable society.

### Compliance with Norms and Laws Related to Respect for Human Rights

This Group Human Rights Policy (the “Policy”) was formulated in accordance with the Daikin Group Management Philosophy to clarify our commitment to respect human rights and to show the expectations to employees and supply chain partners for understanding, compliance and implementation.

This Policy is also guided by the principles and guidance contained in the United Nations Guiding Principles on

Business and Human Rights, the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and others.

We follow all applicable laws and regulations of each country and region that we operate in. We will comply with local laws and regulations where they conflict with international human rights standards while seeking to respect the principles of the latter.

### Scope of Application

This Policy applies to all directors and employees of Daikin Industries, Ltd., and its consolidated group companies.

We also work with our supply chain partners worldwide to promote human rights, expecting them to understand and follow this Policy.



## Our Commitment and Initiative to Respecting Human Rights

### To Employees

Our employees are at the heart of everything we do at Daikin to achieve sustainable. We strive to create a workplace where employees feel safe and motivated to unlock their full potential and grow with us.

We take the following actions in consideration of the human rights of our employees.

- Diversity and Inclusion (Respect for Diversity, Prohibition of Discrimination and Harassment)
  - We accept people with diverse values, including different cultures, ethnicities, generations and customs, and implement to provide them with opportunities to maximize their individuality, qualities and abilities. We will continue to bring together the diverse strengths of each individual and further refine our efforts to enhance them as a strength of the organization and expand them to the global group.
  - We are committed to maintaining a workplace environment free from discrimination and harassment on the grounds of nationality, race, ethnicity, religion, color, age, gender, sexual orientation, disability, etc. If we identify any issue in any workplace, we will take a corrective action immediately and make efforts to prevent a recurrence.
- Working Hours and Fair Compensation
  - We comply with all applicable labor laws and regulations on working hours, wages and other working conditions in each country and region that we operate in.

Further, we strive to compensate employees for individual performance in a competitive level relative to the labor market in each region and industry.
- Creating a safe workplace
  - We recognize the critical importance of protecting the safety of our employees, and we strive to thoroughly comply applicable safety and health-related laws and regulations, as well as internal policies.

Further, we strive to develop a safe and secure working environment for each and every employee by regularly developing advanced cases in Japan and other global groups.
- Freedom of Association and Collective Bargaining
  - We continue to respect employees' rights to form or join labor unions, and to engage in collective bargain in accordance with applicable laws and regulations in each country and region that we operate in.

- Protection of Personal Data and Privacy

- We comply with the Act on the Protection of Personal Information and related laws and regulations.

Further, we strive to develop and enforce internal rules for the proper management of personal information and the protection of privacy.

We at the Daikin Group trust each and every employee and expect them to follow this Policy and practice our commitment to respect human rights in our daily operations.

### To Supply Chain Partners

We recognize the importance of valuing and respecting our supply chain partners and building a high level of relationships of trust with them throughout our operations.

Together with supply chain partners who share the core values of this Policy with us, we continue to promote initiatives to respect human rights including the elimination of forced labor. To this end, we continue to exchange views and engage in dialogue regarding "the latest guidelines and laws on human rights" and "our own policies and activities".

We expect our supply chain partners to comply with the applicable laws and regulations in each country and region that we operate in and uphold Daikin's Supply Chain CSR Promotion Guideline and principles set in this Policy.

## Establishment of Systems and Mechanisms to Meet Commitments

To fulfill our commitment to respect human rights, we have established responsible departments and created action plans for the following initiatives, and the global group will work together to promote these initiatives.

- Education and training: Providing regular education and training sessions to employees, deepening their understanding of and compliance with the "Approach to Respect for Human Rights" and the "Group's Policy and Commitment on Human Rights."
- Conduct human rights due diligence: Conducting human rights due diligence to identify risks across our business operations and working to prevent, avoid, or mitigate them.
  - Taking promptly corrective measures to eliminate the relevant event and remedy the rights if we identify that we caused or are involved in adverse impacts to human rights
- Establishment of remedial mechanisms: In order to identify and respond to human rights issues related to our business activities in a timely manner, we strive to develop effective remedies and remedial mechanisms, such as by establishing a reporting mechanism in accordance with laws and customs applicable in the country or region where we operate.



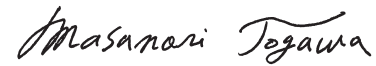
- Monitoring and disclosure: Tracking and evaluating the status of our efforts to respect human rights, and applying the lessons learned to the continuous improvement
  - Reporting our human rights initiatives and their progress in a timely and appropriate manner through our website and other means
- Dialogue activities: Engaging in dialogues with stakeholders regarding our human rights initiatives

Established: July 27, 2022

Revised: March 28, 2024

Daikin Industries, Ltd.

President and CEO



This Policy above has been approved by the Board of Directors of Daikin Industries, Ltd.



## Policies, Regulations, and Guidelines

# Basic Environmental Policy

## Basic Environmental Policy of the Daikin Group

### Lead the Way to an Environmentally Conscious Society

As we continue developing our business operations in various fields, it is our mission to proactively develop initiatives to respond to environmental issues. Incorporating environmental initiatives throughout our management must be a priority for us.

In all aspects of our business operations, including product development, manufacturing and sales, we need to formulate initiatives that sustain and improve the environment. Meanwhile, we need to promote the development of new products and the innovation of technologies that will lead to a more environmentally healthy world.

Under the precept “environmental response is an important management resource,” we must integrate environmental initiatives into our corporate management since they can lead to business expansion, improved business performance, and further enhancement of our credibility with outside parties. We intend to continue being a leading company in the practice of “environmental management,” thus contributing to a healthier global environment as a good citizen of the earth.

