

# Introduction

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# Editorial Policy

The Daikin Group Sustainability Report 2023 presents our basic approach to sustainable growth as well as information on the results of our annual activities and future plans. Up to the fiscal 2022 version, we used two different disclosure media in the form of a printed version and website, but starting from fiscal 2023 we have integrated all information into this report available in PDF. To supplement the integrated report, we disclose more detailed and comprehensive ESG information for shareholders, investors, and ratings agencies.

This report covers Daikin’s sustainability activities broken down into environmental (E), social (S), and governance (G) sections and features a separate data section containing relevant quantitative data, philosophies, and policies. “Daikin” as used in this report refers to the Daikin Group, and “Daikin Industries” refers to Daikin Industries, Ltd.

Going forward, Daikin will publish the first edition of its annual report in September of each year, which it will then update as needed before the next report is published. In addition, we will post previous reports dating as far back as three years on our corporate website.

 **Sustainability Report**  
<https://www.daikin.com/csr/report>

## Third-Party Verification

To ensure reliability of the content of this report, Daikin has a third-party verification conducted for data on greenhouse gas emissions, water use, waste water, waste emissions, and chemical substances emissions.

 **164 Data Third-Party Verification**

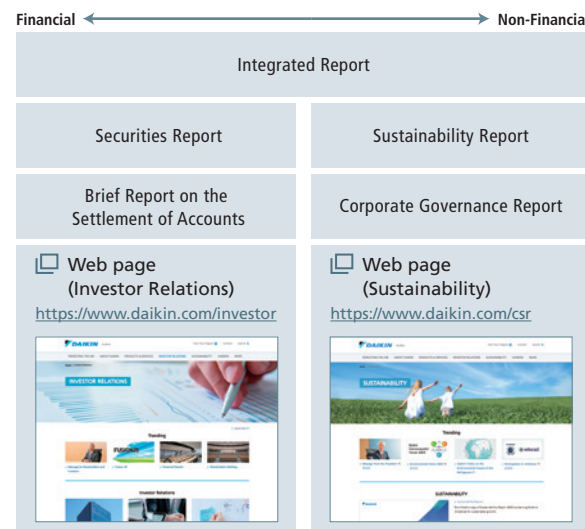
## Referenced Standards and Guidelines

- GRI Sustainability Reporting Standards of the Global Reporting Initiative (GRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- ISO 26000 Guidance on social responsibility
- Environmental Reporting Guidelines of Japan’s Ministry of the Environment

## Disclosure of Financial and Non-financial Information

Daikin discloses information according to the needs of stakeholders.

### Daikin’s Information Disclosure



## Cautionary Statement

In reporting on fiscal 2022 CSR activities, data was carefully reviewed and was revised in cases where discrepancies occurred between actual results and information reported for previous years. Also, because figures are rounded off, totals may not equal the sum of individual figures.

## Forecasts, Expectations, and Plans

This report includes forecasts, expectations, and plans, in addition to past and present facts, about Daikin Group. Please be aware that these are assumptions and judgments made based on the information available at the time this report was written and thus incorporate a degree of uncertainty.

Consequently, there is a possibility that events occurring in the future may turn out differently from the forecasts, expectations, and plans stated in this report.

# What This Report Covers

## Term Covered

April 1, 2022 to March 31, 2023

## Daikin Organizations Covered

This report covers Daikin Industries and its consolidated subsidiaries.

**Financial:** Covers Daikin Industries and its 347 consolidated subsidiaries (total 348 companies).

**Social:** Covers Daikin Industries and its consolidated subsidiaries; however, the coverage may differ by each item (data coverage range is specified per item).

**Environment:** Covers four Daikin Industries, manufacturing bases, eight manufacturing subsidiaries in Japan, and 58 manufacturing subsidiaries overseas (more than 95% of manufacturing bases).

## Japan

Daikin Industries, Ltd.	
Head Office	
Tokyo Office	
Sakai Plant	Air conditioning/refrigeration equipment, compressors
Shiga Plant	Air conditioning equipment, compressors
Yodogawa Plant	Fluorochemical products, hydraulic equipment, air-conditioning equipment, precision defense equipment
Kashima Plant	Fluorochemical products

## 8 Manufacturing Subsidiaries

Daikin Sheet-Metal Co., Ltd.
Daikin Piping Co., Ltd.
Daikin Hydraulic Engineering Co., Ltd.
Daikin Rexxam Electronics (Japan) Ltd.
Daikin Sunrise Settsu Ltd.
Toho Kasei Co., Ltd.
Kyoei Kasei Industries, Ltd.
Nippon Muki Co., Ltd.

