



Location	Sungai Buloh, Selangor, Malaysia		
Site area	115,214m ²		
Established	February 1974		
Employees	2,580 (as March 2021)		
Main products	Air conditioners (Residential & Commercial Air Conditioners)		
Certified	ISO 9001	September 1992	
	ISO 14001	December 2007	
	ISO 45001	December 2019	
	Green Heart Factory	January 2020 Rank : Gold	

Environment: Reducing Environmental Impacts

■ Reducing energy consumption: second natural gas engine

We installed a second natural gas (NG) driven engine compressor to replace the centrifugal air (IHI) compressor for compressed air generation that supplies the operation area.

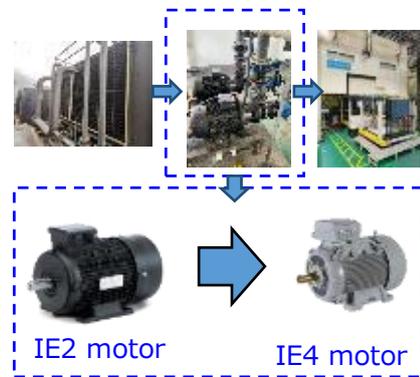


This new NG driven compressor started operation in October 2020, and has an estimated reduction effect of 1,436.16 t-CO₂ emissions per year.

■ Reducing energy consumption: energy efficient system with IE4 motor

We replaced the IE2 motor for the cooling tower with an IE4 motor system to optimize the motor load. This new system began operation in July 2020 and has eliminated one motor unit from operation.

This reduced CO₂ emissions by 47.88 t-CO₂ per year.



■ Reducing energy consumption: minimized humidifier heater output

We reclaimed DRDM waste steam from the steam boiler to pre-heat the feed water tank which reduced the load on the burner and also reduced the humidifier heater output.

This lowered CO₂ emissions by 25.35 t-CO₂ annually.



■ Reducing energy consumption (100% replacement of LED lighting)

DAMA has replaced 100% of its fluorescent lighting with LED. Moreover, we replaced 212 high bay lights with LED types, which included changing 151 units of 120W LED bulbs.

This activity helped reduce 4.1 t-CO₂ emissions per year.



■ Maximizing rainwater collection

We added one rainwater collection system to retrieve water from the rooftop gutter of Plant 2, and it started to collect rainwater in December 2020.

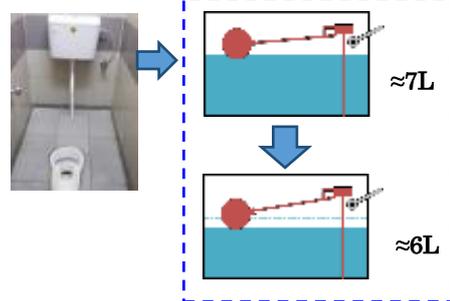
Currently there are five collection points, with an estimated reduction of city water usage of 4,500m³ per year.



■ Reducing water usage: reducing water level in flush toilet cistern tanks

The level of the float ball was adjusted to reduce the water level in cistern tanks from 7L to 6L in order to reduce the amount of water used to flush each use.

A total of 70 cistern tanks from 14 restrooms in DAMA production areas were adjusted, with an estimated water savings of around 2,112 m³ per year.



■ Expanding the use of renewable energy

We installed a total of 2 MW of solar panels on the DAMA plant roof, which is estimated to replace 9% of total energy consumption from purchased electricity for both DAMA and DRDM in fiscal 2020.



■ Reducing energy consumption

We modified the compressed air supply system to reroute the pipeline in order to minimize energy loss, optimize the compressor load according to production planning and reduce the pressure of compressed air supply from 6 bars to 5.7 bars.

This led to an annual reduction of CO₂ emissions by 1,980 t-CO₂.



Environment: Protecting Biodiversity

■ Increasing flora and fauna

We continue to maintain a green area that covers 6% of our site and planted trees surrounding the plant. The trees planted here have attracted birds, butterflies and dragonflies, which helps improve the ecosystem.

A total of 260 jasmine flowers have been planted around the sewage treatment plant, which also enhanced the curb appeal of the treatment system.



