



SUSTAINABILITY REPORT

2024

DAIKIN SINGAPORE

For the Air We Live in

Our Awards and Achievements



Singapore APEX Corporate Sustainability Awards 2023 – Sustainable Business

Daikin Singapore is honoured to receive the 'APEX Winner' award under the Sustainable Business category at the 8th Singapore Apex Corporate Sustainability Awards 2023. The 'APEX Winner' is a title awarded to companies who perform exceptionally well in their respective category. The Awards are organised by UN Global Compact Network Singapore (GCNS) and are one of the most prestigious awards in Singapore for corporate sustainability.



The Community Chest Award – Bronze

The Community Chest Award is a tribute and endorsement of the fund-raising efforts to Community Chest, pledging our strong advocacy towards community giving and social responsibility efforts.



World's First R32 Refrigerant

As the only company in the world to manufacture both air conditioners and their refrigerants, it is our policy to choose the optimal refrigerants based on a comprehensive assessment of the product application, looking at not just global warming potential (GWP) but also at the impact of refrigerants in all lifecycle stages including manufacturing, use, and disposal, and climate and other factors of the region where air conditioners are used



Reader Digest Award 2023 to 2024

Voted by consumers for 23 consecutive years as Reader's Digest Trusted Brand Award,

as of 2024. We are the first Aicon Brand in Singapore to receive the Platinum Award for the second year running. Our air purifiers have also attained the Gold award for the first time, cementing its position as a trusted provider of superior air purifiers designed to protect the health and wellbeing of households.



Singapore Book of Records

Daikin Singapore is honoured to be the only air-conditioner brand in the Singapore Book of Records. With 4 'firsts' records in the air-conditioning industry, this prestigious recognition greatly reinforces Daikin's position as a strong market leader and its dedication to continually provide the best for its new, current, and long-term customers in Singapore.

Records:

1. First HDB Multi-Room aircon System
2. First Residential Inverter Aircon Awarded 4-Ticks
3. First Commercial Multi-Split Aircon System
4. First Modlair AHU



Singapore Green Building Product (SGBP) Certification, Leader

Our centrifugal compressor water chillers received the highest SGBP certification from the Singapore Green Building Council for its flexibility and performance as well as its ability to reduce environmental impact with the utilisation of zero ozone depletion potential refrigerants.



Red Dot Award Winner

reddot design award
winner

Daikin Silver ENVi won the World-renowned Red Dot Award for Product Design in the air-conditioning category, confirming its status as an icon of contemporary climate control.

Certifications

Daikin Singapore is certified:

- ISO 9001 Quality Management Systems: A globally recognised standard for quality management. Its requirements define how to establish, implement, maintain, and continually improve a quality management system.
- ISO 14001 Environmental Management Systems: The internationally recognised standard for environmental management systems. By adhering to this standard, organisations ensure they are taking proactive measures to minimise their environmental footprint, comply with relevant legal requirements, and achieve their environmental objectives.
- ISO 45001 Occupational Health and Safety Management System: An international standard that specifies requirements for an occupational health and safety (OH&S) management system. The standard establishes criteria for an OH&S policy, objectives, planning, implementation, operation, auditing and review.
- bizSAFE STAR recognises that a company's Workplace Safety and Health Management System identifies, manages, and controls workplace risks or hazards in compliance with the Workplace Safety and Health Act.



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About this Report



Welcome to Daikin Singapore's inaugural Sustainability Report 2024 providing an overview of our sustainability efforts and performance for the fiscal year 2023, from 1st April 2023 to 31st March 2024. This report focuses on our sustainability initiatives within Singapore. To ensure clarity in our references, hereafter, the term "Daikin" and "Daikin Group" will refer to Daikin Industries Ltd, while "Daikin Singapore" pertains to Daikin Airconditioning Singapore Pte Ltd.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards 2021. The GRI Content Index can be found on page 38-39.

For an extensive perspective, we encourage readers to complement this report with Daikin Group's Sustainability Report. This will offer insights into our global sustainability strategy and how it aligns with our local efforts. For more information about our sustainability initiatives, we invite you to explore our official website, Daikin Singapore.

We extend our heartfelt gratitude to our valued stakeholders for their keen interest in our sustainability journey. This report underlines our unwavering commitment to transparency, responsible practices, and our continued pursuit of a more sustainable future.

We welcome and value any feedback or suggestions regarding this report as well as our sustainability efforts. Please direct all feedback via email to marcom@daikin.com.sg.

Message from the Managing Director, Daikin Singapore

Perfecting the Air for a Sustainable Tomorrow

At Daikin Singapore, we stand at a pivotal moment in our journey towards sustainability and environmental responsibility. The world is evolving, and with it, the demand for air conditioning continues to rise.

Our mission goes beyond cooling spaces; it is about perfecting the air we breathe. We are committed to creating healthier and more comfortable environments, while simultaneously reducing our environmental impact. We are reinforcing our energy management solutions, leveraging new technologies like refrigerant recovery and energy creation to take on the challenge of decarbonisation.

The Path to Decarbonisation

Our commitment to environmental sustainability goes beyond offering energy-efficient products; it extends to encompassing comprehensive energy-saving solutions for buildings and communities. With a significant portion of a building's energy consumption allocated to air conditioning and ventilation, we have taken bold steps to provide centralised management systems that enable real-time visualisation of energy usage. This empowers our customers to make informed decisions that significantly reduce their carbon footprint.

Demand for air conditioning is expected to triple by 2050, driven by increasing incomes, rising temperatures, and rapid urbanisation. To efficiently provide a comfortable environment in this evolving landscape, we are committed to optimising energy consumption through intelligent control systems.

Our sustainability journey thrives on fruitful private-public collaborations that not only foster economic prosperity but also enhance environmental sustainability. One remarkable example is our involvement in the Tengah Residential Town project, which stands as Singapore's first large-scale centralised cooling system for HDB Residential Development. Through the integration of innovative water-cooled chillers supplied by Daikin, we not only ensure higher energy efficiency but also substantial cost savings, all while reducing greenhouse gas emissions. Further underlining our commitment to a sustainable future, we have partnered with SP Group to embark on a groundbreaking project, aiming to establish Singapore's largest district cooling system for an industrial facility. The potential impact of this endeavour is staggering, with the capacity to reduce carbon emissions by up to 120,000

tonnes annually. This initiative aligns with Singapore's goal of becoming a green hub.

Our People, Our Greatest Asset

At Daikin Singapore, we firmly believe that our people are at the core of our success. It is with great pride and gratitude that I acknowledge the unwavering dedication and commitment of our employees. They are the driving force behind our achievements, and their passion for innovation and sustainability continues to inspire us all.

This past year has been a testament to the incredible resilience and adaptability of our team. Despite the challenges presented by an ever-changing world, our employees have shown remarkable efforts in embracing our sustainability initiatives, both individually and collectively, and their efforts have contributed significantly to our progress.

As we move forward, we remain committed to nurturing a work environment that fosters personal and professional growth. We will continue to invest in our employees' development, ensuring they have the necessary tools, knowledge, and resources to drive our sustainability efforts. Our employees are not just an integral part of our organisation; they are the driving force behind our mission to create a better world. Together, we can achieve great things.

On behalf of the management at Daikin Singapore, thank you for joining us on this journey towards a greener future.



