

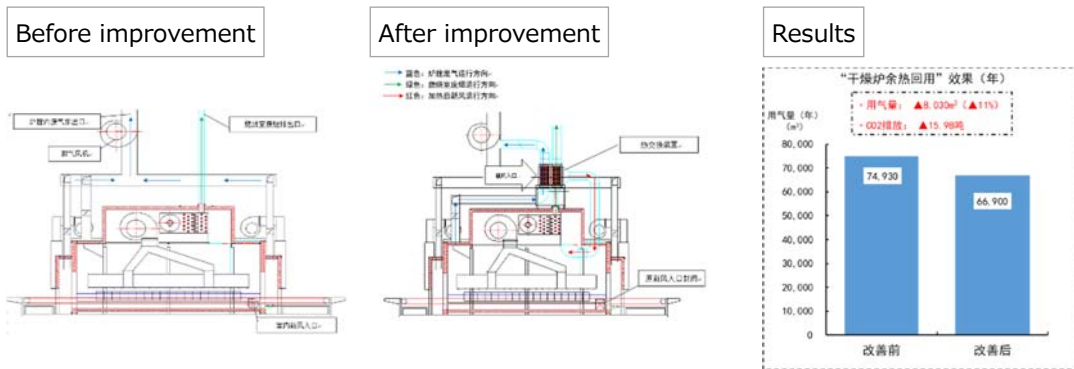


Location	Shanghai, China	
Site area	130,000m ²	
Established	November 1995	
Employees	2,436	
Main products	VRV air-conditioning	
ISO 9001 certified	December 2000	
ISO 14001 certified	October 2001	
ISO 50001 certified	December 2018	
OHSAS 18001 certified	May 2010	
Green Heart Factory certified	November 2019 rank: Gold	

Environment: Efforts to Reduce Environmental Impact

■ Recovery and use of waste heat from drying furnaces

Purpose: To use waste heat to preheat room air that enters the furnace, so as to reduce the amount of natural gas that must be used for drying furnaces.



■ Switching to LED lighting and reducing lighting usage

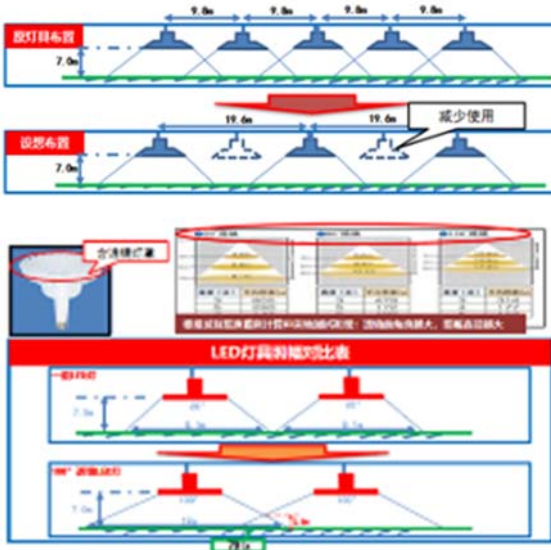
Purpose: To reduce electricity used for lighting, without reducing the level of lighting.

Details: Reduce the number of lighting fixtures by utilizing the efficiency of LED lighting and applying lens principles to broaden angles of illumination.

Before improvement



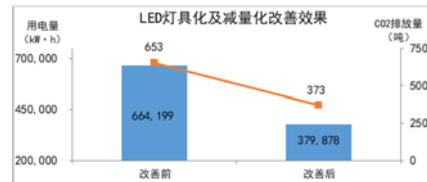
After improvement



Expansion to other locations

照明区域	照明要求	选用LED灯具类型
3栋、4栋仓库	1、工作面照度优先	120° 直射
雨棚照明	1、整体环境照度优先 2、灯具需防眩光	180° 防眩光
室外路灯照明	1、地面照度优先 2、灯具需防眩光	路灯专用防眩光

Results



- Number of fixtures: 902 → 532 (reduction of 370)
- Energy saved: 284,321 kWh/year (42.8% reduction)
- Cost effect: 264,000 yuan/year saved

Environment: Environmental Communication Examples

■ Working with schools: plant tours for students

With support from the Minhang District Experimental Primary Schools Association, nearly 80 students and teachers visited Daikin Shanghai to tour the plant over two separate days: November 11 and 29, 2019.

