



Name	Daikin Applied Europe S.p.A.	
Location	Ariccia (ROME) Italy	
Site area	76,000m <sup>2</sup>	
Established	1968	
Employees	465	
Main products	Chillers, compressors	
ISO 9001 certified	March 1997	
ISO 14001 certified	January 2010	
OHSAS 18001 certified	February 2012	
Green Heart Factory certified	October 2019 rank: Bronze	

Name	Daikin Applied Europe S.p.A.	
Location	Settala (MILAN), Italy	
Site area	12,450m <sup>2</sup>	
Established	2008	
Employees	116	
Main products	Air handling units (AHUs)	
ISO 9001 certified	April 2009	
ISO 14001 certified	January 2010	
OHSAS 18001 certified	February 2012	
Green Heart Factory certified	October 2019 rank: Bronze	

Name	Daikin Applied UK Ltd	
Location	Cramlington, United Kingdom	
Site area	5,385m <sup>2</sup>	
Established	1998	
Employees	107	
Main products	Air handling units (AHUs)	
ISO 9001 certified	March 2003	
ISO 14001 certified	January 2010	
OHSAS 18001 certified	February 2011	

### Environment: Efforts to Reduce Environmental Impact

#### ■ Reduction of water consumption (ARICCIA)

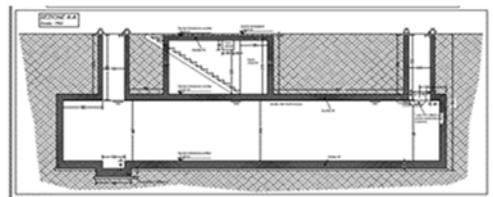
In order to reduce water consumption, we replaced the valve of tank overflow with a mechanical valve. This led to a reduction of water usege by 500 mc/month.

#### ■ New Rain water treatment (ARICCIA)

New Rain water treatment to purify water collected from external waterproof area. Sized to treat the first 5 mm of rainwater - Total capacity is 200 m<sup>3</sup>.

The treatment has been designed to reduce the risk of discharge polluted water due to the presence of:

- Raw materials stock which could release metals;
- Waste bins;
- Trucks that load and unload materials.



#### ■ Reducing waste (SETTALA)

Metal sheets delivered on wooden pallets that are managed as waste - Thanks to an agreement with supplier, each pallet is going to be returned and reused.

This has reduced costs by approximately € 1500 and waste by 11 ton/year.



### ■ Reducing Factory waste (CRAMLINGTON)

DAPUK Over the FY2018 separated its waste from AAFUK and started to monitor its own weight & waste volumes. The aim will be to reduce the amount of waste DAPUK uses and waste that goes to Landfill. procurement Working suppliers to reduce or eliminate packaging from their goods. Procurement manager to monitor supplier packaging.



### ■ Reducing Energy Consumption

A full sites Energy audit was undertaken in line with EN CEI 16247 Determining the processes and buildings with highest energy usage influences where most time is allocated on investigating potential energy savings.

Data on energy consumption and a brief summary of plant and processes are requested before a site visit.

This is used to establish energy patterns, trends and apportionment.

During the site visit the initial data analysis is used to prioritise time allocation on physical inspections and questions.

The site inspection was undertaken with on-site staff and group environmental staff. This enabled the surveyor to understand all of the building layouts and processes as well as corporate strategies and long terms aims.

The site audit includes aspects such as building fabric, building services, including heating, cooling and ventilation plus processes, in this case energy used for moulding and for painting and assembly of the end products. The controls of each process were also investigated.

Each part of the inspection is non-intrusive and based on spot checks.



## Environment: Activities to Protect Biodiversity

### ■ Honors (ARICCIA)

On July 5, 2019, the evaluation committee awarded the fourth Daikin Award, sponsored by DAE and the Department of Biology and Biotechnology of Charles Darwin Sapienza University, Rome, for young researchers in biodiversity conservation.

Of the 11 applicants from 10 Italian universities, the award went to Dr. Gianmaria Bonari for his outstanding doctoral thesis and his scientific contribution in the field of biodiversity conservation.



## Environment: Environmental Communication Examples

### ■ Reduce of Plastic cups (ARICCIA, SETTALA)

During the 50th anniversary of Daikin Applied Europe, water bottles were distributed to all employees to replace plastic cups currently used for water dispensers.

Also the disposable plastic cups used in the company canteen were replaced with washable and reusable cups: this will allow us to reduce the amount of plastic waste by approximately 1.500 kg/year, equal to 126.000 glasses/year.