Chua Ban Hong
Managing Director,
Daikin Singapore

About Daikin

In 2024, Daikin celebrates its 100th anniversary. As an air conditioning specialist, we have marked a full century of innovations in air. The air conditioning technologies we have cultivated in Japan, a country with a diverse climate and four distinct seasons, have equipped us to provide comfort in regions throughout the world, contributing to advancements in culture and lifestyle through a variety of initiatives.

Daikin Industries Ltd

Daikin Industries Ltd in Japan is one of the world's largest manufacturers of air conditioning equipment and the only integrated air conditioning manufacturer in the world. With the capability to develop a full line of dynamic products from refrigerants to air-conditioners, Daikin has built a well-established and strong presence in five major areas namely, Japan, China, Southeast Asia, Europe as well as North America.

As a global company, Daikin is always ready for the next big trend in air-conditioning, as exemplified by its quest for innovation and its strategic acquisition of McQuay Group and Goodman Global. Being a leader in creating clean and fresh environments means that Daikin develops quality products that are both innovative and lower Earth's carbon footprint.

Daikin Airconditioning (Singapore) Pte Ltd

Daikin Airconditioning (Singapore) Pte Ltd, a subsidiary of Daikin Industries Ltd, is the foremost Japanese aircon specialist in Singapore, renowned for deploying cutting-edge technologies that elevate living environments. We have been providing advanced air conditioning systems to Singaporean homes, educational institutions, and recreational facilities since our establishment in 1968, evolving in tandem with Singapore's growth. Over the years, we have pioneered innovative solutions, including multi-split air-conditioning systems for HDB homeowners and super-efficient VRV® Systems for commercial buildings.

Today, we are committed to eco-friendly and energy-efficient innovations, with recent expansion through the acquisition of BMS Engineering & Trading Pte Ltd, positioning us as a leading Systems Integrator for Building Management Systems, Integrated Facilities Management systems, and Energy Efficiency Solutions in the region. Our enduring focus remains on delivering quality products and solutions that cater to our customers' evolving needs while fostering lasting relationships.

Daikin Industries Ltd, Japan



Daikin Airconditioning (Singapore) Pte Ltd



Daikin Singapore's Sustainability Commitments

Environment	Social	Governance
Green Products and Solutions Ensuring that our products and solutions are resource efficient, have minimal impact on the environment and contribute to alleviating climate change.	People Ensuring fair treatment of our employees, preventing discrimination, and fostering an inclusive environment. We prioritise employee health and safety by creating a good working environment.	Corporate Governance Upholding the highest standards of corporate governance by promoting transparency and accountability. We will achieve this by constantly reviewing and implementing optimal corporate governance.
Daikin Green Building Leading by example in green building practices. We actively reduce our environmental footprint by optimising our buildings for energy and water efficiency.	Customer Satisfaction We believe in identifying and fulfilling customers' needs through providing high quality products, materials and services, and proactively proposing new products and services that exceed customers' expectations.	Supply Chain Management Fostering strong supplier relationships with consideration for the environment, quality, occupational safety and human rights within our supply chain.
	Communities As a trusted brand in Singapore, we are committed to driving community progress and building lasting connections. "Daikin For U" represents our dedication to making a positive impact in the community.	

Daikin Singapore's Targets

Our sustainability targets enable us to identify areas of improvements within our business and supply chain and how it contributes towards global sustainability goals.

Material Topics	Our 2025 Targets	FY2023 Performance
 Green Products and Solutions	• 72% Super Green Products by 2025 (R32, 4 and 5 energy ticks) • 12,000kg fluorocarbons to be collected • 40% metal cylinders collected back for recycling out of total cylinders placed on the market by 2024	• On track: 61% of Super Green Products • On track: 4000kg fluorocarbons collected in FY23 • On track: 20% metal cylinders collected back for recycling out of total cylinders placed on the market
 Daikin Green Building	• 25% renewable electricity through purchase of RECs	• On track: 18% electricity consumption matched with RECs
 People	• 30% women in the management team • <0.7 Accident Frequency Rate • <9 Accident Severity Rate	• Lagging: 20% women in the management team • Lagging: 1.00 Accident Frequency Rate in FY23 • Lagging: 14.93 Accident Severity Rate in FY23
 Corporate Governance	• 100% of employees completing Code of Conduct e-training annually • 100% employees completing anti-corruption training annually	• Achieved: 100% of employees completed Code of Conduct e-training • Achieved: 100% employees completed anti-corruption training
 Supply Chain Management	• 100% new and renewal suppliers to whom we sent the Supplier Code of Conduct	• Achieved: 100% of new and renewal suppliers received and acknowledged Supplier Code of Conduct

Sustainability Governance

The Sustainability Committee, under the leadership of the Managing Director, drives sustainability for Daikin Singapore. While Daikin Industries provides strategic direction like the Environmental Vision 2050, the committee is responsible for developing action plans that align with the goals of Daikin Industries and the local context. Furthermore, it actively monitors the progress of sustainability activities. The Sustainability Committee oversees critical sustainability areas and convenes monthly to deliberate on strategy, action plans, and performance. Its members, representing various departments across the company such as HR, Marketing, Supply Chain, Health & Safety, and Compliance, play a crucial role in driving the achievement of our sustainability targets.



Materiality Assessment

Daikin weighs various factors based on their importance to stakeholders, and their importance to the company. The most important sustainability topics are identified to provide direction for the company's sustainability strategy.

Potential material topics relevant for Daikin Singapore were identified following Daikin Group's materiality process. The topics were identified based on relevance to Daikin Singapore's value chain and potential impact the topic has on Daikin Singapore.

Daikin Singapore's Sustainability Committee reviewed and prioritised topics in 2021 based on the significance of impact on the financial, economic, reputational, and legal aspects of Daikin Singapore, on the economy, the environment, and society and on our stakeholders.

We updated the materiality topics in 2023 based on the updated Daikin Group materiality assessment and relevance for Daikin Singapore. Subsequently, we had a management review to validate the new material topics.

Material Topics and their Importance to Daikin Singapore

Material Topics	Why is it important
Environment	
Response to climate change	The spread of air conditioning raises concerns about electricity consumption and greenhouse gas emissions, highlighting the responsibility of Daikin Singapore to consider its environmental impact.
Increase the value-added nature of air	Effective indoor ventilation is essential for disease prevention, and we leverage on Daikin's expertise to provide comfortable, energy-efficient ventilation and air purification.
Provide safe and reliable air environments	Providing safe and reliable air environments is important because it enhances quality of life by supporting people's overall well-being.
Response to resource recycling	Resource recycling reduces waste, conserves valuable materials, lowers production costs, helping to minimise our environmental impact.
Prevent air and water pollution	Preventing air and water pollution is crucial for protecting public health, preserving ecosystems, and ensuring sustainable resources for future generations.
Social	
Human resource development	Daikin Singapore emphasises on-the-job training because we believe that enhancing employees' skills and knowledge leads to better performance and long-term organisational growth.
Occupational safety and health	Ensuring occupational safety and health is crucial to create a zero-accident workplace where Daikin Singapore's employees and subcontractors can work safely.
Quality and Customer satisfaction	By offering high-quality products, services, and proposing innovative solutions, we can enhance customers' convenience, comfort, and satisfaction.
Diversity management	Diversity is important because it brings together varied perspectives and ideas, driving innovation and fostering a more inclusive work environment.
Communities	Strong relationships with the community fosters trust and collaboration, leading to support for local initiatives and greater business resilience.
Governance	
Corporate Governance	Strong corporate governance enhances the organisation's value by ensuring a balance between proactive decision-making and efficient operations.
Anti-corruption	As the global economy evolves, demand for anti-corruption measures is rising, alongside stricter regulations both domestically and internationally.
Information security	To provide safe and reliable products and services while safeguarding both ours and our customers' information assets.
Respect for human rights	Human rights violations by businesses in recent years have led to increased scrutiny of how business practices may impact human rights.
Supply chain management	Global supply chains pose risks like human rights violations and environmental harm, making it vital for companies to address these issues to ensure long-term sustainability.
Create innovation through co-creation	By leveraging synergies with organisations across various industries and fields, we can foster innovation beyond our own organisation.