### Action Guidelines

1. Ensure that all members of the Group deepen our understanding of environmental issues and take responsibility for the impact our actions have on society in general.
2. Establish, promote, and continuously improve an Environmental Management System to actively and effectively implement Environmental Management as a Group.
3. Develop and implement environmental initiatives in all aspects of our business operations, including product development, production, sales, distribution, services, and recycling. In particular, be a leader in society by developing products, technologies, and business opportunities that contribute to sustaining and improving our environment.
4. Implement environmental initiatives that are globally consistent as well as promote initiatives that respond to the particular circumstances of each country and region. Furthermore, actively promote cooperation and alliances with related companies, external organizations, and institutions.
5. Disclose environmentally related information in a truthful and fair manner. Listen to the views of people both inside and outside the company to continuously improve our environmental preservation efforts.



## Policies, Regulations, and Guidelines

## Environmental Policy of the Daikin Group in Japan

## Environmental Policy of the Daikin Group in Japan

Following the Group Philosophy and Daikin's Environmental Vision 2050, the Daikin Group is actively addressing a variety of social and environmental issues and practicing environmental management for the continuous growth of the Group, while contributing to the sustainable development of society.

As the only company in the world that manufactures both air conditioners and the refrigerants used in them, Daikin has supplied products and services featuring environmental technologies to customers around the world. At the same time, there is a strong need to address growing electricity demand from the use of air conditioners driven by rising demand for air conditioning worldwide and to reduce greenhouse gas emissions from refrigerants.

While working toward "net zero greenhouse gas emissions," we will provide healthy and comfortable air environments that are safe and secure and reduce environmental impacts including global warming as much as possible through the "creation of new value with air."



We have set environmental targets for the following items in all Group organizations and sites in Japan, and promote continual improvement of the environmental management system.

1. We promote the following "carbon neutrality" initiatives.
  - Reduce CO<sub>2</sub> emissions from manufacturing and offices by expanding the use of energy-efficient and renewable energy, developing energy-efficient technologies, and promoting recovery, recycle, reclamation, and destruction of fluorocarbons.
  - Reduce CO<sub>2</sub> emissions from the use of products by promoting inverter products, improving the energy efficiency of products through the development of elemental technologies, converting combustion heaters to heat pump space and water heaters, and expanding energy-efficient solutions.
  - Disseminate refrigerants with low global warming potential, develop next-generation refrigerants, and promote recovery and reuse of refrigerants at the time of product disposal.
  - Create new environmental businesses such as energy creation, and develop new technologies for CO<sub>2</sub> separation, recovery, and reuse.
2. We strengthen our adaptation to climate change to minimize the impact of climate-related disasters on our business.
3. We identify and meet compliance obligations, including laws and regulations and the needs and expectations of interested parties.
4. We promote a circular economy to accelerate resource recycling.
5. We reduce the amount of waste and wastewater generated from our manufacturing and other business activities and promote recycling. Also, we promote the substitution of harmful chemical substances and reduction of emissions to prevent environmental pollution.
6. We promote "Green Heart Factory" and "Green Heart Office" activities to realize environmentally conscious factories and offices.
7. We strive to enhance our accountability by disclosing environment-related information to society with increased objectivity and transparency, and communicating with society in an open and fair manner.
8. We promote environmental protection by working on "biodiversity protection" to protect and rejuvenate nature.

August 1, 2024

Naofumi Takenaka

Representative Director, President and COO

Daikin Industries, Ltd.



## Policies, Regulations, and Guidelines

# Basic Policy of Protecting Biodiversity

## Basic Policy of Protecting Biodiversity

We act for the sake of abundant greenery and fresh air.

### Thinking Behind Our Basic Philosophy

Our society is built upon the many blessing that nature gives us. The source of these blessings is biodiversity. The loss of this biodiversity would hurt our water, food, and other aspects of our life.

Daikin's business also has a major effect on biodiversity through our contribution to global warming.

To contribute to a sustainable society, we strive to reduce our contribution to global warming throughout our business activities, and to maintain balance in ecosystems so that we can help bring back the abundance of the natural world.

### Main Efforts

**1. We are committed to promoting efforts to mitigate global warming from the perspective of biodiversity as well.**

- Reduce greenhouse gas emissions throughout our entire business activities, including product development and production, transportation, sales, service, and the supply chain.

**2. As a member of the community living in the bounty of nature, we work with our employees to promote initiatives to protect and regenerate nature.**

- In the countries and regions in which we do business, we work with governments, residents groups, NPOs, and NGOs in efforts including the protection and rejuvenation of nature.
- We create new forests on our premises.
- We support employees in their volunteer work.
- We provide the public with information and education.

(Established September 2010)



**Policies, Regulations, and Guidelines**

# Basic Policy on Tax Compliance

## Basic Policy on Tax Compliance

**1. Approach to Risk Management and Governance Arrangements in relation to Taxation**

At Daikin, we consider the payment of tax to be a critical element of our corporate social responsibilities (CSR).

We believe that our tax payments play an important role in the development of the countries and regions in which we operate, which in turn results in the sustainable development and corporate value enhancement of the Daikin Group.

Recognizing that tax related risk is an important element among the many business risks facing the Daikin Group, we address tax related risks in accordance with our Group's risk management principles.

**2. Tax Compliance**

We are committed to full compliance with the applicable laws and regulations in each of the jurisdictions in which the Daikin Group operates.

We also respect not only the letter but the spirit of the law.