The goal was to create a positive relationship with the students and teach them about Daikin's training systems, advanced technologies, automated production lines, "safety schools," "environmental schools" and so forth.

Students and teachers from eight schools left a message behind on a sign, reflecting their desire to protect safety and the environment: "Let's protect the environment together with Daikin." We hope the students will use what they learned about environmentalism during the tours in their daily future lives.

170 year-five students from Shanghai Japanese School also toured the company on October 9, 2019.

This tour focused on our efforts to increase environmental awareness, with a firsthand look at air conditioner construction, the product assembly process, environmental steps taken, how Daikin Shanghai is an environmentally friendly company, and so forth.



■ Increasing environmental awareness

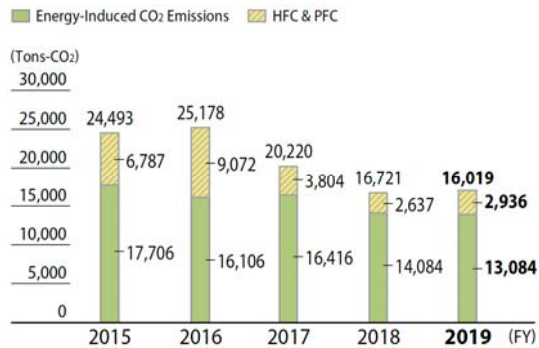
Environmental quiz

An environmental quiz was held June 27-July 5, 2019, to strengthen environmental awareness among employees and deepen employee understanding of our environmental regulations and systems. Answers were entered using 2D barcodes, which also helped to reduce the amount of paper used.