Stakeholder Engagement

Stakeholders	Main dialogue methods and opportunities	Main dialogue representatives at Daikin
 Customer	• Daily Sales Activities • Annual recognitions award ceremony • Quarterly customer engagement sales meeting • Overseas incentive trips for customers • Factory visits • Contact Center • Showrooms	• Sales Division • Service Division
 Procurement business partners	• Supplier briefings • Quality improvement meeting in case of major quality issue • Factory visit • Quality and routine audits (during new supplier evaluation)	• Procurement Division
 Employees	• Interviews based on employee self-assessments • Group Management Meeting and Global managers' meetings • Employee satisfaction survey • Employee communication events	• Human Resources Division • Corporate Planning Department
 Communities	• Involvement with local groups and events • Providing environmental education	• CSR Representative
 Government agencies, industry, academia	• Participation in industry activities	• Marketing Department • HR Department

Environment

Environmental Vision 2050

In our commitment to a sustainable future, Daikin is embarking on an ambitious journey towards reducing greenhouse gas emissions throughout the entire lifecycle of our products. Our Environmental Vision 2050 is a testament to our unwavering dedication to environmental responsibility.

As we look ahead to 2050, Daikin's Environmental Vision 2050 serves as a guide, steering our actions and decisions towards a more sustainable future. Together with our stakeholders, we are ready to make a meaningful impact on the journey towards a greener planet.



Green Products and Solutions

The Singapore Green Plan is a nationwide movement to advance Singapore's national agenda on sustainable development. The Green Plan reinforces Singapore's commitments under the UN's 2030 Sustainable Development Agenda and the Paris Agreement, and positions Singapore to achieve net zero emissions by 2050. Daikin Singapore is committed to advancing the Singapore Green Plan, and this is exemplified by our initiatives outlined in this chapter. By implementing these initiatives, Daikin Singapore seeks to leverage new technology to minimise negative environmental impacts and contribute to nationwide sustainability goals.

Mitigation of Global Warming with Energy-Efficient Air Conditioners

We recognise that air conditioners consume a fair amount of electricity, and the use of refrigerants contributes to ozone depletion. To reduce our carbon footprint, we take conscious efforts to ensure our products' lifecycle are aligned with our green efforts.

We alleviate the harmful effects of air conditioners by promoting products with 5-ticks highest energy efficiency rating and adopt eco-friendlier refrigerants such as R-32, R-1233zd, and R-1234ze with lower global warming potential. To advocate zero waste and eliminate the production of new refrigerants, we started recovering, reclaiming, and recycling refrigerants. We also utilise non-brazed connection with DGT and Mechfit to minimise refrigerant/water leakage into the environment.

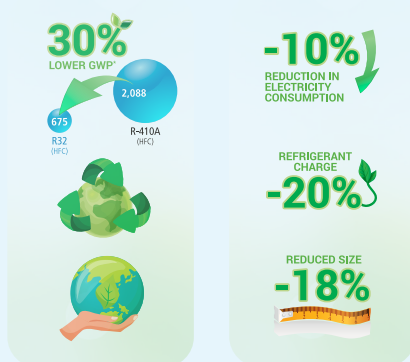
Setting the Standard for Ozone-Friendly, Energy-Efficient Solutions with iSmileEco Series

Ozone depletion, a pressing environmental concern, results from the release of ozone-depleting substances such as chlorofluorocarbons (CFCs). At Daikin, we are proud to highlight our iSmileEco Series which embodies our steadfast commitment to environmental responsibility. A hallmark achievement of the iSmileEco Series is the use of R32 refrigerants that have zero Ozone Depletion Potential (ODP).

Additionally, the iSmileEco Series establishes a new benchmark in energy efficiency, delivering both economic and ecological advantages. These systems not only rapidly attain your desired indoor temperature but also do so with remarkable efficiency. With the coveted 5 Ticks rating across its entire lineup, our R32 series showcases its exceptional energy-saving capabilities. This translates into tangible cost savings for our customers and a substantial reduction in their carbon emissions.



The Role of R32 Refrigerant as part of Daikin's Green Initiatives



R32 is a widely used refrigerant in various of our heating ventilation air-conditioning (HVAC) equipment. Air conditioners utilising R32 can reduce electricity consumption by an estimated 10% when compared to systems using R22 refrigerant. What sets R32 apart is its substantially lower Global Warming Potential (GWP) of 675, nearly a third less than R410A. Furthermore, R32's single-component nature simplifies the reclamation process. Other notable features include zero Ozone Depletion Potential (ODP), higher energy efficiency and system using reduced R32 consumption. This translates to a significantly reduced environmental impact, making it a responsible choice for the eco-conscious consumer.

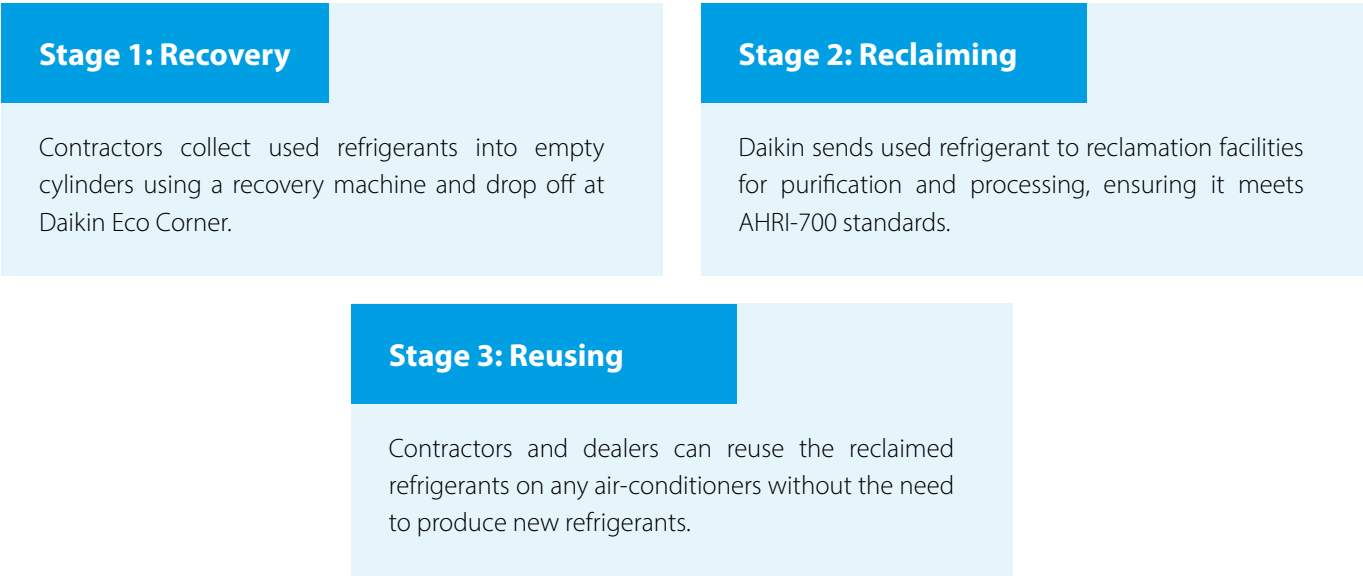
R32 has earned recognition from the National Environmental Agency (NEA) of Singapore as a climate-friendly refrigerant. This distinction aligns with international agreements like the Montreal and Kyoto Protocols, which call upon nations worldwide to collaborate in protecting our environment by phasing out harmful refrigerants.



