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| Location | Decatur, Alabama, U.S.A. | |
| Site area | 445,200m ² | |
| Established | January 1992 | |
| Employees | 504 (as of March 2021) | |
| Main products | Fluororesins, fluorochemicals | |
| Certified | ISO 9001 | April 1997 |
| | ISO 14001 | October 1997 |
| | RC 14001 | December 2006 |
| | Green Heart Factory | December 2012 Rank: Bronze |
| | Super Green Heart Factory | November 2014 |



Environment: Reducing Environmental Impacts

■ DAI's water reduction efforts

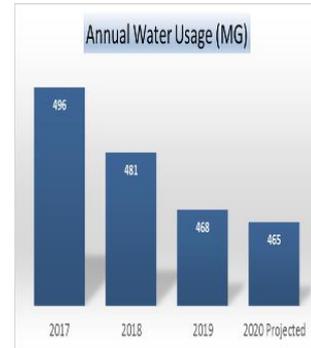
By the end of fiscal 2020, it is projected that DAI will achieve a 31 MG annual water reduction compared to fiscal 2017. This is an approximately 6.25% reduction. Examples of projects that have been implemented include:

N1 – Elimination of cooling water following reactions;

Estimated Annual Reduction

Gas/Utilities – Installation of desuperheater. Controlling steam temperature to +/- 1°F. Reduction of water usage from approximately 30 gpm to 1 gpm.

N1 – Cooling water path modification on compressors.



■ GHG reduction – reduced transportation loads

In May 2019, DAI/MDA replaced the 3,000-gallon single-wall above ground storage tank (AST) with a 6,000 double-wall AST. This resulted in maximizing each tanker load; thus, reducing the number of loads on the highway. Prior to the tank replacement, DAI/MDA was shipping approximately 20 loads per year. In 2020, we shipped 12 loads of waste, equaling a reduction by eight (8) loads. This equates to a GHG reduction of approximately 4.6MT per year from transportation.



■ Reducing landfill waste

Daikin continues to seek opportunities to divert scrap material from the landfill for beneficial reuse. DAI works with Activa, a local vendor, to purchase scrap melts and PTFE product including floor sweeps. In 2020, DAI diverted over 150,000 pounds from the landfill to beneficial reuse.



Environment: Protecting Biodiversity

■ Stormwater retention ponds

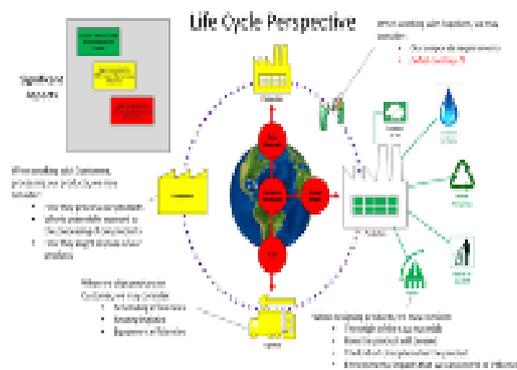
DAI maintains two stormwater retention ponds. These ponds allow suspended sediments and other solids typically present in stormwater to settle out; thus, improving the quality of the water leaving our facility. The discharge from each pond is controlled by floodgates. Under normal conditions, these floodgates are closed, providing a habitat for a number of species of wildlife and native plants that are dependent on wetlands.



Environment: Environmental Communication

■ Continuing Responsible Care activities

DAI is an RC 14001 certified company. Part of this program is an effort to raise awareness regarding the identification and documentation of our Life-Cycle Perspectives throughout the value chain.



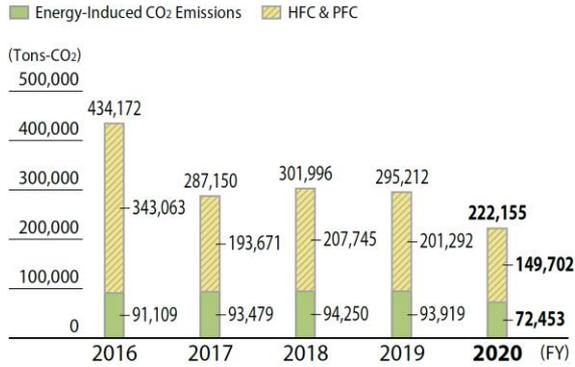
■ Communication with local organizations

We participate in monthly meetings of the North Alabama Environmental Professional Association (NEPA). NEPA's purpose is to provide an opportunity for professionals in the area to network and share information for the common good of the industry. Our employees also serve on the environmental committee (EC) of Manufacture Alabama, an industry trade organization. The EC, which meets throughout the year, provides technical expertise on environmental issues relating to land, water, air, and energy. DAI sponsors a monthly meeting annually.

