

September 21, 2021

Daikin Group Releases Its Sustainability Report 2021

Reports on activities contributing to a sustainable society

Daikin Industries, Ltd. has released its English edition of Sustainability Report 2021, which is currently available on the company website. The report summarizes the basic approach of the Daikin Group for contributing to the realization of a sustainable society through its business along with fiscal 2020 results and future plans.

Interest in air, such as air purification and ventilation, has increased due to the spread of COVID-19, and the movement toward decarbonization is accelerating. Under these circumstances, Daikin believes that its social mission is to mitigate the global warming impact to the greatest extent possible while providing safe and reliable air environments to people around the world.

In this report, the Daikin Group sets forth its position and approach to formulating and implementing specific targets and measures as it aims to achieve zero greenhouse gas emissions toward realization of Environmental Vision 2050. In its strategic management plan Fusion 25, which makes fiscal 2025 its target year, Daikin has established the key themes of “Challenge to Achieve Carbon Neutrality” and “Creating Value with Air” as it looks to realize both contributions to a sustainable society and Group growth.



Sustainability Report
2021
Fiscal Year Ended March 31, 2021



Main Points of Sustainability Report 2021

1. Features on Providing Value to Society through Business

This report presents the approach and typical activities in fiscal 2020 of Daikin toward social issues from among major CSR themes concerning the “environment,” “new value creation,” “customer satisfaction,” and “human resources.”

Environment: “Creating Standards for a Decarbonized Society Alongside Stakeholders”

Standards that enable consumers to appropriately select energy efficient products are essential for reducing the amount of energy consumption accompanying the increase in global demand for air conditioners. In Brazil, Daikin has worked in collaboration with industry, government, and academia along with NGOs to optimize energy efficiency standards. To the government of Brazil, Daikin has provided information and technical support for reducing electrical consumption using inverter air conditioners, and this led to the adoption of new energy labels in July 2020.

Customer Satisfaction: “Quickly Providing Air Purification Solutions as a Company that Provides Solutions with Air”

The need for air purification is increasingly been seen everywhere as a part of measures to prevent the spread of COVID-19. In Japan, in addition to commercializing ventilation equipment and setting up a help desk for air quality and ventilation issues, Daikin has developed and provided products for a variety of settings to help prevent spread of the infectious disease, including launching negative pressure devices that meet an urgent need at medical clinics and facilities for seniors.

2. Partial Revision of Key CSR Themes and Improved Disclosure of Climate Information

In formulating the strategic management plan Fusion 25, Daikin further evaluated the impact of its business throughout the global supply chain from the perspective of changes in the external environment surrounding the company, company strengths, and sustainability before narrowing down the initiatives of greatest importance. As a result, the company partially revised its key CSR themes and added more goals of SDGs by giving priority to those in which it can contribute through its business.

Furthermore, the company enhanced content for information disclosure regarding climate change, which it recognizes as one of its most important social issues. Interim targets were established and disclosed for reducing greenhouse gas emissions to realize carbon neutrality as set forth in Environmental Vision 2050, and the status of climate change initiatives was reported according to TCFD*1 recommendations.

3. Report on Fiscal 2020 Targets and Achievements in the CSR Action Plan 2020

In 2016, Daikin formulated its CSR Action Plan 2020 and established quantitative targets and indexes toward achievement of its key CSR themes for fiscal 2020. Since then, the company has annually managed progress for each theme and steadily promoted transparent and sincere corporate actions. As a result, the company achieved its targets.

Index Examples Based on Key Themes	Fiscal 2020 Targets When Formulating CSR Action Plan 2020	Fiscal 2020 Achievements
Contribute to reducing greenhouse gas emissions	60 million tons-CO ₂ reduction of greenhouse gas emissions by promoting adoption of environmentally-conscious products*2	<ul style="list-style-type: none"> • 70 million tons-CO₂ reduction of greenhouse gas emissions by promoting the worldwide adoption of environmentally-conscious products • 98% of sales volume of residential air conditioners are environmentally-conscious products
Reduce greenhouse gas emissions during development and production	70% reduction over fiscal 2005 (reduced to 1.58 million tons-CO ₂)	79% reduction over fiscal 2005 (reduced to 1.08 million tons-CO ₂)

To view Daikin Sustainability Report 2021, access the Daikin Industries, Ltd. website.
(<https://www.daikin.com/csr/report/>)

Daikin also plans to provide comprehensive ESG information disclosure on its website at the end of December.

*1 TCFD: Task Force on Climate-related Financial Disclosures. It was established in 2015 by the Financial Stability Board (FSB) and recommends that companies assess their business risks and opportunities due to climate change, fully understand the financial impact, and disclose information.

*2 A product that satisfies 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 or more than that of conventional refrigerants.”