Sustainable Refrigerant Management

In 2022, Daikin Singapore launched the Refrigerant Eco-Cycle Initiative, to allow companies to embark on a sustainable journey with Daikin on refrigerant recovery and management. Daikin Singapore aims to reduce the greenhouse gas emissions generated throughout the entire lifecycle of products. This initiative advocates for refrigerant recovery which reduces the production of new refrigerants. Since then, we have had over 20 companies pledge their support for this initiative and recovered over 4000 kg of refrigerants. We aim to recover over 12,000kg of refrigerant by 2025.

Our Refrigerant Eco-Cycle Initiative encompasses 3 stages:



Daikin Singapore's Eco-Corner

As part of our green efforts, we have set-up the Daikin Eco-Corner as a one stop centre to handle used refrigerants to be sent for reclamation and treatment.

Through our Eco-Cycle and Eco-Corner initiatives, Daikin Singapore encompasses recovery, reclamation, and reuse as a complete refrigerant solution.

Contractors can drop old *metal cylinders used to store refrigerants at our Spare Parts Centre for recycling. Daikin Singapore is committed to reducing and recycling steel cylinders. In 2023, we achieved our target of recycling 20% of collected metal cylinders, and we have set a goal to increase this to 40% by the end of 2024.

*Amount of packaging recycled as a percentage of the amount of packaging placed on market (unit = '%')

Eco-Corner Performance	Unit	FY2023
Metal cylinders collected back for recycling*	%	20
Total refrigerant recovery	kg	4004.5

Collaborations on Refrigerant Recovery



Commercial Engineering

Collaborating with our valued dealer, Commercial Engineering Pte Ltd, Trinity Christian Centre's proactive efforts resulted in the recovery of 217 kilograms of R410a refrigerant from their VRV systems at the Paya Lebar building, equivalent to an estimated 417.5 tCO₂e. This achievement underscores their dedication to reducing greenhouse gas emissions and sets an example for organizations committed to environmental responsibility. We also commend Commercial Engineering Pte Ltd for their proactive support in this collective endeavour, emphasising the importance of collaboration in our sustainability initiatives.



DLM Pte Ltd

Daikin collaborated with contractor DLM Pte Ltd for the replacement of Variable Refrigerant Flow (VRF) units in an office building. Through the diligent efforts of our partnership, a total of 107 kilograms of R22 refrigerant were successfully recovered from the building's VRV systems. This achievement is equivalent to approximately 9,287 rain trees absorbing their carbon emissions. It serves as a testament to the positive impact that strategic collaborations and sustainable practices can have on reducing greenhouse gas emissions and promoting a greener future.

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DLM is very glad to be able to work on this campus rejuvenation project of the highest energy efficiency standard for the air-conditioning system. To be able to collaborate with Daikin to pump down the used R22 refrigerant for proper disposal has made it even greener.

Mr. Joseph Goh

Managing Director, DLM Pte Ltd

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Natural Cool Airconditioning and Engineering Pte Ltd

We extend our heartfelt thanks to our esteemed dealer, Natural Cool Air-Conditioning & Engineering Pte Ltd, for their exceptional efforts in recovering 196.1 kg of R410a refrigerant from St Luke's Hospital. This remarkable effort is equivalent to saving 377,296.4 kg of Carbon Dioxide equivalent (CO₂e). We also applaud St Luke's Hospital for their commitment to environmental sustainability!



V Cool Pte Ltd

Working alongside our esteemed installer, V-Cool Pte Ltd, Daikin supported the implementation of refrigerant recovery at Quayside Isle @ Sentosa Cove, a picturesque marina-front retail and dining destination owned and managed by City Developments Limited.

This meaningful initiative led to the successful recovery of 100.8 kg of R410A refrigerant, effectively reducing 193,939 kg of carbon dioxide equivalent (CO₂e) emissions.

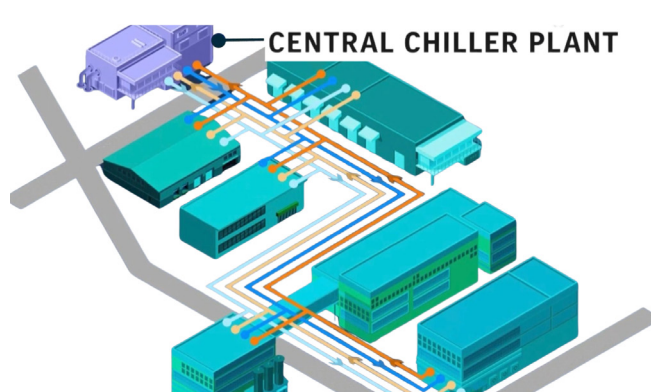
We sincerely thank Quayside Isle at Sentosa Cove for their unwavering support and V-Cool Pte Ltd for their expertise, which was pivotal to the success of this sustainability effort.

Cooling System Projects



Centralised Cooling System in Tengah Residential Town

In November 2020, Daikin Singapore signed a Memorandum of Understanding (MOU) with SP Group for the first large-scale residential centralised cooling system (CCS) at Tengah in Singapore. To address global environmental concerns, the Singapore government is proactively working on reducing emissions, aiming to transform Singapore into a Smart Nation that optimises resources efficiently. This initiative offers residents of Tengah an alternative to conventional air conditioning systems. The CCS, renowned for its energy efficiency, aims to transform urban living with eco-conscious practices and energy savings. The efficiency gains from this Centralised Cooling technology translate to approximately 30GWh of annual energy savings – equating to the energy required for powering up to 9,000 3-room HDB flats – reducing up to 30% energy costs for Tengah residents. We are also actively exploring the feasibility of extending the CCS to new Build-to-Order developments, heralding a future where more communities can benefit from this eco-friendly cooling system.



Singapore's Largest Industrial District Cooling Plant

In October 2022, Daikin Singapore, SP Group, STMicroelectronics, and Asia Projects Engineering Pte Ltd held a groundbreaking ceremony for Singapore's largest industrial district cooling plant, set to be operational by 2025. The plant, located at Daikin Singapore's main office, will provide chilled water to STMicroelectronics' TechnoPark and feature a cooling capacity of up to 36,000 tonnes of refrigerant. It aims to cut carbon emissions by 120,000 tonnes annually, supporting sustainable development and a low-carbon future.

Digital Solutions to Optimise Energy Efficiency

IoT and analytics can substantially improve energy efficiency, thereby reducing energy costs and improving sustainability. Embedding sensors or other IoT devices into various applications allows the collection of data in real-time and provides a feedback loop to better control systems and measure efficiency. We have synergised our expertise to develop a wide array of smart solutions to monitor, optimise and reduce carbon footprint while providing a high level of comfort and convenience.