**3. Prohibition of Tax Avoidance and Attitude toward Tax Planning**

Daikin does not undertake tax planning that lacks commercial substance, or which involves artificial or aggressive transactions or structures undertaken solely for tax reasons.

All intercompany transactions within the Group are conducted on an arm's length basis as described in the OECD Transfer Pricing Guidelines, and consistent with local laws and regulations.

**4. Level of Tax Risk Accepted**

External advice may be sought if issues are significantly uncertain or complex.

To mitigate risks, including the risk of double taxation, we routinely consider effective measures to increase certainty in our positions, such as Advance Pricing Arrangements (APA) and Mutual Agreement Procedures (MAP) for transfer pricing.

**5. Approach to Dealing with Tax Authorities—Trust and Transparency**

We strive to act in good faith and maintain an open, constructive and cooperative relationship with tax authorities. Through the approach described above, we aim to achieve a robust and predictable tax position.

We demonstrate our commitment to transparency by disclosing information required under applicable laws and regulations, when requested by taxation authorities.



**Policies, Regulations, and Guidelines**

# Product Safety Voluntary Action Guidelines

## Product Safety Voluntary Action Guidelines

The Daikin Group (hereinafter, “the Group”) believes that its most important management task is to provide products that satisfy customers from the standpoint of our customer when designing and making products that have a high level of safety and quality. To this end, we have formulated the following basic policies on product safety in efforts to provide ever-greater levels of safety and quality in products.

**1. Legal Compliance**

The Group shall observe the Consumer Product Safety Act and other product-related laws and safety standards.

**2. Ensuring Product Safety**

The Group shall establish a quality management system and execute measures to maintain product safety in all processes extending from product design to production, sales, and after sales service. And the Group shall display appropriate, easy-to-understand instructions and warnings on products and in instruction manuals to ensure the safe use of our products by our customers.

**3. Collecting and Providing Product Accident Information**

The Group shall actively collect information from our customers concerning accidents involving Daikin products and quickly report this information to our executive management while providing customers with suitable information.

**4. Immediate and Appropriate Response to Product Accidents**

In the unlikely event of a safety problem occurring in the use of our product, our first and primary concern shall be for the safety of our customers, and we shall take immediate actions to minimize and prevent the occurrence of a serious accident. Actions to be taken immediately shall include repairing or replacing the product in question, publicizing the problem through the appropriate media, and submitting a statutory report on the problem to the relevant authorities. All relevant people outside the company, including sales company personnel, will be informed of the situation.

**5. Product Safety Promotion**

The Group shall establish a quality assurance system that it uses to ensure product safety and quality. We shall ascertain information related to the safety and quality in the marketplace and provide accurate feedback to personnel within our company in order to reflect it into future product design and manufacture.

**6. Education, Training, and Monitoring**

The Group shall constantly make every effort to promote the safety and quality of our product through widespread education and training within the company in laws and regulations on product safety. We also shall regularly monitor work to ensure product safety is being achieved.

(Formulated in June 2007)



## Policies, Regulations, and Guidelines

## Product Assessment Items

## Product Assessment Items

	Assessment item	Assessment standard
01. Weight reduction of products	1-1 Weight and volume reduction of products, and main raw materials and parts	Have the weight and volume of products (including main raw materials and parts) been reduced?
	1-2 Weight reduction of scarce materials	Have fewer scarce materials been used?
	1-3 Reduction of refrigerants	Has less refrigerant (HFC) been used?
02. Use of recycled materials and parts	2-1 Use of recycled plastics	Have recycled plastics been used?
	2-2 Labelling use of recycled plastics	Have parts been labelled as using recycled plastics?
	2-3 Use of recycled parts	Have reused parts been used, and are these of standard quality?
03. Packaging	3-1 Reduce weight of packaging, simplify packaging	<ul style="list-style-type: none"> <li>• Have weight and volume of packaging been reduced? Has packaging been simplified?</li> <li>• Is used packaging material small and separable? Can it be easily collected and transported?</li> </ul>
	3-2 Make it possible to recycle more packaging	<ul style="list-style-type: none"> <li>• Has the use of compound materials been reduced?</li> <li>• Is it easy to separate each type of material in compound materials?</li> <li>• Have common materials been used across products?</li> <li>• Has packaging reuse been considered?</li> </ul>
	3-3 Use recycled packaging materials	Has recycled packaging material been used?
04. Reduction in environmental impact in the manufacturing process	4-1 Reduce amount of production waste	Have products been designed so that less waste is generated during production?
	4-2 Energy efficiency in the production stage	Are product specifications such that less energy is consumed in the production stage?



