

INDEPENDENT ASSURANCE STATEMENT

To: Daikin Industries, Ltd.



Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has been engaged by Daikin Industries, Ltd. (Daikin) to provide limited assurance and to conduct an external review over sustainability information selected by Daikin. This Assurance Statement applies to the related information included within the scope of work described below.

Selected information

The scope of our assurance work was limited to assurance over the following information included within Daikin Group Sustainability Report 2023 (the 'Report') or reported internally to Daikin Group only for the purpose of internal management for the period of April 1, 2022 through March 31, 2023 (the 'Selected Information'):

- 1) The following data through business operations of four production bases of Daikin, eight production subsidiaries within Japan and 58 production subsidiaries overseas
 - CO₂ emissions from energy use
 - HFCs and PFCs emissions
 - Water intake and Wastewater
 - Recycled materials and Waste
 - VOC emissions
- 2) Release amount of PRTR (*1) chemical substances through business operations of four production bases of Daikin and eight production subsidiaries within Japan
(*1) Pollutant Release and Transfer Register system
- 3) The following data through business operations of four production bases of Daikin
 - CO₂ emissions from non-energy use
 - CH₄, N₂O, SF₆ and NF₃ emissions
- 4) Categories 1, 11 and 12 of Scope 3 GHG emissions accounted in line with the GHG Protocol's 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard'

The scope of our review work was limited to review about the following information included within Daikin Group Sustainability Report 2023 (the 'Report') or reported internally to Daikin Group only for the purpose of internal management for the period of April 1, 2022 through March 31, 2023 (the 'Selected Information'):

- 1) Contribution to greenhouse gas emission reduction through the spread of air conditioners and heat pumps, hot water supply systems and refrigeration systems with lower emissions
- 2) Contribution to greenhouse gas emission reduction due to the use of R-32 refrigerant in air conditioners and refrigeration systems by other companies as a result of the Daikin group's offer of free access to the patents, technical support, etc.
- 3) Refrigerant recovered from the market or reclaimed by the Daikin group and reclaimed refrigerant purchased by the Daikin group (in CO₂ equivalent)

Reporting criteria

The Selected Information included within the Report needs to be read and understood together with the reporting criteria stated in the Report.

The Selected Information reported internally to Daikin Group only for the purpose of internal management needs to be read and understood together with the internal reporting criteria defined by Daikin.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Any other information within the Report, which is not listed as the 'Selected Information'.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Daikin.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria by conducting our assurance work;
- assess the reliability and accuracy of the Selected Information by conducting our review work;
- form an independent conclusion based on the procedures performed and evidence obtained; and
- report our conclusions to the Directors of Daikin.

Assessment Standard

We performed our assurance work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Effective for assurance reports dated on or after December 15, 2015) issued by the International Auditing and Assurance Standards Board and ISO14064-3 (2019): Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

We performed our review work by using Bureau Veritas' standard procedures for external review of sustainability information.



Summary of work performed

As part of our independent verification, our work included:

1. Conducting interviews with relevant personnel of Daikin;
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by Daikin;
4. Reviewing Daikin systems for quantitative data aggregation and analysis;
5. Verification of sample of data back to source by carrying out ten physical site visits, selected on a risk based bases at the following locations:
 - Daikin Head Office
 - Daikin Industries, Ltd. Kashima Plant
 - Daikin Device (Suzhou) Co., Ltd.
 - Daikin Motor (Suzhou) Co., Ltd.
 - DAIKIN REFRIGERATION (SUZHOU) CO., LTD
 - DAIKIN AIR-CONDITIONING (SUZHOU) CO., LTD.
 - Daikin Compressor Industries, Ltd.
 - Daikin Malaysia Sdn Bhd & Daikin Research & Development Malaysia Sdn Bhd
 - AHT Cooling Systems GmbH
 - Daikin Applied Europe S.p.A. (Italy)
6. Reperforming a selection of aggregation calculations of the Selected Information;
7. Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Verified greenhouse gas emissions

We performed our verification work on greenhouse gas emissions data in accordance with the requirements of ISO14064-3(2019). Verified data in greenhouse gas assertion made by Daikin are as follows.

	Greenhouse gas emissions [t-CO ₂ e]	Boundary
Scope 1	559,736	·CO ₂ from energy use, HFCs and PFCs: GHG emissions through business operations of four production bases of Daikin, eight production subsidiaries within Japan and 58 overseas production subsidiaries
Scope 2 (location-based)	611,527	
Scope 2 (market-based)	474,835	·CO ₂ from non-energy use, CH ₄ , N ₂ O, SF ₆ and NF ₃ : GHG emissions through business operations of four production bases of Daikin
Scope 3 (Category 1, 11 and 12)	308,285,680	Categories 1, 11 and 12 of Scope 3 GHG emissions accounted and reported in line with the GHG Protocol's 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' within the boundaries defined by Daikin for each category.

The breakdown of Scope 3 emissions are as follows.

Category 1: 4,701,417 t-CO₂e | Category 11: 257,498,139 t-CO₂e | Category 12: 46,086,124 t-CO₂e

Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria;
- It is our opinion that Daikin has established appropriate systems for the collection, aggregation and analysis of quantitative data within the scope of our work.

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates Quality Management System which complies with the requirements of globally recognized quality management standard, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behavior and high ethical standards in their day-to-day business activities.

Bureau Veritas Japan Co., Ltd.
Yokohama, Japan
June 28, 2023