Energy Solutions	Control Solutions (REIRI)
Daikin supports the global push for reduction of carbon footprints and climate policies to save the environment. With this in mind, we have synergised our expertise in our core business in air-conditioning and refrigeration solutions with our environmental sustainability goals. We have developed a suite of Energy Solutions (namely Energy audit, energy optimisation and performance guarantee contract) to help building owners achieve their green initiatives objectives and Energy Efficiency goals. This works in synergy with our air-conditioning solutions to offer clear and tangible benefits to building and facilities owners in their energy usage while still maintaining their smooth business operations.	Our Reiri Solutions aims at achieving comfort, convenience, and efficiency for residential and commercial users. Our control solutions comprise of Reiri for Office and Reiri for Hotel. Reiri for Office series allows users to monitor and control air conditioning system, energy consumption, smart lighting etc. through smart mobile devices remotely. Reiri for Hotel series assists hotel managers with tools to increase comfort levels for guests through monitoring and controlling room temperature and reducing electrical consumption.
Remote Monitoring System (RMS)	Building Management System (BMS)
Daikin Remote Monitoring System offers the smart choice for building owners to monitor, predict and earn maximum savings. Being the first to offer 24-hours access to updated diagnostics via multiple outputs, our system also provides continuous monitoring and automatic adjustments for air-conditioning systems. It improves VRV systems' efficiency by auto optimising them to operate at the sweet spot. With technology as intuitive as Daikin Remote Diagnosis System, building owners receive first-hand alerts of any service disruption and malfunctions in advance. Additionally, building owners attain more response time to rectify and address issues.	To support the government's environmental goals of reducing carbon footprint and transforming Singapore into a Smart City, the Building and Construction Authority (BCA) aims for 80% of buildings in Singapore to be green by 2030. Daikin Singapore fully supports this and will not monitor just air conditioning equipment but also an entire building's facilities through a Building Management System (BMS). In 2019, Daikin Singapore acquired BMS Engineering & Trading Pte Ltd to enhance our role in reducing Singapore's carbon footprint. BMS Engineering is the only System Integrator certified by Schneider Electric (SE) as MASTER EcoXpert in Singapore.

Indoor Environmental Quality

In line with the nation's vision of environmental sustainability, Daikin aims to achieve healthy, clean air through 100% chemical-free services. High-pressure steam is used in Steam Cleaning and high-pressure air is used in Duct Cleaning, which are more environmental-friendly than conventional chemical services. We provide a full range of Indoor Air Quality (IAQ) Solutions catered to commercial and industrial needs, supporting Green Building initiatives. Our Green Air Solutions are in full compliance with ISO 14001 and have been proven to reduce or eliminate microorganisms such as bacteria, mould, and viruses.

In Daikin Singapore, we always ensure that the client will go through the complimentary IAQ assessment before we recommend any IAQ solutions for them to rectify the issues.

Complimentary IAQ Assessment

Daikin offers a complimentary Indoor Air Quality (IAQ) assessment to help homeowners and businesses understand and improve the air quality within their indoor environments. This assessment involves a thorough evaluation of factors such as temperature, humidity levels, carbon dioxide levels and other indoor air pollutants.

Steam Cleaning

Steam cleaning is a cleaning technique that involves using hot steam, usually with specialized equipment, to clean surfaces. What sets steam cleaning apart from traditional chemical washing is its environmentally friendly nature, as it doesn't rely on harsh chemicals. Additionally, steam cleaning is highly effective in removing dirt, grime, and can even eliminate some bacteria and allergens.

Duct Cleaning

Daikin provides duct cleaning services aimed at optimizing the performance and air quality of ACMV systems. This process entails the elimination of accumulated dust, dirt, mold, and other contaminants found within the ductwork of ACMV system. Daikin Singapore uses air purging duct cleaning to help tackle all parts of the duct regardless of their complexity.

Reiri Control and Monitoring System

The Daikin Reiri control and monitoring system represents a sophisticated solution for monitoring and enhancing indoor air quality in both residential and commercial settings. This device continuously tracks essential parameters such as temperature, humidity, carbon dioxide (CO₂) levels, and volatile organic compounds (VOCs), providing real-time insights into air quality conditions.

With its wireless connectivity, users can seamlessly integrate the Reiri control and monitoring system with Daikin's smart ACMV systems and other compatible devices, facilitating remote monitoring and control. Customizable alerts notify users when air quality levels drop below the threshold.

Streamer Technology in Daikin Air Purifying System

Daikin's Streamer Technology is a cutting-edge air purification system that utilizes advanced plasma discharge technology to effectively remove harmful airborne particles and contaminants.

This innovative technology generates high-speed electrons and plasma ions, which attach themselves to airborne pollutants, pathogens such as viruses, bacteria, allergens, and odors. Once attached, these charged particles undergo a process called oxidative decomposition, where they are broken down into harmless substances like water vapor and carbon dioxide. This process effectively neutralizes the pollutants, rendering them inert and eliminating them from the air.

Indoor Green Farming System

The Indoor Green Farming System can help to reduce carbon dioxide, Total Volatile Organic Compounds (TVOC) and formaldehyde levels in the air, improving IAQ. It is an innovative approach to sustainable agriculture, merging technology with farming practices to cultivate crops indoors efficiently.



Indoor Air Quality Seminar

In August 2023, Daikin Singapore in collaboration with Air & Odor Management, launched its first IAQ seminar on 'Unlocking the True Value of Optimized IAQ'. The event covered mould infestations, ventilation, and air conditioning impacts on IAQ. We delivered a keynote on IAQ vulnerability to weather patterns, and the impact of humidity, offering attendees valuable insights on optimising IAQ monitoring. This partnership highlights Daikin's commitment to enhancing indoor air quality for a healthier, greener and smarter future.



Reshaping our World for a Sustainable Tomorrow Seminar

Daikin is committed to innovation and sustainability through advanced HVAC solutions, supporting our mission for a healthier, greener future. We conducted a seminar themed 'Reshaping our World for a Sustainable Tomorrow', covering sustainability, energy efficiency, air and water side optimisation, as well as the transformative potential of data analytics. It also served as a platform for our business partners and consultants to engage with our solutions.

Daikin recognises the role of AI in driving sustainable HVAC innovation. We are committed to leading the industry with eco-friendly, efficient systems.



Daikin Green Building

Green buildings are a crucial component of sustainable development as these structures enhance energy efficiency, conserve water and prioritise sustainable materials, reducing resource depletion and waste. Green buildings can also generate substantial cost savings through lower energy and water bills. Buildings that use non-toxic materials and better ventilation systems lead to improved IAQ.

Daikin Singapore is aware of the significant benefits green buildings bring and we lead by example. Some of the key initiatives implemented in our offices are:

Energy Savings

- Advanced technologies in our VRF system
- Energy efficient LED
- Scheduled timing and temperature settings for HVAC system
- Window films to reduce the solar heat intake from outdoor

Water Savings

- 3 ticks WELS (Water Efficiency Labelling) fittings
- Scheduled timing for plant irrigation depending on weather

Indoor Environment Quality

- Adequate fresh air supply
- Daikin air purifiers and filters
- Regular maintenance and steam cleaning of HVAC system

Renewable Energy

- Purchase of Renewable Energy Certificates (RECs)

Green Landscaping

- Green walls at roof area to reduce heat into the building

Waste Management

- Promote 3R (Reduce, Reuse and Recycle) among staff
- Recycled and general waste

Building Optimisation

- Smart Office integration
- Real time data collection

Daikin is taking concerted actions to reduce our energy consumption. We regularly remind employees to turn off the lights and air-conditioners when leaving the office and our air-conditioners are set to turn off automatically outside office hours.