		Assessment item	Assessment standard
05. Energy and resource conservation in use	5-1	Improve energy efficiency during use	Has the product been made more energy efficient during use?
	5-2	Reduce energy consumption in standby mode	Has the product been made more energy efficient in standby?
	5-3	Include energy and resource saving functions	Are there energy and resource saving functions?
	5-4	Reduce amount of product consumables	Has the amount of consumables been reduced?
06. Product life extension	6-1	Improve durability of products and main parts and materials	Are products, parts, and materials more durable than before?
	6-2	Greater ease of replacement and maintenance of consumables	<ul style="list-style-type: none"> <li>• Does construction make it easy for users to remove and attach?</li> <li>• Do parts need to be replaced less often than before?</li> <li>• Has information provision improved regarding parts replacement on the main unit and the user manual?</li> </ul>
	6-3	Possibility and greater ease of maintenance and repair	<ul style="list-style-type: none"> <li>• Have parts requiring maintenance and repair been clearly indicated?</li> <li>• Are parts common across products?</li> <li>• Does construction allow for easy maintenance and repair?</li> </ul>
	6-4	Tell customers how to get longer use out of products	<ul style="list-style-type: none"> <li>• Are users and repair companies being provided with maintenance and repair information that will extend product life? Are the content, explanations, and illustration methods of the information improved over previous information?</li> <li>• Can Daikin provide repair companies with breakdown diagnosis and repair measures, as well as information related to safety and other matters?</li> </ul>
07. Ease of delivery/collecting/transporting	7-1	Improve handling and safety of products during delivery, collection, and transport	<ul style="list-style-type: none"> <li>• Have items been loaded evenly and balanced, and can collection and transport take place safely?</li> <li>• For heavy, bulky items, are handles and wheels properly positioned?</li> </ul>
	7-2	Improve loading efficiency of products during delivery, collection, and transport	Is it easy to improve loading efficiency, and is there no danger of items falling off?
08. Raise possibility of reuse of resources	8-1	Raise possibility of use of plastics	Have easy-to-recycle plastics been used?
	8-2	Raise recycling ratio	Has the overall possible recycling ratio of the product been raised?



Assessment item			Assessment standard
09. Ease of disassembly and separation of materials by hand	9-1	Easy to disassemble products and separate applicable parts by hand	<ul style="list-style-type: none"> <li>Does construction make it easy to disassemble products and remove parts by hand?</li> <li>Do products have a recycling logo that indicates greater ease of disassembly? Is information provided that makes disassembly easy?</li> </ul>
	9-2	Reduce compound materials	Is there less use of compound materials that make parts and materials separation difficult?
	9-3	Use common materials across products	Have common materials been used across products?
10. Ease of shredding/classifying for recycling	10-1	Make shredding easier	<ul style="list-style-type: none"> <li>Is shredding with a shredder easy?</li> <li>Can products and parts fit into a shredder?</li> <li>Has there been a check to ensure that there are no substances that may damage or dirty the equipment or the materials that will be reused?</li> </ul>
11. Environmental conservation capabilities	11-1	Use low global warming potential refrigerants	Do products use low global warming potential refrigerants, which contribute less to global warming?
	11-2	Reduce PVC	Has the amount of PVC been reduced?
	11-3	Protect environment during recycling and disposal stages	<ul style="list-style-type: none"> <li>Have safety measures been taken and has refrigerant been properly recovered so that there are no leaks of refrigerants or refrigerator oil during collection and transport?</li> <li>Are refrigerant recovery methods stated in the documentation?</li> <li>Can parts, including environmentally harmful substances, be removed using standard tools?</li> </ul>
	11-4	Provide information to persons at all stages of the life cycle	Have users and relevant contractors been provided with proper information?
12. Disclosure of information	12-1	Label product, parts, user manual, packaging, etc.	Are there energy and resource saving functions?
	12-2	Provide information in product catalogs and on the website	<ul style="list-style-type: none"> <li>Do product catalogs and the website provide users with information on matters such as energy efficiency and resource efficiency functions?</li> <li>Is there documentation giving information on how to recycle and protect the environment, and information on safety during product disposal?</li> </ul>
13. LCA (Life Cycle Assessment)	13-1	Determine the environmental impact at each lifecycle stage	Has a lifecycle assessment been conducted regarding the environmental impact at each lifecycle stage, such as materials, production, transport, use, and final disposal?
	13-2	Consider how to reduce environmental impact during the lifecycle	Does a lifecycle assessment show that the product exerts less environmental impact in terms of CO <sub>2</sub> emissions and global warming potential?














# GRI Standard Comparison Table

Statement of use	Daikin has reported the information cited in this GRI content index for the period from 1 April 2023 to 31 March 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

## Universal Standard



### GRI 2: General Disclosures 2021

Disclosure	Relevant page number or web address
1. The organization and its reporting practices	
2-1 Organizational details	 <a href="https://www.daikin.com/corporate">About Daikin</a> <a href="https://www.daikin.com/corporate">https://www.daikin.com/corporate</a>
2-2 Entities included in the organization's sustainability reporting	 <a href="#">004 What This Report Covers</a>
2-3 Reporting period, frequency and contact point	 <a href="#">003 Editorial Policy</a>  <a href="https://www.daikin.com/contact/csr/agree">Inquiries for Sustainability</a> <a href="https://www.daikin.com/contact/csr/agree">https://www.daikin.com/contact/csr/agree</a>
2-4 Restatements of information	–
2-5 External assurance	 <a href="#">165 Third-Party Verification</a>
2. Activities and workers	
2-6 Activities, value chain and other business relationships	 <a href="https://www.daikin.com/corporate">About Daikin</a> <a href="https://www.daikin.com/corporate">https://www.daikin.com/corporate</a>  <a href="#">013 Daikin's Business Characteristics</a>  <a href="#">111 Responsible Procurement</a>






Disclosure	Relevant page number or web address
2-7 Employees	 <a href="https://www.daikin.com/corporate">About Daikin</a> <a href="https://www.daikin.com/corporate">https://www.daikin.com/corporate</a>  <a href="#">086 Workplace Diversity</a>
2-8 Workers who are not employees	–
3. Governance	
2-9 Governance structure and composition	 <a href="#">129 Corporate Governance</a>  <a href="https://www.daikin.com/corporate/overview/summary/directors">Management</a> <a href="https://www.daikin.com/corporate/overview/summary/directors">https://www.daikin.com/corporate/overview/summary/directors</a>
2-10 Nomination and selection of the highest governance body	 <a href="#">129 Corporate Governance</a>
2-11 Chair of the highest governance body	 <a href="#">129 Corporate Governance</a>
2-12 Role of the highest governance body in overseeing the management of impacts	 <a href="#">015 Identifying Material Issues</a>  <a href="#">021 Management Structure / Key Themes</a>  <a href="#">129 Corporate Governance</a>  <a href="#">132 Risk Management</a>
2-13 Delegation of responsibility for managing impacts	 <a href="#">021 Management Structure / Key Themes</a>  <a href="#">129 Corporate Governance</a>
2-14 Role of the highest governance body in sustainability reporting	 <a href="#">021 Management Structure / Key Themes</a>
2-15 Conflicts of interest	–