## Overseas

### 58 Manufacturing Subsidiaries

Daikin Air-conditioning (Shanghai) Co., Ltd.
Xi'an Daikin Qing'an Compressor Co., Ltd.
Daikin Device (Suzhou) Co., Ltd.
Daikin Air-conditioning (Shanghai) Co., Ltd. (Huizhou Branch)
Daikin Motor (Suzhou) Co., Ltd.
Daikin Refrigeration (Suzhou) Co., Ltd.
Daikin Air-conditioning (Suzhou) Co., Ltd.
McQuay Air Conditioning & Refrigeration (Suzhou) Co., Ltd.
McQuay Air Conditioning & Refrigeration (Wuhan) Co., Ltd.
Shenzhen McQuay Air Conditioning Co., Ltd.
Daikin Medical Technology (Suzhou) Co., Ltd.
Daikin Industries (Thailand) Ltd.
Daikin Airconditioning (Thailand) Ltd.
Daikin Compressor Industries Ltd.
Daikin Australia Pty., Ltd.
Daikin Airconditioning India Pvt. Ltd.
Daikin Refrigeration Malaysia Sdn.Bhd.
Daikin Malaysia Sdn. Bhd.
Daikin Research & Development Malaysia Sdn.Bhd.
Daikin Electronic Devices Malaysia Sdn.Bhd.
Daikin Steel Malaysia Sdn.Bhd.
Daikin Air Conditioning (Vietnam) Joint Stock Company

P.T. Daikin Manufacturing Indonesia
Daikin Europe N.V.
Daikin Industries Czech Republic s.r.o.
Daikin Device Czech Republic s.r.o.
Daikin Manufacturing Germany GmbH
J & E Hall Limited (United Kingdom)
Daikin Applied Europe S.p.A.
Daikin Isitma Ve Sogutma Sistemleri San. Tic. A.S.
Zanotti s.p.a.
Hubbard Products Ltd
AHT Cooling Systems
Daikin Applied Americas Inc.
Daikin Comfort Technologies North America, Inc.
Quietflex Manufacturing Company, L.P.
DAIKIN AR CONDICIONADO AMAZONAS LTDA.
AAF (Suzhou) Co., Ltd.
AAF (Shenzhen) Co., Ltd.
American Air Filter Manufacturing Sdn. Bhd.
AAF India Private Limited
AAF Saudi Arabia Limited (Saudi Arabia)
AAF-Limited (United Kingdom)
AAF International s.r.o. (Slovakia)
AAF France (GASNY)
AAF France (ECOPARK)
AAF,S.A.U.
Dinair AB
Dinair Filton SIA
AAF-Flanders
Daikin Fluorochemicals (China) Co., Ltd.
Daikin Fluoro Coatings (Shanghai) Co., Ltd.
Jiangxi Datang Chemicals Co., Ltd.
Daikin Refrigerants Frankfurt GmbH
Daikin Chemical France S.A.S.
Daikin Chemical Netherlands B.V.
DAIKIN COMPOUNDING ITALY S.p.A.
Daikin America, Inc.

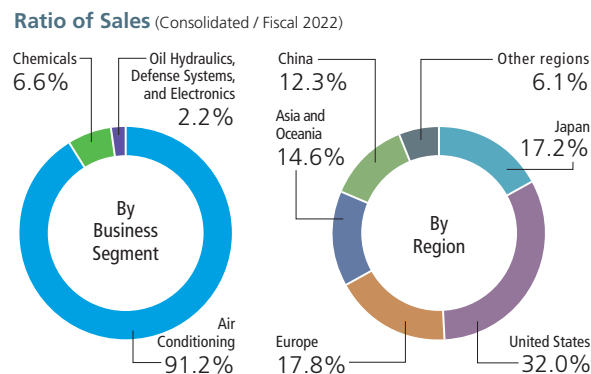
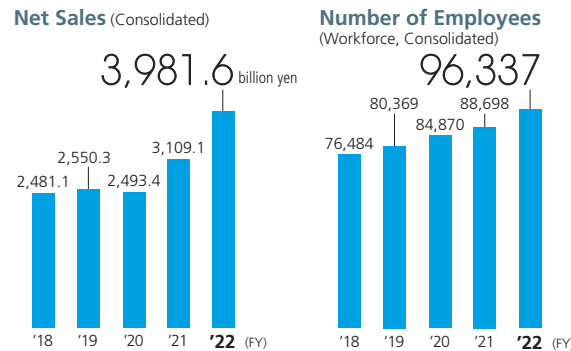
# Update History

September 2023: Published Sustainability Report 2023 (English Version)  
November 2023: Partially updated environmental data

# Business Lines and Network

## Bringing the World Healthy, Comfortable Lifestyles

Daikin is a global manufacturer with greater than 80% of its net sales originating from outside of Japan and more than 80% of the Group's employees working overseas. In our businesses of air conditioning and fluorochemicals, we respond to the needs that arise from the diverse cultures and values of the world's countries and regions by providing products and services that make people and space healthier and more comfortable.



### Our Business

Providing Healthy, Comfortable Lifestyles through Air Conditioning and Fluorochemical Technologies

Air Conditioning	Chemicals	Oil Hydraulics, Defense Systems, and Electronics
<p>Achieving both comfort and environmental performance to satisfy all global air conditioning needs</p> <p><b>Main Business Fields</b> Residential air conditioners, commercial air conditioners, air filters, air purifiers, space and water heaters, air conditioning systems, refrigeration systems</p>	<p>Utilizing the characteristics of fluorochemicals and contributing to a wide range of fields</p> <p><b>Main Business Fields</b> Semiconductor field, automotive field, information and telecommunication field</p>	<p>Contributing to a wide range of industries with our proprietary hydraulic technologies, high-precision processing technology, and IT solutions</p> <p><b>Main Business Fields</b> Machine tools, in-home medical equipment, IT solutions</p>

### Business Sphere

Daikin Is Active in Over 170 Countries