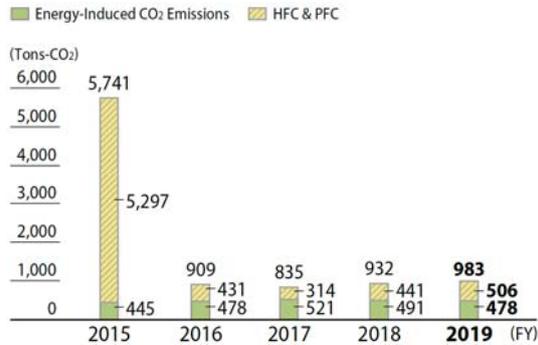


### ■ Environmental education & awareness (CRAMLINGTON)

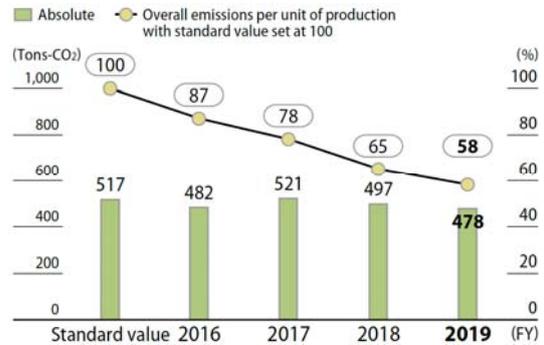
Throughout FY2019, DAPUK conducted tool box talks with employees on topics such as waste reduction, recycling, pollution prevention, solvent management, and proper storage of chemicals. The company also communicated closely with supply chain partners with a view to reducing packaging.

## Environment: Environmental Performance Data

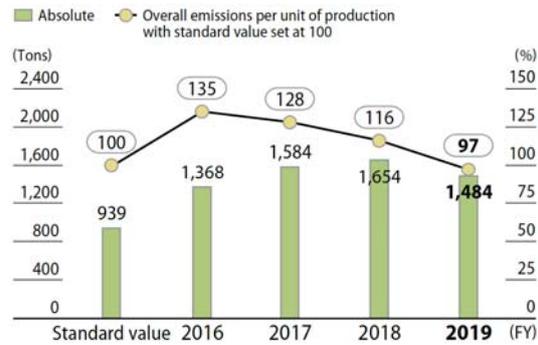
### Greenhouse gas emissions



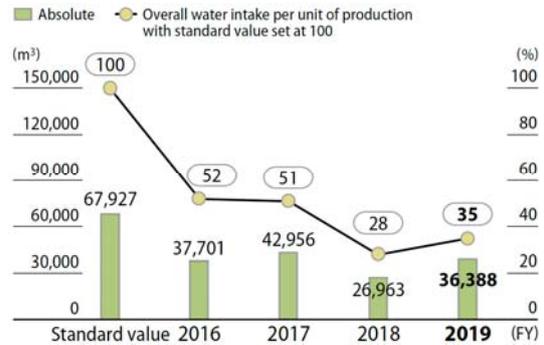
### Energy-induced CO<sub>2</sub>



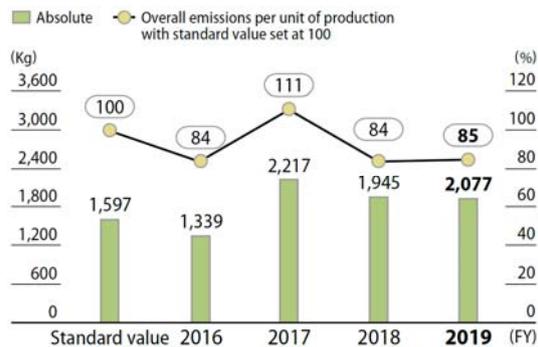
### Waste (Including valuable materials)