Disclosure		Relevant page number or web address
2-16	Communication of critical concerns	 <a href="#">132 Risk Management</a>  <a href="#">129 Corporate Governance</a>
2-17	Collective knowledge of the highest governance body	–
2-18	Evaluation of the performance of the highest governance body	 <a href="#">129 Corporate Governance</a>
2-19	Remuneration policies	 <a href="#">129 Corporate Governance</a>
2-20	Process to determine remuneration	 <a href="#">129 Corporate Governance</a>
2-21	Annual total compensation ratio	–
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	 <a href="#">008 Message from the Chairman</a>
2-23	Policy commitments	 <a href="#">169 CSR Philosophy</a>  <a href="#">107 Respect for Human Rights</a>
2-24	Embedding policy commitments	 <a href="#">134 Compliance</a>  <a href="#">107 Respect for Human Rights</a>  <a href="#">111 Responsible Procurement</a>
2-25	Processes to remediate negative impacts	 <a href="#">021 Management Structure / Key Themes</a>  <a href="#">022 Sustainability Targets and Results</a>
2-26	Mechanisms for seeking advice and raising concerns	 <a href="#">134 Compliance</a>
2-27	Compliance with laws and regulations	 <a href="#">134 Compliance</a>
2-28	Membership associations	 <a href="#">122 Participation in Initiatives</a>

Disclosure		Relevant page number or web address
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	 <a href="#">118 Stakeholder Engagement</a>
2-30	Collective bargaining agreements	 <a href="#">098 Labor Management Relations</a>




## GRI 3: Material Topics




Disclosure		Relevant page number
3-1	Process to determine material topics	 <a href="#">015 Identifying Material Issues</a>
3-2	List of material topics	 <a href="#">015 Identifying Material Issues</a>
3-3	Management of material topics	 <a href="#">021 Management Structure / Key Themes</a>  <a href="#">022 Sustainability Targets and Results</a>  <a href="#">132 Risk Management</a>



## Topic Standards



### Economic





Disclosure		Relevant page number
Economic Performance		
201-1	Direct economic value generated and distributed	 <a href="#">155 ESG Data (Society)</a>
201-2	Financial implications and other risks and opportunities due to climate change	 <a href="#">018 Information Disclosure Based on the TCFD Framework</a>
201-3	Defined benefit plan obligations and other retirement plans	–
201-4	Financial assistance received from government	–
Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	–
202-2	Proportion of senior management hired from the local community	 <a href="#">086 Workplace Diversity</a>
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	–
203-2	Significant indirect economic impacts	–
Procurement Practices		
204-1	Proportion of spending on local suppliers	–

Disclosure		Relevant page number
Anti-corruption		
205-1	Operations assessed for risks related to corruption	 <a href="#">134 Compliance</a>  <a href="#">132 Risk Management</a>
205-2	Communication and training about anti-corruption policies and procedures	 <a href="#">137 Prohibiting Bribery and Corruption</a>
205-3	Confirmed incidents of corruption and actions taken	–
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	 <a href="#">134 Compliance</a>  <a href="#">169 CSR Philosophy</a>
Tax		
207-1	Approach to tax	
207-2	Tax governance, control, and risk management	 <a href="#">134 Compliance</a>
207-3	Stakeholder engagement and management of concerns related to tax	
207-4	Country-by-country reporting	–



















## Environmental

Disclosure		Relevant page number
Materials		
301-1	Materials used by weight or volume	 <a href="#">033 Overview of Environmental Impacts</a>
301-2	Recycled input materials used	–
301-3	Reclaimed products and their packaging materials	 <a href="#">057 Circular Product Design and Service Creation</a>
		 <a href="#">064 Reducing Emissions</a>
Energy		
302-1	Energy consumption within the organization	
302-2	Energy consumption outside of the organization	 <a href="#">033 Overview of Environmental Impacts</a>
302-3	Energy intensity	 <a href="#">145 ESG Data (Environment)</a>
302-4	Reduction of energy consumption	
302-5	Reduction in energy requirements of products and services	 <a href="#">145 ESG Data (Environment)</a>
		 <a href="#">022 Sustainability Targets and Results</a>
Water		
303-1	Interactions with water as a shared resource	 <a href="#">063 Water Resource Conservation</a>
303-2	Management of water discharge-related impacts	–
303-3	Water withdrawal	
303-4	Water discharge	 <a href="#">145 ESG Data (Environment)</a>
303-5	Water consumption	–







Disclosure		Relevant page number
Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	–
304-2	Significant impacts of activities, products, and services on biodiversity	 <a href="#">060 Biodiversity</a>
304-3	Habitats protected or restored	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	–
Emissions		
305-1	Direct (Scope 1) GHG emissions	
305-2	Energy indirect (Scope 2) GHG emissions	 <a href="#">033 Overview of Environmental Impacts</a>
		 <a href="#">145 ESG Data (Environment)</a>
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
305-6	Emissions of ozone-depleting substances (ODS)	 <a href="#">145 ESG Data (Environment)</a>
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	






