

September 27, 2017

## Sustainability Report 2017 for the Daikin Group

### Reporting the Commitment and Activities for Contribution to a Sustainable Society

Following the Japanese-version published on July, Daikin Industries, Ltd. has issued its English edition of Sustainability Report 2017.

While striving to reduce its environmental impact, the Daikin Group aims to provide new value that makes people and space healthier and more comfortable. This report states the Daikin Group's commitment and activities aimed at contributing to a sustainable society.

The report summarizes the Daikin Group's social contribution through business activities, in efforts toward energy efficiency and mitigation of climate change based on global frameworks, including the Sustainable Development Goals (SDGs) and the Paris Agreement, together with the development and training of human resources to support these efforts.

English website (<http://www.daikin.com/csr/>) with more detailed information will be updated on November.

### Overview of "Sustainability Report 2017"

#### 1. Features on Providing Social Value through Business Activities

##### **Environment: Realization of ZEB with AC System for a Carbon-Free Society**

Daikin is carrying out verification tests that are intended to realize and disseminate net zero energy buildings (ZEBs), which attain net zero energy consumption. In striving to make ZEB buildings a reality worldwide, Daikin contributes with an air conditioning energy management system that achieves both comfort and energy savings while also raising the energy efficiency of cities and regions.

##### **New Value Creation: Meeting Needs for Spaces by Integrating AC and Filter Technologies with Engineering Prowess**

With the prevalence of air contaminants such as PM2.5, bacteria, viruses, and allergens, air environments are having significant impacts on people's health, and society looks to technology to improve indoor and outdoor air environments. The pollutant-removal filter business is expanding, and Daikin is offering a wide product lineup and technological solutions to realize air environments that meet people's expectations.

##### **Customer Satisfaction: Providing Customers with Support for Solving Problems Related to Air Conditioners**

Utilizing its technological capability and unique knowledge as a manufacturer specializing in air conditioners, Daikin provides customers with support for the complex administrative tasks required by the Japanese Law Concerning the Recovery and Destruction of Fluorocarbons. The company also solves customer problems before they occur through the proposal of various plans and tools, ranging from identification of targeted equipment to actual equipment testing. In this way, Daikin is contributing to the reduction of greenhouse gas emissions.

##### **Human Resources: Technical Training Support to Emerging Countries through Cooperation of Industry, Government, and Academia**

In emerging countries, where the air conditioning market has rapidly expanded alongside economic development, training engineers has become a pressing need. Economic growth has been particularly remarkable in India. There, Daikin is supporting the training of engineers and technician through industry, government, and academia cooperation aimed at improving technical expertise nationwide and fostering human resources that support national development for all companies. .

## 2. Report on the Targets and Results of “Environmental Action Plan 2020” Concluding at End of Fiscal Year 2020

The Daikin Group places high priority on the preservation of the environment as an important management theme. For this reason, the company has established its Environment Action Plan 2020 based on Fusion 20, our strategic management plan. The plan aims to reduce Daikin’s environmental impact over the entire value chain to balance sustainable company growth with preservation of the environment.

### Main action item targets for FY2020 and results for FY2016

- 1) [Target] Reduction of CO<sub>2</sub> emissions by 60 million tons-CO<sub>2</sub> worldwide in FY2020 through environmentally conscious products including energy-efficient air conditioners and air conditioners with lower global warming potential  
[Result] Reduction of CO<sub>2</sub> emissions by 45 million tons-CO<sub>2</sub> by having environmentally conscious products account for 74% of residential air conditioner sales
- 2) [Target] Reduction of greenhouse gas emissions during production by 70% for FY2020 in comparison with emissions for FY2005 (reduction to 1.58 million ton-CO<sub>2</sub>)  
[Result] 70% reduction (reduction to 1.57 million tons-CO<sub>2</sub>)

\*File download : <http://www.daikin.com/csr/report/index.html>