Environment: Environmental Communication

■ Environmental DOJO training

In January 2021, the training syllabus was enhanced with the addition of one new station on the topic of reducing usage of single-use plastics, which aims to raise awareness among workers on the issue of plastics pollution. The training program highlighted a few examples of good practices that employees can put to use in order to support the reduction in single-use plastics.



■ Environment Month 2020

The annual environment month was held in June 2021 with the intention to instill awareness of environmental protection and conservation. This year, due to infection controls for the COVID-19 pandemic, activities mainly focused on sharing of environmental messages with workers weekly on related environmental practices at DAMA and DRDM. Topics covered included environmental aspects and impacts, waste management and chemical management.

These messages were shared through the portal, email and notice board.



■ **Environmental DOJO training and bulletin**

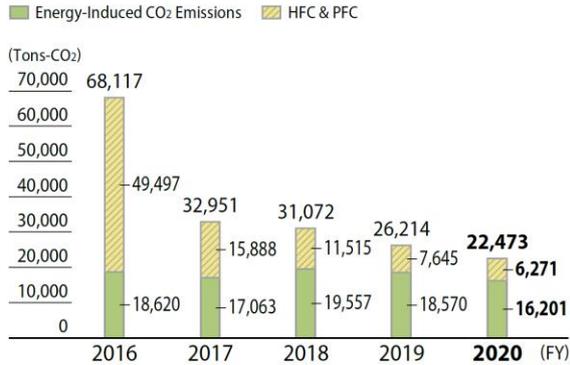
An impromptu environmental practice hall was created to enhance worker awareness of the environment prior to start of work. Seven stations were created for all new workers to experience during their two-day orientation, with a total of 499 participants newly trained by internal trainers.

Moreover, the environment bulletin was issued quarterly to update all DAMA and DRDM employees on developments in the environment and how they can contribute toward the Green Heart Factory effort.

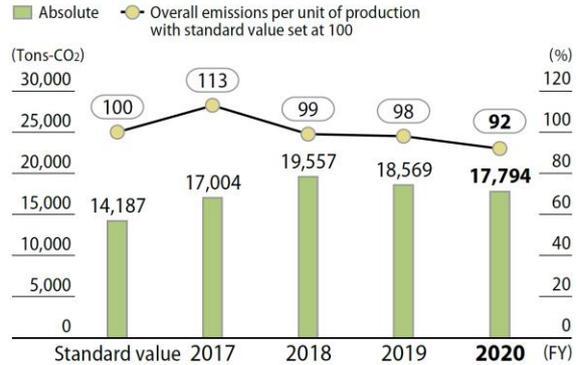


Environment: Environmental Performance Data

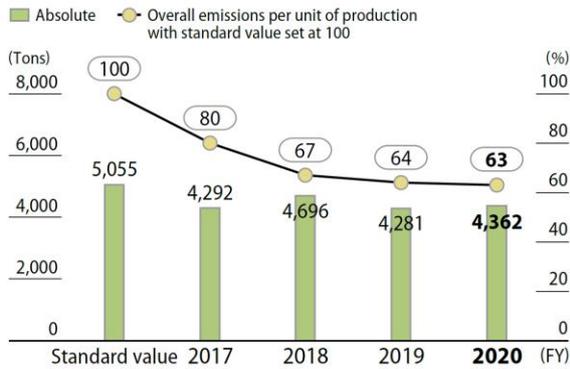
Greenhouse gas emissions



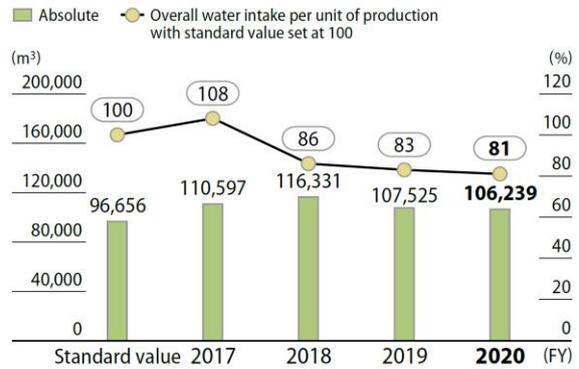
Energy-induced CO₂



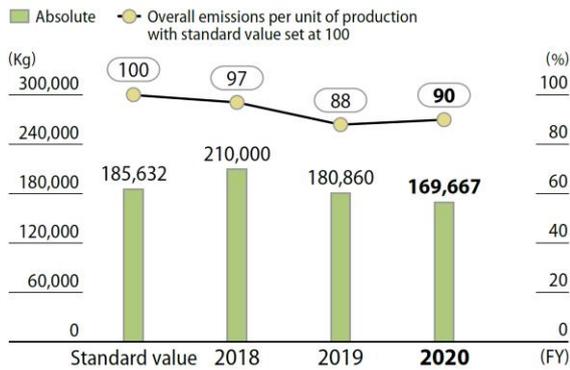
Waste (Including valuable materials)



