

Daikin Group Human Rights Policy

In Our Group Philosophy, we in the Daikin Group state that “The Pride and Enthusiasm of Each Employee Are the Driving Forces of Our Group.” While respecting diverse personal values and work ethics, we have promoted the creation of a work environment that enables employees to feel both pride and enthusiasm toward their work.

Owing to our good corporate culture as exemplified by our free and open organizational culture, sense of unity, and teamwork, we continue to challenge high goals by empowering all members with the means to fully demonstrate their respective individuality and capabilities.

It is our firm conviction that the constant refinement of this unique corporate culture and creation of environments in which diverse human resources take on challenges and play active roles lead to "respect for human rights" and sustainable growth for our business.

For our business overall, including manufacturing and sales, we will continue to work in cooperation with all business partners and affiliated companies based on strong relationships of trust by promoting “respect for human rights” as we aim for mutual growth and contribution to a sustainable society.

[Compliance with norms and laws related to respect for human rights]

This Group Human Rights Policy (the "Policy") was formulated in accordance with the Daikin Group Management Philosophy to clarify our commitment to respect human rights and to show the expectations to employees and supply chain partners for understanding, compliance and implementation.

This Policy is also guided by the principles and guidance contained in the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and others.

We follow all applicable laws and regulations of each country and region that we operate in. We will comply with local laws and regulations where they conflict with international human rights standards while seeking to respect the principles of the latter.

[Scope of Application]

This Policy applies to all directors and employees of Daikin Industries, Ltd., and its consolidated group companies.

We also work with our supply chain partners worldwide to promote human rights, expecting them to understand and follow this Policy.

[Our Commitment and Initiative to Respecting Human Rights]

To Employees

Our employees are at the heart of everything we do at Daikin to achieve sustainable. We strive to create a workplace where employees feel safe and motivated to unlock their full potential and grow with us.

We take the following actions in consideration of the human rights of our employees.

- **Diversity and Inclusion (Respect for Diversity, Prohibition of Discrimination and Harassment)**

We accept people with diverse values, including different cultures, ethnicities, generations and customs, and implement to provide them with opportunities to maximize their individuality, qualities and abilities. We will continue to bring together the diverse strengths of each individual and further refine our efforts to enhance them as a strength of the organization and expand them to the global group.

We are committed to maintaining a workplace environment free from discrimination and harassment on the grounds of nationality, race, ethnicity, religion, color, age, gender, sexual orientation, disability, etc. If we identify any issue in any workplace, we will take a corrective action immediately and make efforts to prevent a recurrence.

- **Working Hours and Fair Compensation**

We comply with all applicable labor laws and regulations on working hours, wages and other working conditions in each country and region that we operate in.

Further, we strive to compensate employees for individual performance in a competitive level relative to the labor market in each region and industry.

- **Creating a safe workplace**

We recognize the critical importance of protecting the safety of our employees, and we strive to thoroughly comply applicable safety and health-related laws and regulations, as well as internal policies.

Further, we strive to develop a safe and secure working environment for each and every employee by regularly developing advanced cases in Japan and other global groups.

- **Freedom of Association and Collective Bargaining**

We continue to respect employees' rights to form or join labor unions, and to engage in collective bargain in accordance with applicable laws and regulations in each country and region that we operate in.

- **Protection of Personal Data and Privacy**

We comply with the Act on the Protection of Personal Information and related laws and regulations.

Further, we strive to develop and enforce internal rules for the proper management of personal information and the protection of privacy.

We at the Daikin Group trust each and every employee and expect them to follow this Policy and practice our commitment to respect human rights in our daily operations.

To Supply Chain Partners

We recognize the importance of valuing and respecting our supply chain partners and building a high level of relationships of trust with them throughout our operations.

Together with supply chain partners who share the core values of this Policy with us, we continue to promote initiatives to respect human rights including the elimination of forced labor. To this end, we continue to exchange views and engage in dialogue regarding "the latest guidelines and laws on human rights" and "our own policies and activities".

We expect our supply chain partners to comply with the applicable laws and regulations in each country and region that we operate in and uphold Daikin's Supply Chain CSR Promotion Guideline and principles set in this Policy.

[Establishment of systems and mechanisms to meet commitments]

To fulfill our commitment to respect human rights, we have established responsible departments and created action plans for the following initiatives, and the global group will work together to promote these initiatives.

- Education and training: Providing regular education and training sessions to employees, deepening their understanding of and compliance with the "Approach to Respect for Human Rights" and the "Group's Policy and Commitment on Human Rights".
- Conduct human rights due diligence: Conducting human rights due diligence to identify risks across our business operations and working to prevent, avoid, or mitigate them.
 - Taking promptly corrective measures to eliminate the relevant event and remedy the rights if we identify that we caused or are involved in adverse impacts to human rights
- Establishment of remedial mechanisms: In order to identify and respond to human rights issues related to our business activities in a timely manner, we strive to develop effective remedies and remedial mechanisms, such as by establishing a reporting mechanism in accordance with laws and customs applicable in the country or region where we operate.
- Monitoring and disclosure: Tracking and evaluating the status of our efforts to respect human rights, and applying the lessons learned to the continuous improvement
 - Reporting our human rights initiatives and their progress in a timely and appropriate manner through our website and other means
- Dialogue activities: Engaging in dialogues with stakeholders regarding our human rights initiatives

July 27, 2022

Daikin Industries, Ltd.

President and CEO



This Policy above has been approved by the Board of Directors of Daikin Industries, Ltd.