### Water intake



### VOC emissions



## Customers Satisfaction: Efforts to Improve Product Quality



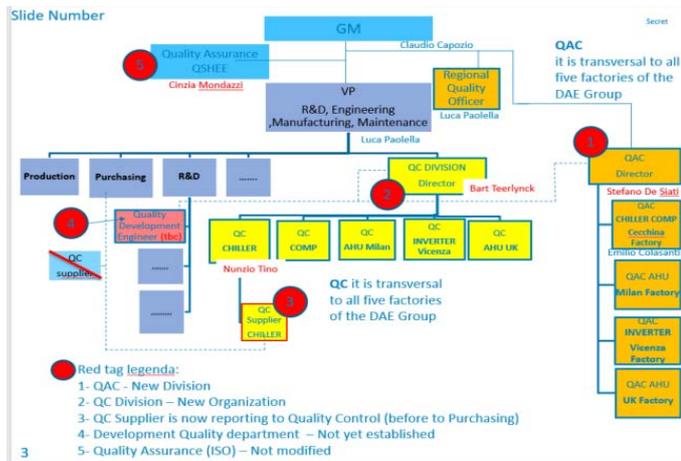
1) Quality Organization has been re-organized mirroring DENV Quality Organization: Establish Applied QAC (Quality Assurance Center) to monitor the quality perception of the Applied products and to communicate directly with the DENV affiliates and to run the PDCA cycle directly in the DAE factories and DAE development on the quality problems (GIB) noticed in the field.

Add 1 QAC engineer in FY19.

2) Quality Control organisation integrates the 5 DAE factories

(1.Chiller, 2.Compressor, 3.AHU Italy, 4.AHU UK, 5.VFD) to use the same quality procedures and methodology in the 5 factories and to become one Applied QC organisation.

Add 1 QC engineer in FY19 +  
Add 1 QC engineer in FY20



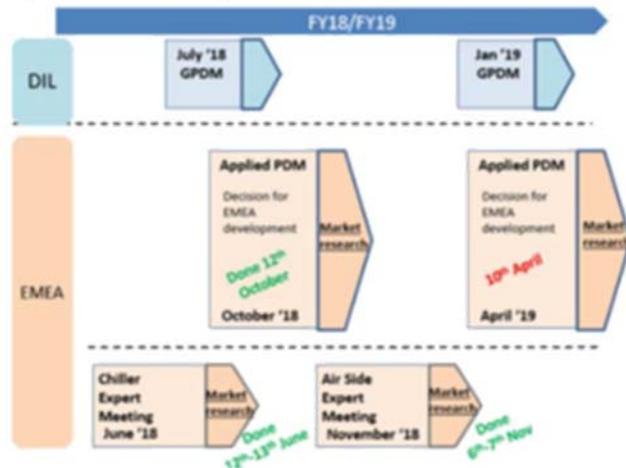
## Customers Satisfaction: System to Reflect Customer Needs

### ■ Product development meetings (ARICCIA)

DAE organizes meetings with affiliates several times during the fiscal year to get information on customer requirements and prioritize product developments.

At semi-annual applied PDM meetings with managing directors of affiliates, strategic discussions are held to define priorities in product development.

At expert meetings twice a year (once regarding chillers, once regarding air side products) with product specialists from affiliates, detailed technical and commercial discussion about new product developments are held. For main Countries (e.g. Germany, UK, Dubai), local PDM meetings are organized once per year in order to better investigate Country specific needs.



## Human Resources: Training for Employees

### ■ Graduate internship program (ARICCIA)

Internship program has now been set as a workforce planning standard.

This year we added 2 more sessions and know we are running 3 sessions per year with 21/28 new technical school graduates.

All graduates come from the surrounding area and we present the program directly in the schools of our territory promoting Daikin brand and culture. The Unions at local and national level have appraised the program and did a press release on our engagement regarding the skill development of young people without any experience.



### ■ Company meetings

Annual Company meetings (DAE) in all the plants: Cecchina - Settala - Vicenza

Cecchina 50° Anniversary: a celebration for all the employees of Cecchina to celebrate the success story of the company and its teams.



### ■ Lean Thinking training

DAE has successfully spread its 'lean thinking' (no wasted time, labor, and material) throughout the entire organization, including the Settala plant. And now lean thinking is gradually becoming part of the working mindset.

### ■ DAE Academy (ARICCIA) - CONTINUE

From DAE PDS Academy courses, we have expanded the span of the DAE academy in order to cover more topics including technical courses in-house, sharing knowledge, and strengthening team work.



### ■ DAE@University (ARICCIA) - CONTINUE

DAE is strengthening the relation with the universities through contacts with professors and participation to job fairs.



■ **Training geared to all employees**

DAPUK has training plans in place for all employees in which training needs are identified following annual performance reviews.

Internal training and tool box talks are carried out on a regular basis to ensure that employees are aware of any changes that may take place e.g. production processes.

DAPUK are finalising training plans for each department and in line with their job description and includes competencies for the role as well as to the specific requirements of each employee. We have a new system where we log all training, internal training and tool box talks which then can give us a matrix for departments/employees as well as reports and it also logs expire dates so we are aware when refresher training is needed.

■ **Management skills training**

DAPUK use a company called Impellus Training who provide a structured approach to management development. Under the training programs, managers can obtain accredited qualifications from level 2 to 5 in management and leadership skills.

