



Location	Decatur, Alabama, U.S.A.	
Site area	445,200m ²	
Established	January 1992	
Employees	501	
Main products	Fluororesins, fluorochemicals	
ISO 9001 certified	April 1997	
ISO 14001 certified	October 1997	
RC 14001 certified	December 2006	
Green Heart Factory certified	December 2012 rank: Bronze	
Super Green Heart Factory certified	November 2014	

Environment: Efforts to Reduce Environmental Impact

■ Electronics Recycling Day

For the past 8 years, DAI has offered our employees free disposal of old household electronics. Computers, monitors, copiers, printers, televisions, stereos, and cell phones are examples of the electronics collected and properly disposed of by DAI as part of the annual event. In 2019 the effort yielded 1,850 lbs of electronics for recycle.



■ Reducing landfill waste

We initiated a new contract with a local vendor. The vendor now buys our scrap Melts and PTFE product instead of DAI paying to landfill the waste. In 2019, DAI was able to avoid 142 klbs of landfill with the new program.



Environment: Activities to Protect Biodiversity

■ Stormwater retention ponds

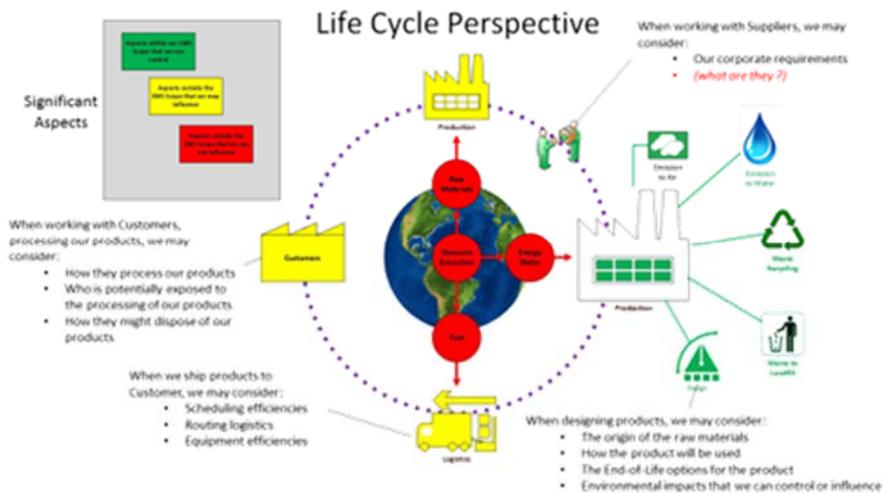
DAI maintains two stormwater retention ponds. These ponds allow suspended sediments and other solids typically present in stormwater to settle out, thus improving the quality of the water leaving our facility. The discharge from each pond is controlled by floodgates. Under normal conditions, these floodgates are closed, providing a habitat for a number of species of wildlife and native plants that are dependent on wetlands. For the past 3 years, Canada Geese have been using these ponds as their habitat.



Environment: Environmental Communication Examples

■ Continue Responsible Care activities

DAI is an RC14001 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.



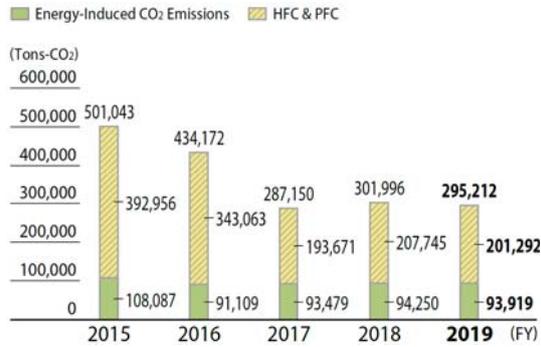
■ Communication with local organizations

Our company participates in monthly meetings of the North Alabama Environmental Professional Association (NEPA). NEPA's purpose is to provide an opportunity for area professional 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. (Continued from last fiscal year)