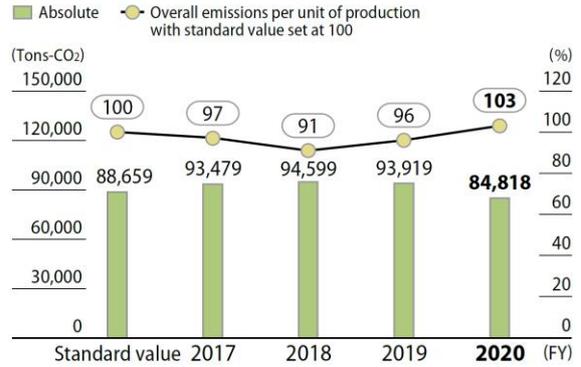


Environment: Environmental Performance Data

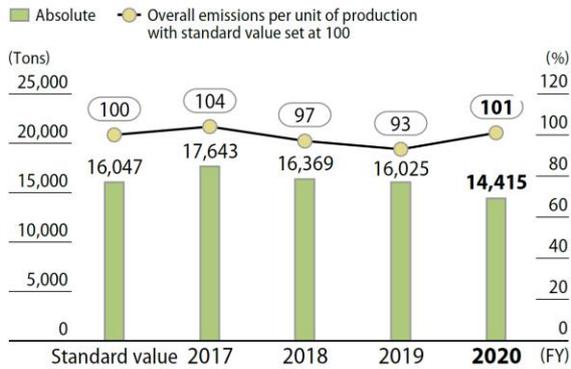
Greenhouse gas emissions



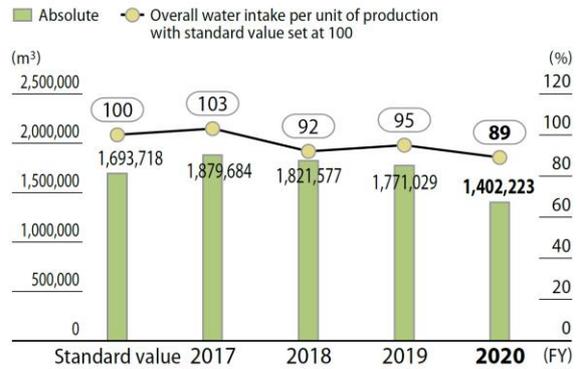
Energy-induced CO₂



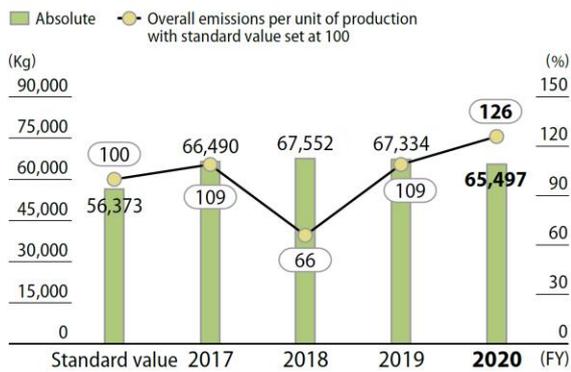
Waste (Including valuable materials)



Water intake



VOC emissions



Customer Satisfaction: Improving Product Quality

■ Customer Satisfaction Survey

DAI has worked to improve our customer satisfaction survey to obtain better data and clearer measurement of the voice of the customers.

Despite our challenges with COVID-19, customer satisfaction has remained high.



■ Melts Area Failure Mode Effect Analysis (FEMA)

DAI has worked to review our Melts Production area to evaluate the potential risks in manufacturing which could cause contamination.

The project then works on an action plan to reduce the high risks identified.

■ Improving quality

We continue to place strong emphasis on product quality as we work to reduce contamination, improve our raw materials, and reduce product variability through statistical process control (SPC) and automation.

Thanks to these efforts, customer complaints related to product quality continue trending lower and are now at a historical low.

Customer Satisfaction: System to Reflect Customer Needs

■ Improving product stability

Significant efforts were made to improve product stability by utilizing statistical process control (SPC) of our finished goods and then subsequent investigation for root cause for “out of control” situations. Advanced process controls were then implemented to enhance stability and capability. We continued to focus on raw material variability reduction and successful measures were enacted with multiple suppliers to improve the stability of our final products.

■ Dialogue with and support for customers

We have strived to interact regularly with key customers to support their changing needs. By building stronger relationships with them, we can quickly understand, address, and deliver improvements.

Our objective has been to provide the kind of support that our competitors cannot.

Human Resources: Training for Employees

■ North American Leadership Program (NALP)

DAI participates in UP/NALP program.