Water intake



VOC emissions



Customer Satisfaction: Improving Product Quality

■ Focusing on improving the quality of suppliers' parts

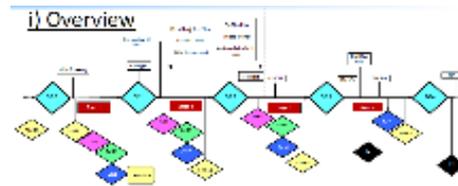
We continue to enroll suppliers in our Parts Quality Improvement Program to enhance their ability to implement improvements independently by coaching them on the PDCA technique and elevating their skills in problem mechanism for effective countermeasures.



Customer Satisfaction: System to Reflect Customer Needs

■ New Product Introduction (NPI) system

The NPI system with systematic process flow is used at DAMA to handle customer requests in order to meet customer needs, e.g. specifications, features and first mass production timing.



■ Customer survey

We conduct customer surveys using Google forms. This platform helps us improve information gathering and it is user friendly. A total of 17 customers (85% coverage) took the survey through Google forms. Based on the survey results, DAMA has a more systematic way to compile customer feedback and can expedite improvement activities.

Our aim is to achieve analysis of survey results on time.



■ Market quality index improvement by theme base

- 1) To improve the Market Quality Index, we always analyze market complaint data to identify cases with the highest number of complaints and establish improvement themes.
- 2) We collect more market information to speed up theme improvement activities, such as recalling relevant faulty parts for problem confirmation, and attending site visits to verify results of reoccurrence prevention efforts.
- 3) Collaborate these improvements themes with development, manufacturing and procurement (suppliers) or engage in action plan activities by using the 'Control Table of Corrective Activity' to track the progress of countermeasure implementation.



■ Prompt handling of customer feedback

- 1) We promptly respond to customers' initial inquiries based on our understanding of the market complaint issue.
- 2) We use "Control Table of Corrective Activity" to assign relevant team members for countermeasure action plans.



We conduct monthly conference (video, face to face) with customer service affiliates to update market feedback countermeasures and request service affiliates' support on the latest market monitoring.

Human Resources: Training for Employees

■ PDS training

We conduct regular PDS training for new employees in order to reduce waste (muda) and promote improvement (kaizen) in the plant. This PDS training is specific to new executive members (11 people) that joined us this year.



■ Refresh KYA training

In order to increase and refresh workers' safety awareness, GIC and SHE conducted refresh KYA training. A total of 17 key personnel from production joined this refresh training to improve their KYA skills, especially on hazard identification and prevention.



■ VSM training

VSM training is divided into two types:

I. Plant Lead Time

We introduced VSM training to reduce lead time. This training is to ensure trainees understand the purpose of VSM and lead time, along with why and how to improve lead time. This training was attended by 15 employees from various sections in production.



II. Parts Lead Time

We introduced VSM training to reduce lead time and stock, with a focus on the warehouse. This training is to ensure trainees understand the purpose of VSM and lead time, along with why and how to improve lead time. This training was attended by 10 employees from logistics and purchasing.

■ Technician skills training

The maintenance department conducts hands-on classes for electrical knowledge under the Training & Competition program to current employees to enhance their knowledge and troubleshooting skills. The session was conducted in a small group of around 3 employees per session to ensure more interactions. We provided three rounds of problem solving training and one final task.



A total of 34 employees attended the Maintenance Training & Competition 2020.

■ Enhancing competency

Competency training for welders and brazers was held to enhance worker skill levels. A total of 224 brazers and 34 welders attended. In order to motivate participants to upgrade their skills, DAMA held a special skills competition in 2020 with a total of 35 junior brazers, 14 senior brazers, and 18 welders in the competition.