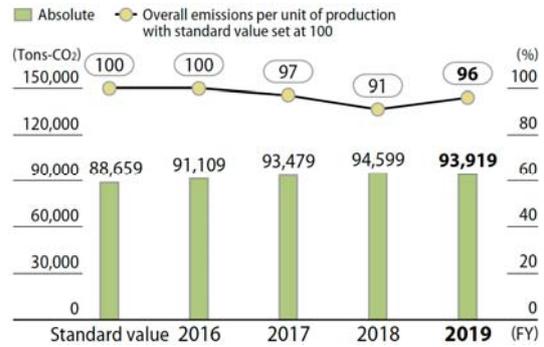


Environment: Environmental Performance Data

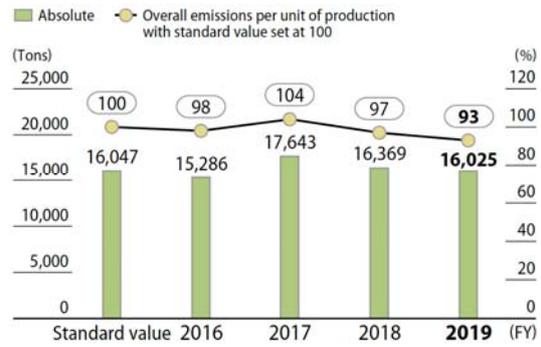
Greenhouse gas emissions



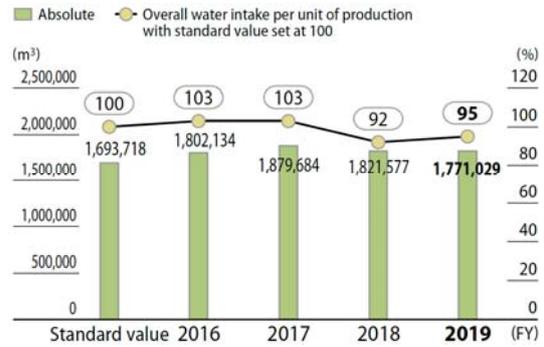
Energy-induced CO₂



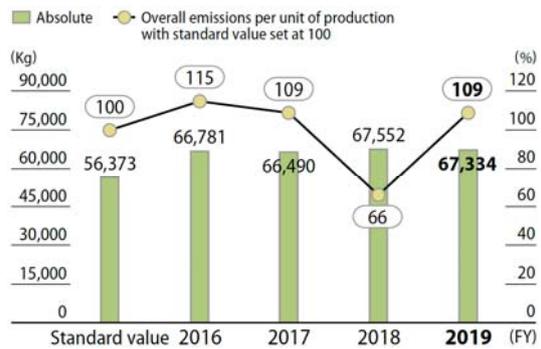
Waste (Including valuable materials)



Water intake



VOC emissions



Customers Satisfaction: Efforts to Improve Product Quality

■ 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.

Customers Satisfaction: System to Reflect Customer Needs

■ Improving product stability

Significant efforts were made to improve product stability by utilizing SPC (statistical process control) 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 worked to regularly interact 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 can't.

Human Resources: Training for Employees

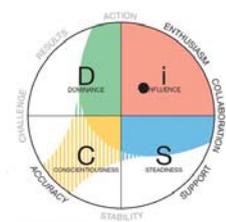
■ North American Leadership Program (NALP)

Two representatives from DAI participated in the 2019 NALP class and two more DAI managers are scheduled for the class in 2020. This program is designed to develop leaders for all Daikin group companies in the North American region.



■ DiSC training

All DAI professional staff went through DiSC personality training (www.discprofile.com) in FY19 to better understand the differences in individual personality and how best to work/communicate with other members of the organization.



Human Resources: Promoting Diversity

■ University scholarships for local minorities

Every year, DAI provides scholarships to eight local students to cover tuition and fees for the university of their choice, as well as other expenses such as textbooks.



■ 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.

(Continued from last fiscal year)

Human Resources: Efforts to 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 2019, DAI committed over \$2MM in CapEx for safety improvements in the plant and well over 300 improvements were made as part of the g2G initiative. This effort continues into 2020.



■ Collaborating with other companies on safety

Our company is extremely active in the region in support of occupational safety and health. Through the Voluntary Protection Program (VPP) of the Occupational Safety and Health Administration (OSHA), we send volunteers to help other companies address safety concerns and solve safety challenges. We currently have five employees who serve as Special Government Employees (SGEs) with OSHA. Our SGEs received letters of appreciation from OSHA for their efforts in 2019.



Communities: Environmental Protection Activities

■ Volunteers for chemical recycling

Each year, we provide volunteers and financial support to the City of Decatur's monthly Chemical Collection Day. On March 9, 2019, 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.



■ Supporting student field trip to Water Works

We sponsored a field trip for grade eight science students to tour the Water Works Environmental Education Center on nearby Flint Creek in Hartselle. The students learned about the local ecosystem, environmental preservation, and sustainability. As part of the tour, they also got to canoe on Flint Creek.



Communities: Support for Educational Activities

■ 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 14 engineering students gained work experience in 2019 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 multiple EPIC co-ops working onsite in the production units and, in 2019, hired our first two EPIC graduates as full-time DAI employees.



■ 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 daily life and culture firsthand.

(Continued from last fiscal year)



Communities: Other Regional Activities

■ 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 \$360,000 for support of this important local charity in 2019.



■ DAI 25th Anniversary Charitable Donations

As part of DAI's 25th anniversary celebration, DAI gifted the local community with charitable donations. \$200K was awarded to the City of Decatur, \$200K to Morgan County, and \$25K to other local charities.



External Evaluation: Awards

■ Excellent Innovation Award / Presidents Award for Exceptional Performance

Host Organization:
Daikin Industries
Recipient:
Daikin America



■ Corporate Leader of the Year

Host Organization:
Morgan County Schools Foundation
Recipient:
Daikin America

