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Daikin Group Issues Its Sustainability Report 2019

Reports on Activities Contributing to a Sustainable Society

Following the Japanese-version published in July, Daikin Industries, Ltd. has issued its English edition of Sustainability Report 2019.

This report is based on common global targets, including the Sustainable Development Goals (SDGs) and the Paris Agreement, and summarizes the policies and initiatives of the Daikin Group for contributing to realization of a global sustainable society through its business.

Accompanying economic development in emerging countries, global demand for air conditioners in 2050 is projected to be more than triple the current amount*¹. With this understanding, Daikin formulated its Environmental Vision 2050. This report describes the company's position and approach to formulating and implementing specific targets and measures with the aim of achieving net zero greenhouse gas emissions resulting from its business activities, products, and services in 2050.

Main Points of Sustainability Report 2019

1. Features on Typical Global Activities to Realize Environmental Vision 2050

Environment: "Promoting the Spread of Energy Efficient Technology through Dialogue and Collaboration with Governments and International Agencies"

To achieve the Environmental Vision 2050, greater market diffusion of air conditioners having low global warming impact is essential. Working closely with the governments of each country and international agencies, Daikin has been promoting the universal adoption of air conditioners equipped with inverter technology and a refrigerant with low global warming potential. To encourage the widespread use of environmentally conscious products, Daikin undertakes a variety of activities including support for creation of standards in Asia to evaluate energy-saving performance, verification and testing in Latin America of energy-saving capabilities of inverter air conditioners, and discussions with the International Energy Agency (IEA).

New Value Creation: "Creating Air Environments for Increasing Intellectual Productivity with Air Conditioning Solutions using IoT and AI"

Aiming to create new products and solutions in the pursuit of the limitless possibilities of air, Daikin promotes open innovation with Japanese and overseas universities and research institutes along with companies from other industries. In joint research with NEC Corporation, one of those companies, Daikin verified that intellectual productivity and comfort can be balanced by maintaining arousal level through effective temperature stimulation. Daikin will continue to use IoT and AI to create air environments corresponding to the specific characteristics and conditions of each individual.

2. Report on Targets and Achievements of CSR Action Plan 2020

Quantitative indices have been established for key CSR themes, and the 2020 targets and the fiscal 2018 achievements are published in a list.

2020 Targets and Fiscal 2018 Achievements of Key CSR Themes

- [Target] Reduction in worldwide greenhouse gas emissions by 60 million tons-CO₂ through the promotion of environmentally conscious products*²
- [Result] Reduction in worldwide greenhouse gas emissions by 67 million tons-CO₂ with environmentally conscious products accounting for 93% of residential air conditioner sales
- [Target] Reduction in greenhouse gas emissions during development and production by 70% in comparison with emissions for fiscal 2005 (reduction to 1.58 million tons-CO₂)
- [Result] 75% reduction (reduction to 1.31 million tons-CO₂)

*¹ Source: IEA "The Future of Cooling"

*² Environmentally conscious products: Products that satisfy either one or both factors in which "electrical power consumption is reduced by 30% or more compared to conventional models" or "a refrigerant is used that has a global warming potential (GWP) that is less than one-third that of conventional refrigerants."