Disclosure		Relevant page number
Waste		
306-1	Waste generation and significant waste-related impacts	 <a href="#">033 Overview of Environmental Impacts</a>
306-2	Management of significant waste-related impacts	 <a href="#">054 Initiatives for a Circular Economy</a>  <a href="#">064 Reducing Emissions</a>
306-3	Waste generated	
306-4	Waste diverted from disposal	 <a href="#">145 ESG Data (Environment)</a>
306-5	Waste directed to disposal	
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	
308-2	Negative environmental impacts in the supply chain and actions taken	 <a href="#">111 Responsible Procurement</a>
Social		
Disclosure		Relevant page number
Employment		
401-1	New employee hires and employee turnover	 <a href="#">086 Workplace Diversity</a>  <a href="#">090 Work-Life Balance</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	–
401-3	Parental leave	 <a href="#">090 Work-Life Balance</a>
Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	–


Disclosure		Relevant page number
Occupational Health and Safety		
403-1	Occupational health and safety management system	 <a href="#">093 Occupational Safety and Health</a>
403-2	Hazard identification, risk assessment, and incident investigation	 <a href="#">093 Occupational Safety and Health</a>  <a href="#">134 Compliance</a>
403-3	Occupational health services	–
403-4	Worker participation, consultation, and communication on occupational health and safety	
403-5	Worker training on occupational health and safety	 <a href="#">093 Occupational Safety and Health</a>
403-6	Promotion of worker health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	 <a href="#">093 Occupational Safety and Health</a>  <a href="#">116 Working Closely with Suppliers</a>
403-8	Workers covered by an occupational health and safety management system	
403-9	Work-related injuries	 <a href="#">093 Occupational Safety and Health</a>
403-10	Work-related ill health	
Training and Education		
404-1	Average hours of training per year per employee	–
404-2	Programs for upgrading employee skills and transition assistance programs	 <a href="#">080 Fostering Human Resources</a>



Disclosure		Relevant page number
404-3	Percentage of employees receiving regular performance and career development reviews	 <a href="#">097 Employee Evaluation and Treatment</a>
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	 <a href="#">129 Corporate Governance</a>  <a href="#">086 Workplace Diversity</a>
405-2	Ratio of basic salary and remuneration of women to men	–
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	–
Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	 <a href="#">098 Labor Management Relations</a>
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	 <a href="#">108 Human Rights Due Diligence</a>
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	 <a href="#">108 Human Rights Due Diligence</a>
Security Practices		
410-1	Security personnel trained in human rights policies or procedures	–
Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	–

Disclosure		Relevant page number
Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	 <a href="#">108 Human Rights Due Diligence</a>
412-2	Employee training on human rights policies or procedures	–
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	–
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	–
413-2	Operations with significant actual and potential negative impacts on local communities	–
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	 <a href="#">111 Responsible Procurement</a>
414-2	Negative social impacts in the supply chain and actions taken	–
Public Policy		
415-1	Political contributions	–
Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	 <a href="#">076 Product Quality and Safety</a>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	–