Daikin Singapore has redeemed Renewable Energy Certificates (RECs), effectively funding the development and expansion of renewable energy projects, which in turn helps to reduce emissions and combat climate change. Each REC represents one megawatt-hour of renewable energy generation, which could come from sources such as solar, wind, or hydroelectric power.

Energy consumption	Unit	FY2023
Fuel consumption	kWh	524,290
Electricity consumption	kWh	995,611
Electricity consumption matched with Renewable Energy Certificates ("RECs")	kWh	180,000
Electricity consumption per employee	kWh	2284

Waste	Unit	FY2023
Total waste generated	Tonne	78.2
General waste	Tonne	52.4
Wood	Tonne	20.1
Carton box	Tonne	4.3
E-waste	Tonne	1.3

GHG emissions	Unit	FY2023
Scope 1	tCO ₂ e	130
Scope 2 (location-based)	tCO ₂ e	415
Scope 2 (market-based)	tCO ₂ e	340

Water	Unit	FY2023
Water withdrawal	m3	6,893

Social

Human Resource Development

Daikin Singapore's Management Philosophy is guided by the People Centered Management (PCM) framework. We seek to achieve sustainable development and growth through the means of shaping an environment where employees learn and grow. We believe that investing in talent will allow the organisation to scale greater heights.

Daikin's Human Rights Policy is 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 comply with local laws and regulations where they conflict with international human rights standards while seeking to respect the principles of the latter.

Daikin Singapore has pledged to be part of Singapore Business Federation (SBF) Sustainable Employment initiative. We recognise that our employees are critical to the success of our organisation and are valuable assets. To offer a work environment that treats every employee with respect and dignity, we review our employment practices regularly and make improvements where necessary. Not only do we ensure our employees are treated fairly, but we also practice good relationship with our stakeholders such as our suppliers, large and small, and individuals that we engage.

As adopters of the Tripartite Alliance for Fair & Progressive Employment Practice (TAFEP), our hiring policies follow TAFEP guidelines and we only recruit and select employees based on merit (such as skills, experience, or ability to perform the job), regardless of age, race, gender, religion, marital status and family responsibilities, or disability.

Headcount	FY2023
Total headcount as of 31 March 2024	444
of which permanent employees	371
of which fixed-term employees	73

Talent Development

We are dedicated to empowering employees through continuous learning and growth opportunities. We invest in skills development, leadership training, and career advancement to ensure our workforce is equipped to meet future challenges. By nurturing talent, we drive innovation and build a sustainable, resilient organisation.



Web Based Training for New Hires

Talent development is vital to sustainable business growth and success. At Daikin Singapore, training and development starts on the first day of work. All new employees must attend over 113 web-based training programs during the first 3 months after joining the company.



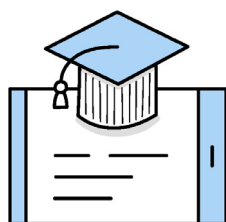
Regional Leadership Program

Investing in talent management programs to help develop potential leaders is the primary focus in our HR planning. Besides putting in place a comprehensive range of local training programs for all employees, we also have a structured regional leadership development program that focuses on the development of future leaders to take on regional leadership roles in Daikin. During this program, employees are given the opportunities to visit and network with colleagues from affiliates in the Asia-Oceania region.



University Career Fairs

Daikin Singapore actively engages with students and graduates by participating in university career fairs. For instance, we took part in the National University of Singapore (NUS) Career Fair, presenting exciting internship prospects for students. Likewise, we connected with students at Nanyang Technological University (NTU) Singapore's Job-In career fair, providing opportunities for internships and full-time job positions. These events reflect our commitment to partnering with institutes of higher learning, offering a platform for the next generation to explore meaningful career opportunities within our organisation.



In FY2023, the average training hours per employee was 20 hours. In total, we conducted

8,694 hours
of training

Workplace Diversity

At Daikin Singapore, we believe that valuing the differences of others will bring us together as one.

Our hiring policies ensure equal employment opportunities for all. We respect the human rights of each and every employee and shall not engage in conduct that discriminates on the basis of nationality, race, ethnicity, religion, colour of skin, age, gender, sexual orientation, or disability. Diversity in individual values is enthusiastically accepted, and we work to make the unique talents and abilities of each and every person the driving force of the organization.

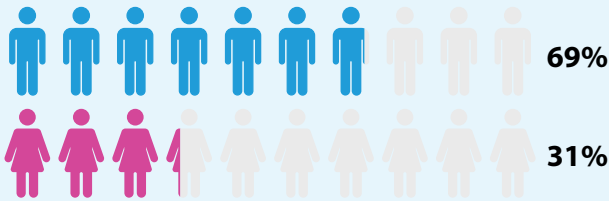
Celebrating International Women’s Day 2023

On International Women’s Day, Daikin proudly celebrated the remarkable women who serve as a source of inspiration within our organisation. To commemorate this special occasion, our employees were encouraged to wear purple or white, symbolising our collective support. At Daikin, we take immense pride in our diverse and talented team of women, spanning across various roles from engineers to managers to frontline workers. Their unwavering dedication contributes significantly to our company’s success. We firmly believe that diversity fuels innovation, and our commitment to fostering an empowering workplace transcends gender boundaries.



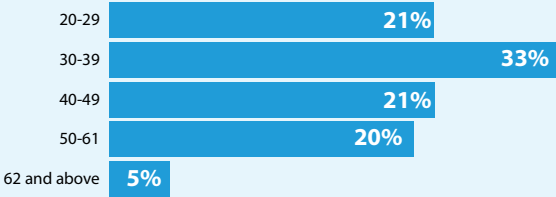
Our Workforce

GENDER



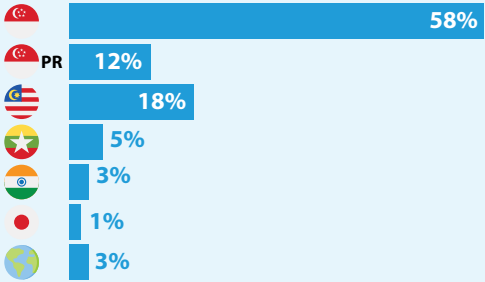
Male	69%
Female	31%

AGE



20-29	21%
30-39	33%
40-49	21%
50-61	20%
62 and above	5%

NATIONALITY



Turkey	58%
PR	12%
Malaysia	18%
Myanmar	5%
India	3%
Japan	1%
Other	3%

Employee Wellness

At Daikin Singapore, we recognise that employee wellness programmes are key to fostering a healthier, more satisfied workforce. Participants in these programmes are more engaged and experience fewer absences which contribute to a positive work environment. Our comprehensive wellness initiatives not only enhance productivity and employee satisfaction but also helps to attract top talent. The Wellness Committee, composed of volunteers from various departments, organizes activities to promote health, build team harmony, and support overall well-being, directly impacting our company's success and growth.



Healthy Food for Employees

As part of our efforts to enhance the well-being of our employees, we provided healthier food and beverages like herbal teas, vitamin C boosters and fruits.



Employee Appreciations

We also took great pride in honouring and appreciating our long-serving employees. By recognising employees who have been with us for 5, 10, 15, 20, 25, 30, 35, and even 40 years, demonstrating their unwavering commitment to our company.



