

“CSR Report 2010” for the Daikin Group

Daikin Industries, Ltd. has issued its “CSR Report 2010” summarizing CSR (Corporate Social Responsibility) activities in the Daikin Group from April 2009 to March 2010.

The report serves to inform various stakeholders regarding CSR within the Daikin Group and deepen their understanding of activities undertaken by Daikin to achieve it.

This year we have linked together features centering on six themes related to the “Environment” and “Society.” To contribute with the curbing of the impact on global warming, we report efforts from an environmental perspective for development of products and services employing environmental technology, an area of expertise for Daikin, such as heat pump and inverter technology; utilization of fluorochemical technology to realize a low carbon society; and activities to preserve the diversity of living things. From a societal perspective, we report on efforts to incorporate customer feedback in products and services to improve quality together with measures to foster the abilities and talent of local human resources at overseas subsidiaries and factories.

As for the actual performance in key environmental activities, targets were reached in 2009 for all items of the environmental action plan targeted for achievement at the end of fiscal 2010. Within the overall Daikin Group, a 71% reduction was achieved compared to fiscal 2005 for greenhouse gases emitted during production, and we have advanced forward with reductions that exceeded our targets.

English and Chinese editions of the CSR Report will be available in September in PDF file format on the Daikin company website. A Chinese hard copy edition will also be printed. For further information of CSR activities in English, please refer to the Daikin Group CSR website which will be updated in September.

Features of “CSR Report 2010”

1. Features cover six themes from the perspective of the “Environment” and “Society”

Feature on “Products that Contribute to the Lessening of Global Warming”

In Europe, there is an effort to promote a shift from combustion type heaters that burn fossil fuels to heat pump type heating that can substantially reduce the amount of CO₂ emissions. In China and Asia, an alliance for joint production has been struck with Gree Electric Appliances, Inc. for developing volume zone products in an effort to promote the widespread use of room air conditioners with inverters. Consequently, in this feature, we introduce development of air conditioning equipment that can contribute to reducing environmental impact by utilizing environmental technology developed until now along with efforts to promote their widespread use.

Feature on “Lessening of Environmental Impact in the Fluorochemical Business (1)”

This feature introduces fluorochemical products that increase efficiency and lower costs in clean energy fields such as electric automobiles and solar power.

Feature on “Curbing the Environmental Impact in the Fluorochemical Business (2)”

In this feature, we describe how production methods were improved for chemical products and introduce efforts directed toward reducing the amount of energy used during production and improving production efficiency.

Feature on “Preservation of Diversity of Living Things”

This feature introduces an environmental education program developed for elementary school students in Japan and describes the efforts made to stimulate awareness for the Forest Reforestation Project being tackled in Indonesia and the importance of activities for preserving the diversity of living things.

Feature on “Assurance of Product Quality”

Here we introduce a mechanism created to incorporate customer feedback into the improvement and development of our products and the results of this feedback that was actually utilized to improve products.

Feature on "Fostering of Global Human Resources"

As a global enterprise, it is imperative that we cultivate and appoint human resources to cross national and regional borders with the aim of furthering business growth rooted in each region. In this feature we introduce activities to foster and stimulate the development of local employees and their subsequent appointment to managerial positions.

2. Results of Fiscal Year 2009 Environmental Activities

All items targeted in the action plan for the end of fiscal 2010 were achieved in fiscal 2009.

Items where results substantially exceeded targets

- (1) Reduction of 71% was achieved for the target to reduce emission amount of greenhouse gases in fiscal 2005 by 50%
- (2) Reduction of amount of energy used during production along with reduction in CO2 emission per sales that doubled the initial targets
(Japan: 34% reduction for the target of 14% compared to fiscal 2000; Overseas 16% reduction for the target of 8% compared to fiscal 2005)
- (3) Achievement of 39% for the target of 30% or more in the ratio of environmental consideration established by company standard that was severely revised further for products sold in Japan
- (4) Achievement of 99% for the target of 95% or more for green procurement ratio in Japan
- (5) Achievement of 88% for 70% reduction target compared to fiscal 2005 of release of hazardous substances designated by the PRTR Law