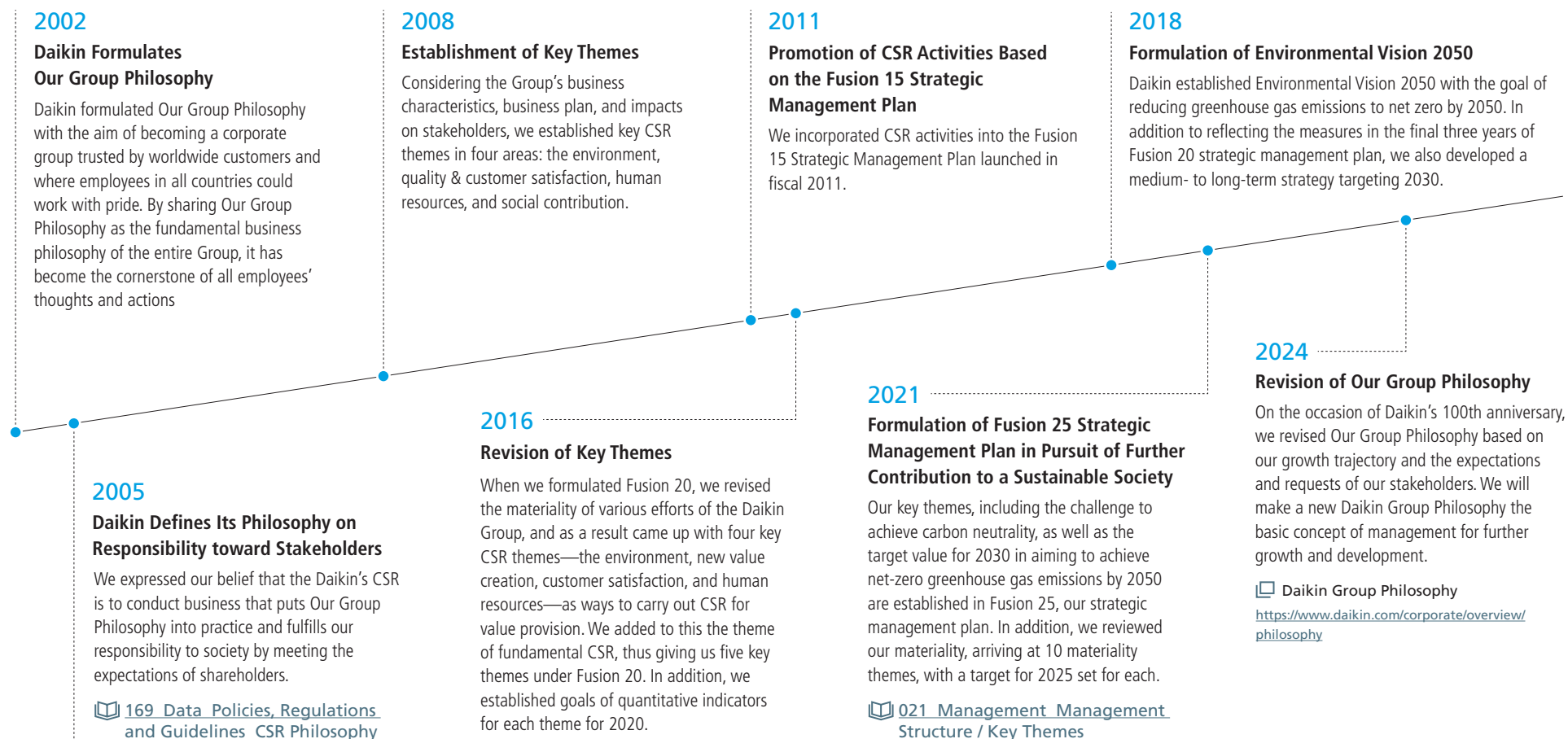


Disclosure		Relevant page number
Marketing and Labeling		
417-1	Requirements for product and service information and labeling	 <a href="#">076 Product Quality and Safety</a>
417-2	Incidents of non-compliance concerning product and service information and labeling	–
417-3	Incidents of non-compliance concerning marketing communications	–
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	–



# History of Sustainability Activities

Daikin has rapidly expanded as a global corporate group, and with this expansion have come greater expectations and demands from society. We are committed to contributing to a sustainable society through our business activities in response to the expectations of our various stakeholders while implementing Our Group Philosophy.





# Process Used to Formulate Environmental Vision 2050

## Formulation Process

In 2018, Daikin formulated Environmental Vision 2050, which calls for the Group to reduce its greenhouse gas emissions to net zero by 2050. Looking at the long term, we have predicted how society will change by 2050 and have made a list of the risks and opportunities for Daikin's business.

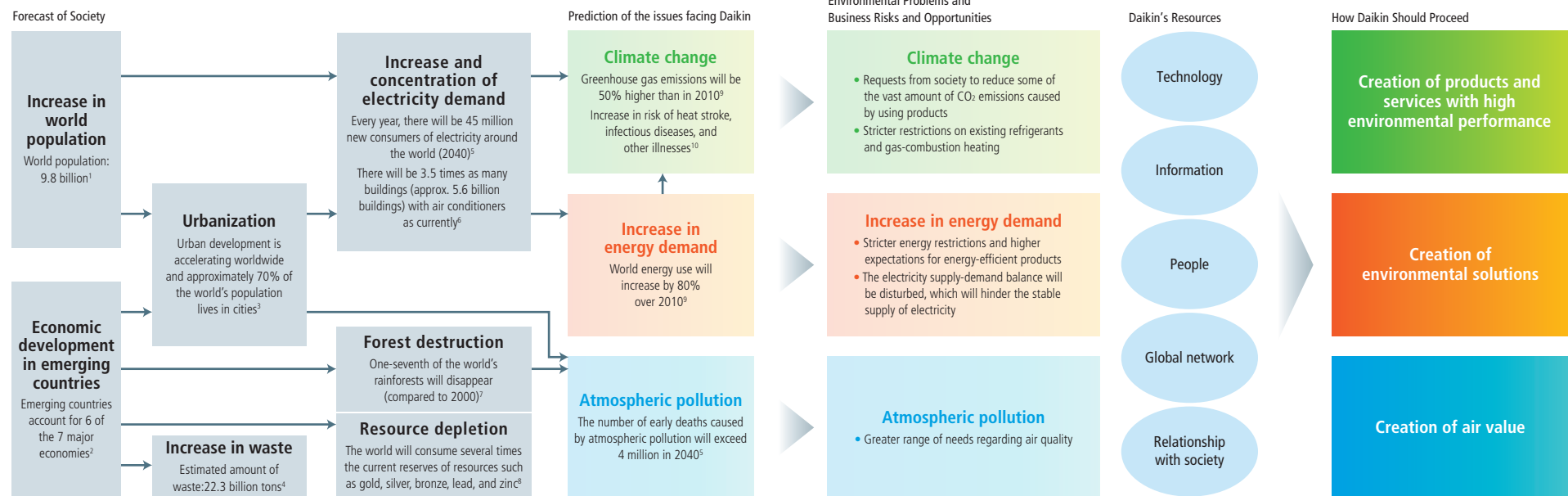
### Forecast of Society in Which Daikin Will Operate in 2050

Based on the relationship between Daikin's business and the global environment, we came up with a long-term environmental to-do list that takes into account what the world will be like for Daikin's business in 2050 judging by current social scenarios.

### How Daikin Should Proceed Based on Risks and Opportunities

Daikin came up with business risks and opportunities in relation to the environmental problems it has identified.

We determined how we should proceed in order to solve these problems based on the company's resources.