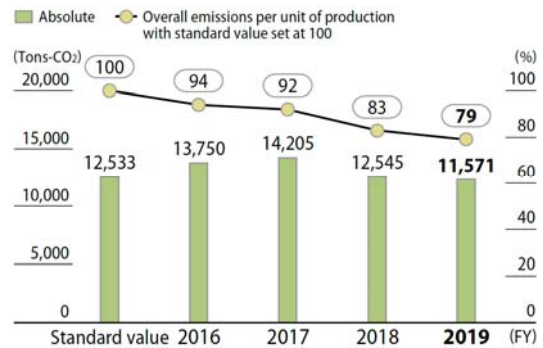


Environment: Environmental Performance Data

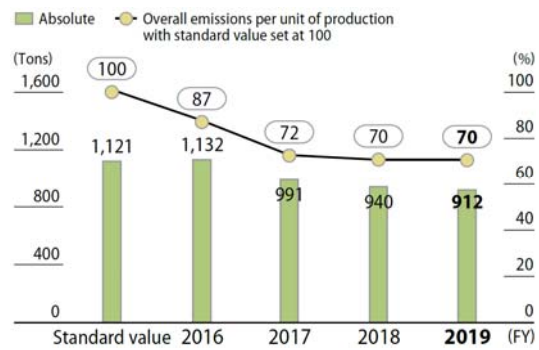
Greenhouse gas emissions



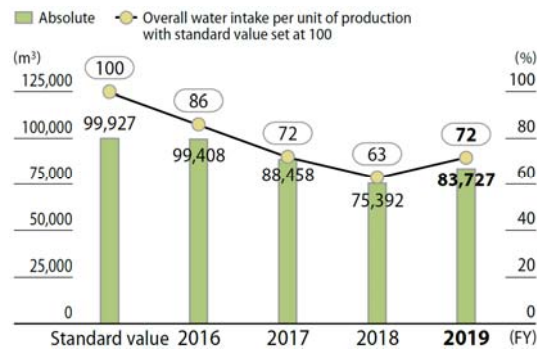
Energy-induced CO₂



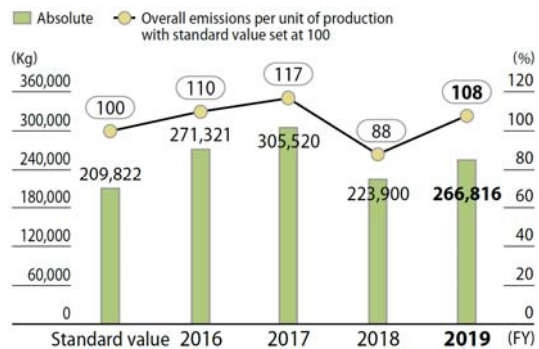
Waste (Including valuable materials)



Water intake



VOC emissions



Customers Satisfaction: Efforts to Improve Product Quality

■ Air Conditioner Festival

An Air Conditioner Festival is held regularly in conjunction with the sales department.

2,873 sales agents and users/year visited during these events.

The purpose is to raise awareness of Daikin and inform participants of the benefits of Daikin products, Daikin's commitment to quality, the difference between Daikin products and those of other companies, and so forth.



Customers Satisfaction: System to Reflect Customer Needs

■ Customer surveys

Surveys were passed out to customers visiting during the above-mentioned festival. This important feedback will be incorporated into future products. A total of 5,118 have visited for tours.



Human Resources: Training for Employees

■ 12th (China region) Daikin Skill Olympics (collaborative)

The 12th (China region) Daikin Skill Olympics were held at DIS in October 2019. The theme of this year's events was "Collaboration and Breakthrough." "Collaboration" was chosen to reflect the 2019 Group policy message: "Quick and decisive actions on the part of all, built around three collaborations." It also reflects our commitment to striving toward new methods for training exceptionally skilled employees, by promoting learning and interaction between job categories so that employees can train and grow from each other. "Breakthrough" refers to boldly overcoming limitations and forever challenging ourselves to reach new heights. Each of us holds unlimited potential. Participants competed in this spirit, and by continuing to strive to improve themselves and grow in their future work will help to achieve Daikin's goal of unparalleled quality, worldwide.



■ 23rd Shanghai Daikin Skill Olympics

The 23rd Shanghai Daikin Skill Olympics were successfully held in December 2019. From preparations to finals, this year's event was shortened by 17 business days compared to the previous year. In addition to improvements in efficiency, three new categories were also added: dumpling wrapping, telephone manners and trash sorting. The broader scope allowed more indirect personnel to participate in the Olympics, with indirect employee participation increasing from 37% to 98%. Total participation was also 98%, its highest ever.



■ Training in Japan

10 employees from the production department (2 team leaders, 4 group leaders, 1 task force leader, 2 exceptional employees and 1 industrial partnership Daikin group intern) visited Japan as trainees, where they studied advanced Japanese technologies and management models and improved their technical and managerial skills. The training lasted 10 months.



Human Resources: Promoting Diversity

■ Building an environment where we can learn from each other and fulfill our philosophy of disabled and non-disabled persons working together in harmony

Company president Hiroshi Inui has offered up a new management philosophy of “disabled and non-disabled persons working together in harmony.” In order to fulfill this goal and promote workplaces where disabled and non-disabled employees come together without barriers to communication, we have been working to build environments where disabled and non-disabled employees learn from each other. Stressing the importance of this philosophy, Vice-President and Disability Project Team Leader Shen Jihong holds project team meeting symposiums and, centering the experience of disabled employees, is developing a “learn 1 phrase each week, practice 1 phrase each day” Daikin sign language learning policy for groups, teams and departments with disabled employees.



■ Training in self-management

The first step in the “New 10 Years” Disabled Persons Base development plan is to fulfill our new philosophy and method for promoting self-management for disabled employees. To do so, we are working to strengthen self-management skills and form skilled disabled groups capable of self-management. Our aim is to foster equal growth for disabled and non-disabled employees, and to achieve a unique and self-sufficient Daikin workforce. Under the guidance of Vice-President Shen Jihong, the Disabled Persons Base held educational and training activities four times. Activities focused on two topics: “forming self-management groups” and “PDS Production of DAIKIN System).”