## Human Resources: Promoting Diversity

■

DAE has started a good practice on diversity and inclusion aiming at recruiting more female candidates for technical roles. Our target is to have at least 1 female in each technical department.

■ **Dignity training**

DAPUK is committed to abiding by the Equality Act 2010 which legally protects people from discrimination in the workplace. We have in place a Dignity at Work Policy and an Equal Opportunity Policy. For new employees this is part of their induction and we have set up E-Learning training for employees and their will be a refresher every 2-3 years or when required. This will be logged on employee training plan.

## Human Resources: Efforts to Occupational Safety and Health

■ **(DAE)**

Flu vaccination campaign in Nov 19.

■ **Occupational safety and health training**

DAE Training was provided for a total of 3170 hours in fiscal 2019.

■ **Safety and health training**

DAPUK identifies all risks and hazards through a risk assessment program. Through this program, training is identified and carried out where needed. This includes classroom training and online training in the form of toolbox talks and staff briefings.

## **Communities: Support for Educational Activities**

### **■ ARICCIA**

DAE has sponsored the Ariccia film festival with a special focus on environment. In fact Claudio Capozio has awarded the winners of a short movie on the preservation environment.

### **■ Apprenticeship Scheme (CRAMLINGTON)**

DAPUK currently run an apprenticeship scheme, we currently has four apprentices: four in Cramlington. A training provider has been hired to support in the education and the apprentices are each assigned a mentor in the workplace. The apprenticeship period varies from two to four years, depending on the sector. They divide their time between on-the-job training and daytime classes at college.

### **■ Work Experience Scheme**

DAPUK currently offer work experience placement to young school children, when they are around 16 year old. Local schools run a programme where students take up a placement in the workplace for either 1 or 2 weeks to give them experience of a working environment. This can help students on making a decision on their chosen career path.

### **■ Graduate programs**

DAPUK also as good relationships with the local Universities and runs graduate programs in which university students can attend for an eight week session to help with their studies and gain on the job experience. We have also employed 3 graduates following an opportunity to attend and engineering showcase at Newcastle College University where we had the opportunity to meet students and they give presentations on projects they have worked on.

### **■ Participation in annual careers fair**

DAPUK attends annual careers fair at a local school, colleges and universities to help give students overview for careers they can pursue in engineering, design etc. once they finish exams. An HR team member attends along with an other employee(s) with either a technical or design background so students can ask them questions about their jobs. This is one way that DAPUK strives to give back to the community.

### **■ Consultant program (CRAMLINGTON)**

DAPUK also runs a program with one of its consultants in which consultant trainees spend a week with DAPUK in Cramlington and two weeks in Italy to learn processes and gain knowledge on Daikin products. We are also looking at the opportunity of opening this up to students from Universities to given them an insight of manufacturing/engineering.

## Communities: Other Regional Activities

### ■ Running Team

DAE Creation of a running team: 35 employees registered (7% of employees)

### ■ Better Health @ Work Award

DAPUK runs a Better Health @ Work Scheme through its Public Health Trust. This program provides employees with information on matters such as health and fitness, nutrition, and mental health so that they can achieve a good work-life balance. The aim of the award is to demonstrate commitment to employees, assess the health needs of workers, and provide advice, guidance, and support on healthy lifestyle choices. There are also in-house campaigns to get employees involved, such as lunch time walks, health-related discussions, health checkups to make employees aware of statistics such as weight, blood pressure, and glucose levels, group activities, a 'stampede', and golf days. We have just been awarded our Maintaining Excellence Award which is currently the highest level.

### ■ Better Health @ Work - Team Charity Event

Employees of DAPUK took part in a team event called Gung-Ho a 5k run involving the world biggest inflatable obstacles. This event raised money for SPARCS a small local charity set up by a parent of autistic children to provide support and events for autistic children and their and their families. Our employees raised £255 for this event.



### ■ Better Health @ Work Award - Team Charity Campaign

Employees of DAPUK took part in a national campaign we ran for Prostate Cancer called March for Men in May. The campaign was to raise awareness and the challenge was to walk 11,000 steps per day during the month of May. Our team walked in total 3734601 steps within the month. In total we raised £1874.



## External Evaluation: Awards

### ■ Higher and Degree Apprenticeship of the Year Award

Host Organization:  
Newcastle College  
Recipient:  
Aftersales Manager



### ■ 2019 - Product of the Year Award for EWAT range of R32 Chiller for Commerical

Host Organization:  
H & V News