Daikin referred to the following reports when making its forecasts

1 *World Population Prospects: The 2017 Revision*, by the United Nations / 2 *The World in 2050*, by PwC / 3 *World Urbanization Prospects: The 2018 Revision*, by the United Nations / 4 *Estimates and Forecasts for the World's Waste Generation*, by the RISWME / 5 *World Energy Outlook 2017*, by the International Energy Agency (IEA) / 6 *The Future of Cooling*, by the International Energy Agency (IEA) / 7 *The Future of Forests: Emissions from Tropical Deforestation with and without a Carbon Price, 2016-2050*, by the Center for Global Development (CGD) / 8 *The Problem of Worldwide Resource Restrictions by 2050*, by the National Institute for Materials Science (NIMS) / 9 *OECD Environmental Outlook to 2050*, by the Organization for Economic Cooperation and Development (OECD) / 10 *Quantitative risk assessment of the effects of climate change on selected causes of death, 2030s and 2050s*, by the World Health Organization (WHO)



# Honors for Daikin

## Overall CSR

Daikin Industries, Ltd.

Chosen for inclusion in the MSCI ESG Leaders Indexes



Chosen for inclusion in the MSCI Japan ESG Select Leaders Index

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

Chosen for inclusion in the MSCI Japan Empowering Women Index (WIN)

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Chosen for inclusion in the MSCI Japan ESG Select Leaders Index

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

Received AA ESG Rating from MSCI



MSCI ESG Research website

<https://www.msci.com/our-solutions/sustainable-investing>

THE USE BY Daikin Industries, LTD. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF Daikin Industries, LTD. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

Chosen for inclusion in the FTSE Blossom Japan Index



FTSE Blossom Japan Index

Chosen for inclusion in the FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Sector Relative Index

FTSE Russell website

<https://www.lseg.com/en/ftse-russell>

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Daikin Industries, Ltd. has been independently assessed according to the FTSE Blossom Japan Index criteria and the FTSE Blossom Japan Sector Relative Index, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index Series. The FTSE Blossom Japan Index Series is designed to measure the performance of Japanese companies that demonstrate strong Environmental, Social and Governance (ESG) practices. There are two indexes within the family, the FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index. The indexes are widely used by sustainable investment funds and for creating and evaluating financial products.

Selected for Climate Change Measures in CDP's "Climate Change A-"



CDP

<https://www.cdp.net/en>

Selected as a SX Brand and DX Stock by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange



Daikin Selected For "Sustainability Transformation (SX) Brands 2024"

<https://www.daikin.com/press/2024/20240423>

Daikin Selected as Digital Transformation Stock 2024

<https://www.daikin.com/press/2024/20240528>

Chosen for inclusion in the SOMPO Sustainability Index



Sompo Sustainability Index

Sompo Asset Management Co., Ltd. Sustainable Asset Management (available in Japanese only)

<https://www.sompo-am.co.jp/institutional/product/06/>



## Recognition of Products and Services

Daikin Industries, Ltd.

**Won FY2023 Energy Conservation Grand Prize  
(organized by the Energy Conservation Center, Japan)**

- ECCJ Chairman Prize in the products and business model category  
JIZAI HEAT, an industrial high-temperature water-output heat pump chiller that contributes to carbon neutrality



 **045 Environment Response to Climate Change**  
Promoting the Use of Heat Pump Space and Water Heaters Initiatives to Promote the Spread of Heat Pumps

DK-Power, Ltd.


**Received FY2023 New Energy Award  
(organized by the New Energy Foundation)**

- New Energy Foundation Chairman's Award  
Micro hydroelectric power generation project that utilizes existing water supply facilities and has zero cost burden for local governments

令和5年度  
新エネ大賞



(商品・サービス部門)  
主催：一般財団法人新エネルギー財団

 **053 Environment Response to Climate Change**  
Initiatives for a Decarbonized Society Examples of Initiatives

## Customer Satisfaction Honors

Daikin Industries, Ltd.

**Two of Daikin's products won a Good Design Award for fiscal 2023**

- Floor Standing Air Conditioning Unit for Australia and New Zealand
- Far infrared heater Hybrid Ceramheat

## Human Resource Honors

Daikin Industries, Ltd.

**7th NIKKEI Smart Work Management Survey**

- Received the Marketing Prize
  - Received the highest rating of 5 stars in overall ranking for the seventh consecutive year (deviation value of 70 and above)
- (Nikkei, Inc.)

**NIKKEI  
Smart Work**  
Awards 2024 Marketing Prize

 The Nikkei Smart Work Management Survey  
(available in Japanese only)  
<https://smartwork.nikkei.co.jp/survey/>

## Recognition for Co-Creation

Daikin Industries, Ltd.

**5th Japan Open Innovation Prize**

- Received the Minister for Internal Affairs and Communications Award for efforts with Fairy Devices Inc.

## Recognition for Intellectual Property

Daikin Industries, Ltd.

**Selected for the Asia IP Elite Awards 2023 (Industrials Team of the Year)  
(Law Business Research Limited)**

 IAM's 2023 Asia IP Elite revealed  
<https://www.iam-media.com/article/iams-2023-asia-ip-elite-revealed>

## Newspaper and Magazine Rankings

Daikin Industries, Ltd.


**Ranked 15th overall in the 18th CSR Rankings  
(Toyo Keizai Inc.)**

 Toyo Keizai Japan CSR Rankings (Toyo Keizai Inc.)  
(available in Japanese only)  
<https://biz.toyokeizai.net/-csr/ranking/>

**Received 4.5 stars certification in the 5th Nikkei SDGs Management Survey (overall deviation of 65 or higher, but less than 70) (Nikkei, Inc.)**

 Nikkei SDGs Management Survey (available in Japanese only)  
[https://www.nikkei-r.co.jp/service/survey/sdgs\\_survey/](https://www.nikkei-r.co.jp/service/survey/sdgs_survey/)

**Best Japan Brands 2023 20th  
(Interbrand)**

 Best Japan Brands 2023 (Interbrand)  
<https://interbrand.com/newsroom/interbrand-announces-best-japan-brands-2023/>