■ Hands-on activities, held outdoors

In order to raise awareness and understanding of “innovative thinking” among disabled employees, a group of disabled employees, led by the Disabled Persons Base, participated in hands-on team-building and teamwork activities on November 23 and 24, 2019. Over the two-day hands-on curriculum, disabled employees learned ways in which succeeding together requires innovative thinking. The employees experienced firsthand how traveling off the beaten path, thinking outside the box and being courageous in thought, speech and action can make the impossible possible.



■ Awards

Awards from the government

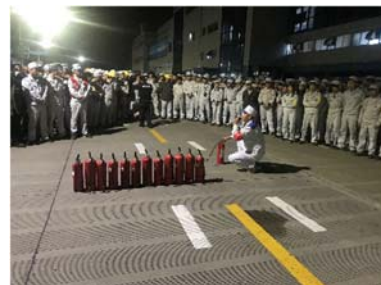
One of Daikin's disabled employees, Ge Yimin, received the Exceptional Skills Award during the 6th National Disabled Persons Occupational Skills Contest held in 2019.



Human Resources: Efforts to Occupational Safety and Health

■ Emergency response training

Fire drills were held for outside warehouses (Chunkang Road) on June 26 (first time) and September 25 (second time), 2019, and for all regions and plant employees on January 18 daytime (first time), October 31 nighttime (second time) and November 19 daytime (third time), 2019.



Communities: Support for Educational Activities

■ Collaborative partnership with Pingliang Mechanical and Electrical School

Since 2015, Daikin Shanghai has carried out industrial partnerships with Chongqing Technology and Business University, Pingliang Science and Engineering Secondary Vocational School, and Pingliang Mechanical and Electrical School. Daikin has established classes at each of these schools, which have educated a total of 854 technical students as of December 2019. In addition to technical education, we have carried out cultural lessons in five subjects at the three schools for over ten times, with around 300 students undergoing the courses, giving Daikin students a firm grounding in occupational culture.

Daikin Shanghai has also provided a total of 195,000 yuan in scholarships and support to students at the three schools, as of 2019, helping to improve the lives and learning conditions of students in need and help alleviate poverty in the educational system.



Communities: Other Regional Activities

■ Bon dancing in support of charity

Contribution:

Donation of learning materials and daily necessities to primary school students at Xishuangbanna, Menghai County, Xinsheng.



■ Traffic volunteers

Every October, our volunteers help direct bicycle and pedestrian traffic during rush-hour at intersections in Shanghai Minhang Xinzhuang Industrial Park. 66 employees participated in 2019, for a total of 67 volunteer hours.



■ 12.5 international volunteers

On December 10, 2019, the Xinzhuang Industrial Park Cultural Office held a public-interest activity with the slogan, "Our smiles are our business cards, service is our desire." Volunteers from Daikin Air-conditioning set up a booth for free cleaning of Daikin air conditioners, where many customers visited for consultations and registered for service.



■ Blood drive

150 employees gave blood in 2020.



External Evaluation: Awards

■ Air purifier industry contributing company

Host Organization:
2019 air purifier industry summit organizing committee
Recipient:
Daikin Air-conditioning (Shanghai) Co., Ltd.



■ FY2017-2018 Shanghai Cultural Organization

Host Organization:
Shanghai Municipal People's Government
Service Center
Recipient:
Daikin Air-conditioning (Shanghai) Co., Ltd.



■ Shanghai "Harmonious Labor Relations" company

Host Organization:
Shanghai Municipal Human Resources and Social Security Bureau
Shanghai Federation of Trade Unions
Shanghai Enterprise Union/Shanghai Entrepreneurs Association
Shanghai Federation of Industry and Commerce
Recipient:
Daikin Air-conditioning (Shanghai) Co., Ltd.