Annual Dinner

On 8th December 2023, Daikin Singapore held its annual dinner and dance, with the theme 'Time Capsule'. With over 330 enthusiastic attendees, our good people showcased their take on the theme through costumes inspired by the past and the future. The event also included contests, such as the Daikin Got Talent challenge where participants fired up the stage with their performances.



Riding Under the Stars

In September 2023, Daikin Singapore participated in Mediacorp's Yes 933 radio station's night cycling event. Held at the Singapore Sports Hub, it was a breathtaking night of cycling under the starry sky, as participants bonded together with the spirit of adventure and community. The warm and inclusive atmosphere reflects our values of community engagement and wellbeing.

Festive Celebrations

Throughout the year, Daikin Singapore celebrated various festive occasions with its employees, spreading joy and appreciation. From Mid-autumn Festival with mooncake gifts and a Lantern Making Competition to the lively festivities of Deepavali marked by traditional snacks, and a creative Chinese New Year celebration that included a cookie making workshop. Christmas brought the season of giving with sweet treats for dedicated employees, and Hari Raya featured special giveaways and additional pastry boxes for Muslim staff, ensuring everyone felt valued and cherished during these important cultural celebrations. These festive events strengthened bonds and shared moments of joy among Daikin's diverse workforce.

Sustainability Awareness for Employees

As part of our commitment to fostering a culture of environmental sustainability, Daikin Singapore aims to integrate sustainable practices into every aspect of our work culture. Through events and workshops, we aspire to equip employees with the skills and knowledge needed to contribute effectively to our sustainability goals. Next year, we will further enhance our efforts by launching a new e-learning programme focused on sustainability. By doing so, we aim to empower our employees to drive positive environmental change throughout our organisation.



Earth Day Campaign

In celebration of Earth Day 2023, Daikin organised a sustainability quiz for our employees. This engaging quiz served as a platform to solidify their knowledge and enhance awareness of Earth Day-related topics. As an incentive for active participation, top quiz performers were rewarded with complimentary drinks and a range of enticing prizes, including a special mystery gift. By actively engaging in activities of this nature, we exemplify our steadfast commitment to the global mission of preserving our planet and forging a sustainable path forward.



Climate Fresk Workshop

Daikin's dedication to a sustainable future was highlighted through our participation in Climate Fresk Singapore's sustainability workshop. Our staff gained invaluable insights into climate change and the pivotal role that businesses can play in mitigating its impact. Armed with newfound knowledge, Daikin's employees are primed to further reduce our carbon footprint and intensify sustainability efforts.

Occupational Safety and Health

Workplace Safety and Health (WSH) is an integral part of our business operations. Our goal is to improve Safety and Health management through periodic inspection, audit and review, in order to eliminate injuries and illness in our workplaces.

In fulfilment of the requirements stated in the Workplace Safety and Health Act, and other applicable legislations,

- We are committed to communicate our safety and health concerns to our staff and contractors.
- We are committed to integral safety and health as part of our daily work and culture in fulfilment of our products and services liabilities.
- We are committed to take timely and proper actions on any safety and health hazards and ensure continuous improvement in maintaining a safe and healthy working environment.

The reputation of having good WSH records and procedures in place has helped us gain the trust and confidence of existing and potential customers. Our safety and health management system is certified ISO 45001 since 2010.

Besides investing heavily in specialised WSH equipment, Daikin Singapore also has safety professionals providing WSH advice

and assistance to its technicians at various worksites on a daily basis. We encourage safe work practices by recognising and rewarding Service Teams at our annual Service Partner Awards.

We have also developed safety training to share our expertise and best practices with the industry and promote safer air-conditioning works. In the reporting year, we conducted a WSH Mass Briefing for our contractors where we shared about national regulations regarding WSH and Daikin's initiatives to minimise workplace accidents. We also conduct training on how to manage noise on site and chemical spillage.

In FY2023, an injury occurred to one staff member and one contractor. The staff member had an injury during a visit to a client site. The client responded promptly by installing a handrail at the affected location to prevent future incidents. One of our contractors had an eye injury while moving pipes at the storage area.

We will continuously increase our site safety inspections, impose demerit points for poor safety performance and will take account of appropriate risk controls measures for a safer and healthier workplace for each and everyone.

Our Health and Safety Performance

Staff	FY2021	FY2022	FY2023
Accident Frequency Rate	1.29	0.94	1.00
Accident Severity Rate	2.6	4.7	14.93
Near Miss	0	0	1
Fatality Rate	0	0	0

Contractors	FY2021	FY2022	FY2023
Accident Frequency Rate	0	0	1.41
Accident Severity Rate	0	0	7.05
Near Miss	3	0	1
Fatality Rate	0	0	0

Customer Satisfaction

Daikin's philosophy is to identify and fulfil customers' needs through providing high quality products, materials, and services. Keeping in mind the changes in social trends, we will proactively propose new products and services that exceed customers' expectations. We provide yearly training, technical assessments, and soft skills trainings to ensure that our service engineers are equipped with the necessary skillsets to troubleshoot works on the ground and communicate effectively with customers.

Case study: Positive Feedback from Childcare Centres who have Adopted our IAQ Solutions

We send feedback forms to clients who have adopted our IAQ solutions to understand how they have benefitted from our services. This feedback from clients gives us insight into the effectiveness of our services and how we can further improve. Our IAQ solutions have been implemented in approximately 250 childcare centres and majority of these centres have shared positive feedback. They observed that students are less lethargic and absence rate due to illnesses have decreased.

	Base Year	2016	2017	2018	2019	2020	2021	2022	2023
Overall Satisfaction	FY2015	1.00	1.00	1.00	1.00	1.01	1.08	1.08	1.02

**Satisfaction of after-sales services, regarding the base year as 1.00.*



Communities



Besides being a trusted air conditioner brand in Singapore, we would like to contribute to the progress of our community. At Daikin Singapore, we started 'Daikin For U' which represents our commitment towards giving back to the society and environment we care for.

We use our resources to contribute to society by:

- Protecting the Environment
- Partnering with Institute of Higher Learning to provide opportunities to graduates and mid-career opportunities.
- Living in Harmony with Communities

Protecting the Environment Supporting the OneMillionTrees movement

Daikin is a supporter of the Garden City Fund's Plant-A-Tree programme. Under this initiative, 100% of the donation goes towards the cost of the tree sapling, site preparation, and supporting education and conservation programmes to connect people with nature.

The trees planted contribute to NParks' OneMillionTrees movement, a nationwide effort to plant a million more trees across Singapore by 2030.

“

By involving our staff in this activity, not only do we get to have some quality bonding time together, but we also learnt the importance of planting and saving trees.

Jeanali Wu

Human Resources Manager, Daikin Singapore

”



Plant a Tree 2023

In support of the OneMillionTrees movement, Daikin has embarked on a initiative to plant trees at Tampines Eco Green on 25th October 2023 where Daikin volunteers successfully planted 55 trees. This initiative embodies our collective mission to safeguard and preserve the environment for the benefit of future generations, aligning with our commitment to sustainability and our dedication to making a meaningful impact on the communities we serve.



Supporting Community Chest's Seeds of Sustainable Philanthropy

In April 2023, Daikin participated in Community Chest's Seeds of Sustainable Philanthropy event to plant 40 trees under the Plant-A-Tree programme and made a monetary donation. This initiative enables communities in need to reach their fullest potential while promoting a greener city. By partnering with Community Chest, Daikin hopes to inspire other companies to give sustainably and create a better future collectively.