Moreover, in order to increase the number of highly skilled brazers, the brazing trainer also implemented a Level 2 training program, with six trainees attending.



Human Resources: Promoting Diversity

■ Improving workers' relationships

We organized several events in promoting good relationships among all DAMA workers. Some examples included:

- 1) Distribution of goodies during festivals that symbolize the celebration (e.g. Hari Raya, Chinese New Year, and Deepavali)
- 2) Hari Raya was celebrated differently due to COVID-19 adaptations. Packed food with Malay menu was distributed to all workers.
- 3) DAMA performed COVID-19 swab tests on all workers in order to identify those infected and ensure safe workplaces for all.



■ DAMA Sports Club promotes a healthy lifestyle

The DAMA Sports Club holds sports activities throughout the year to encourage workers to practice work-life balance. Participants came from different departments, skill levels and ages, playing for both internal and external teams to encourage the spirit of teamwork. Activities organized included fishing, volleyball, bowling, futsal and badminton.



Human Resources: Occupational Safety and Health

■ COVID-19 infection controls (patrols and activities to raise awareness)

To ensure a sense of security at work, we implemented strict COVID-19 SOP that applies to all workers and visitors to DAMA. The initiative included health screening during entrance and patrolling to ensure worker compliance with new norms (practice 3W-wash, wear and warn & avoid 3C-crowded place, confined space and close conversation).



■ **Commuting safety campaign**

In September 2020, we held the commuting safety campaign to increase awareness among workers (drivers and pedestrians). The campaign involved management and OSH Committee to observe drivers' driving behavior and pedestrian behavior. Those found not following rules were coached on the importance of following road safety rules to prevent accidents inside or outside the premise.



■ **Compliance monitoring**

We regularly monitor the health of our employees to ensure they stay healthy while on the job, according to the legal regulations. Workers are identified based on their exposure, where monitoring is carried out by a certified person recognized by the company. The report was shared with workers to ensure they are aware of the importance to take care of their health while performing tasks by following all identified risk controls in the workplace. The activity covered annual hearing test medical examination by an occupational health doctor (OHD), chemical exposure monitoring (CEM), and LEV monitoring.



Communities: Environmental Protection

■ **Tree planting at North Selangor Peat Swamp Forest Reserve**

Forty volunteers from DAMA and DRDM participated in a tree planting event at Raja Musa Peat Swamp Forest Reserve, Selangor on Saturday, July 27, 2019.

Together with other volunteers from different organizations, the participants planted a total of 300 tree seedlings in one hectare area of the forest reserve by the end of the event.



Communities: Support for Education

■ Air Conditioner Certified Technician (ACCT) Program

Since August 2019, we have conducted a joint venture with the Manpower Department (JTM) to enhance practical AC skills among AC installers and provide fully accredited certification upon successful completion of the final examination. There are two modules under the ACCT program: ACCT RA Installation and ACCT RA/SA Cleaning.

For fiscal 2020, the number of participants certified was as follows:

- ACCT RA Installation – 27 employees
- ACCT RA/SA Cleaning – 137 employees

Train the Trainer (TTT) sessions has been carried out for both module and the certified trainers headcount as follows:

- TTT RA Installation – 8 employees
- TTT RA/SA Installation – 30 employees



■ Apprentice training

A DAMA industry-oriented training program (SLDN) has recruited 22 people for the second round of SLDN apprentices since 2018. Basically, this program combines workplace and institutional training that is accredited by the Ministry of Human Resources. It involves ongoing hands-on training and later at the end of the program, the apprentices will be assessed and required take the final exam. Successful apprentices will receive a certificate from the Department of Skills Development (DSD) Malaysia.



■ Plant visit by students

We welcomed undergraduates from a local university to visit our plant, which allowed them to gain a better understanding of our business and career opportunities offered by Daikin Malaysia.



Communities: Other Local Activities

■ Dream Come True Program

In collaboration with the Department of Social Welfare Malaysia, employees from seven DAMA group companies have donated daily essential items to underprivileged children according to their wish list. Items donated include bicycles, storybooks, school items, and sport equipment. In addition, DAMA group companies also donated 10 wheelchairs to support the Wheelchair Assistance Program initiated by the Malaysian Welfare Association to those in need.



■ Kaizen Award

DAMA organized DAMA Kaizen Award Year to motivate workers to engage in more kaizen activities.