In 2020, two DAI managers, Chanard Cooper and Cindy Hanback, participated in the training program (virtual in 2020).

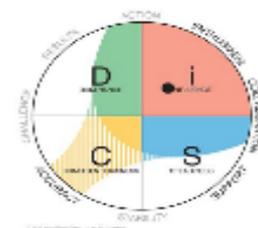
This program is designed to develop leaders for all Daikin Group companies in North America.



■ DiSC training

More DAI professional staff went through DiSC personality training (www.discprofile.com) in fiscal 2020 to better understand the differences in individual personality and how best to work and communicate with other members of the organization.

DiSC Training class was conducted virtually in 2020.



Human Resources: Promoting Diversity

■ University scholarships for local minorities

Each year, DAI provides scholarships to local minority students to pay for their tuition, books, and other fees at the college or university of their choice. DAI awarded seven scholarships to minority college students on January 15 during the virtual Martin Luther King, Jr. Unity Celebration.



■ Equal opportunity and respect for human rights

We continuously strive to maximize our diverse human resources. Because we believe in equal-opportunity employment, all employees are given the same chances regardless of rank or position. Annual education for all employees focuses on creating a workplace of mutual respect by all.

Human Resources: Occupational Safety and Health

■ Good to GREAT (g2G) Safety Initiative

DAI started g2G in May 2019 as a grass-roots safety initiative intent on increasing worker involvement, ownership, and voice.

In 2020, DAI committed almost \$2 million in capital investment for safety improvements in the plant with well over 100 improvements were made as part of the g2G initiative. This effort continues into 2021.



Communities: Environmental Protection

■ Volunteers for chemical recycling

Each year, we provide volunteers and financial support to the City of Decatur's monthly Chemical Collection Day. On March 14, 2020, residents disposed of old paint, household chemicals, motor oil, fluorescent lamps, etc. that will be properly disposed, or recycled, or used for beneficial fuel blending.



Communities: Support for Education

■ Partnership with local non-profit museum

In 2020, DAI donated \$175,000 to the Cook Museum of Natural Science to further STEM education.



■ **DAI School Supplies Drive:**

Supplies & backpacks for 50 children in need. Before the pandemic, DAI Employees conducted science experiments with kids at a Boys & Girls Club.



■ **Partnerships with local universities**

DAI supports cooperative education and intern programs with the University of Alabama, Auburn University, and University of Alabama Huntsville. A total of nine engineering students gained work experience in 2020 through the program.



DAI also continued our participation and leadership role in the Excellence in Process Industrial Controls (EPIC) co-operative work program at Calhoun Community College. DAI currently has six EPIC co-ops working onsite in production.

■ **High school homestay program**

Under the Daikin Homestay Program, high school students in Morgan County travel to Japan to stay with the families of Daikin Industries, Ltd. employees. The visit is a great opportunity to experience Japanese everyday life and culture firsthand.



In 2020, the program was suspended due to COVID-19 pandemic.

Communities: Other Local Activities

■ **DAI Employees giving back to the community**

Each year, DAI Employees volunteer at the Day of Caring by doing yardwork for the local hospice.



In collaboration with the Volunteer Center of Morgan County, DAI team members volunteer on their day off to build wheelchair ramps for disabled residents in our community.



■ **Gift of appreciation to local hospital workers**

DAI donated snack baskets to Decatur Morgan Hospital workers in appreciation of their hard work during the COVID-19 pandemic.



■ **United Way Golf Tournament**

Each year we sponsor a charity golf tournament to benefit the local United Way of Morgan County.

With the help of our vendors, we raised \$306,000 in support of this important local charity in 2020. DAI Employee Campaign for United Way raised \$119,000 in donations, with the same amount matched by DAI.



■ **Angel Tree**

DAI Employees provided new clothes, shoes, and toys for Christmas for 50 children in need.



■ **Toys For Tots Bicycles donation**

DAI Employees donated 345 new bicycles for children in need for Christmas 2020.



■ **Toys for Tots**

Orangeburg, New York just completed our 8th annual Toys for Tots drive.

Toys for Tots is a program run by the United States Marine Corps Reserve which distributes toys to children whose parents cannot afford to buy gifts for Christmas. Thanks to the generosity of our employees, we have collected nearly 50 toys to be donated to this amazing program.



External Evaluation: Awards

■ Heroes on Demand Award

Daikin America has received the “Heroes on Demand” award from the Volunteer Center of Morgan County. This award is given to an individual or group for volunteering in the community continuously throughout the year as needed.

Daikin employees have volunteered and supported wheelchair ramp builds, Barrels of Love food drive, Christmas shoes boxes, Taste of the Valley, Wild West Night, Paintings for a Purpose, and answered many other needs of the community.