Partnering With Institute of Higher Learning to Provide Opportunities to Graduates and Mid-Career Opportunities

Since its inception in 2008, the ITE-Daikin Cooperation, underscores Daikin Singapore's unwavering dedication to education and skills enhancement. Daikin Singapore proudly supports the Institute of Technical Education (ITE) by providing

invaluable training and internship opportunities for students and staff. Utilising state-of-the-art Chilled Water Air-Conditioning Equipment, Chiller System Management Software, and VRV Simulators, Daikin Singapore enriches the learning experience by offering practical and unique educational insights. As part of our ongoing commitment, Daikin Singapore has the honour of presenting Book Prizes to deserving students from Nitec in Built Environment, a commitment we recently upheld at the ITE College West Graduation Ceremony in 2024.

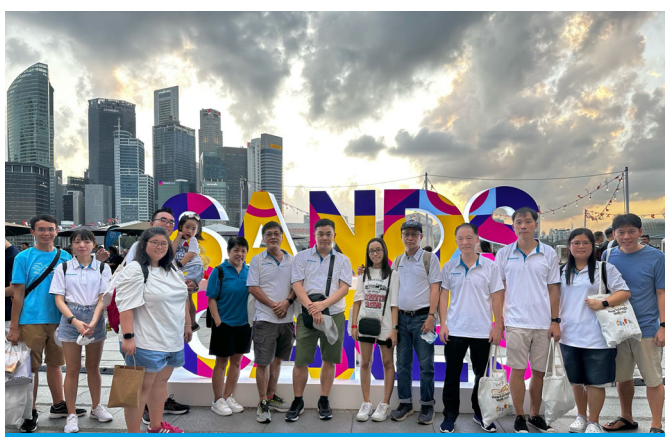
Living in Harmony with Communities



Daikin Singapore's staff with elderly from Lions Befrienders showcasing their crafted towels

Roses and Towels: Daikin's Heartwarming Valentine's Day Charity Sale

On Valentine's Day 2023, Daikin Singapore witnessed a heartwarming celebration of love and community spirit. Our dedicated staff collaborated with Social Gifting to conduct rose towel crafting sessions alongside elderly and disabled individuals, resulting in the creation of nearly 1,000 handmade rose towels. These tokens of affection were made available for sale during a special charity event at Daikin, with the proceeds benefitting the crafting community from Lions Befrienders and Bishan Home for the Intellectually Disabled. This touching initiative not only showcased our commitment to fostering community bonds but also exemplified Daikin's dedication to making a positive impact beyond our business operations.



Daikin's group photo at Community Chest's Heartstrings Walk 2023

Community Chest's Heartstrings Walk 2023

Last year, Daikin came together as a cohesive corporate family to participate in Community Chest Singapore Heartstrings Walk 2023. Despite the shyness of the full moon concealed by night clouds, a shared aura of smiles enveloped the scene as we embarked on a journey around the expanse of Marina Bay, successfully completing the heartwarming 4km charity walk.

Co-organised by Community Chest Singapore and Marina Bay Sands, Heartstrings Walk is an annual event that unites participants to walk as one to raise funds for over 100 social service agencies, which run 200 social service programmes, benefiting more than 93,000 individuals.



Daikin Singapore Managing Director, Chua Ban Hong (right) receiving token of appreciation from Director, Philanthropic Partnership and Engagement of Community Chest, Ms Rae Lee (left)

Driving Positive Change Through the Daikin Charity Golf Event 2023

In July 2023, Daikin Singapore proudly hosted the 37th Charity Golf Tournament, marking another milestone in our unwavering commitment to Corporate Social Responsibility (CSR).

Through this endeavour, we raised funds to benefit two remarkable programs: SHINE Children and Youth Services and Lion Befrienders Service Association, both under the care of Community Chest. SHINE Children and Youth Services is instrumental in aiding children aged 5 to 10 with specific learning disabilities and associated social and emotional challenges. Their support extends to parents, fostering a comprehensive approach to family wellbeing.

Lion Befrienders Service Association focuses on socially isolated seniors, offering companionship through home visitations and the organisation of social activities. These endeavours provide access to vital sources of help and contribute to enhancing their sense of social well-being. The success of the Daikin Charity Golf Event 2023 was a collective effort, made possible by the generosity and support of individuals and organisations alike. Together, we raised a total of SGD73,000, a testament to what we can achieve when we come together to drive positive change in our community.

Our Community Impact

	FY2020	FY2021	FY2022	FY2023
Monetary amount through donations, sponsorships and goods (in SGD)	249,950	240,000	361,820	381,400

*All data and figures are updated as of 28th March 2025

Governance

Compliance with Corporate Governance

Corporate governance plays a critical role in driving sustainability within Daikin Singapore. By ensuring transparency, accountability, and ethical decision-making, strong governance frameworks help reduce risks and foster trust with our stakeholders. Effective corporate governance enables us to integrate sustainability into our strategies, ensuring long-term growth while aligning with environmental, social, and regulatory expectations.

Since 2008, Daikin has endorsed and participated in United Nations Global Compact (UNGC) and follows the ten principles of the UN Global Compact.

Daikin Singapore's Code of Conduct sets forth the basic premise for all employees to observe, serving as a framework for compliance. It embodies the highest standards of corporate governance we expect our employees to uphold, both internally and externally. Through it, we commit to conduct fair sales and procurement activities based on proper corporate ethics and in accordance with sound business practices and social norms.

In 2020, we launched a new Code of Conduct e-training system, which includes training on anti-bribery. 100% of employees complete the training annually.

Code of Conduct



Providing Safe, High Quality Products and Services



Free Competition and Fair Trading



Observing Trade Control Laws



Respect and Protection of Intellectual Property Rights



Proper Management and Utilization of Information



Prohibition of Insider Trading



Timely and Appropriate Disclosure of Corporate Information



Preservation of the Global Environment



Ensuring the Safety of Operations



Respect for Human Rights and Diversity and Observance of Labor Laws



Protection of Company Assets



Proper Handling of Accounting Procedures



Practicing Moderation in Entertainment, Gift Exchanges, and Invitations



Maintaining a Firm Attitude against Anti-social Activities



Relationship with Society



Observing Each Category of Industry Law and Regulation

Self-Assessment and Risk Assessment

Every year, Daikin Singapore conducts self-assessment and risk assessment to ensure constant compliance with our Group Conduct Guidelines. Our risk assessments identify risks throughout our value chain, and lists risks that should be prioritised. The findings, along with any emerging issues and proposed solutions, are reported to Daikin's Corporate Ethics and Risk Management Committee, or shared at regional compliance committee meetings. This process ensures that critical information is disseminated throughout the Daikin Group, effectively mitigating risks.

In FY2024, Daikin Singapore will begin conducting human rights risk assessments to understand and assess human rights risks throughout our operations more thoroughly.

Whistleblowing Helpline

Daikin Singapore has a Whistleblowing Helpline for Corporate Ethics inside and outside the company, where internal and external stakeholders can report violations or irregularities on all corporate ethics matters, including human rights, sexual harassment, and power harassment. Through the helpline, all reported matters are kept strictly confidential and dealt with promptly and appropriately. The internal audit department investigates all queries to the helpline and works with related company divisions to decide on measures to prevent the reoccurrence of problems. To ensure that the helpline is well publicised, the help-line's contact information is provided on the poster affixed to the printing room walls on all levels and common areas for internal stakeholders and on the Company website for external stakeholder.

During the reporting year, there were no reports received on violations or irregularities on all corporate ethics matters, including human rights, sexual harassment, and power harassment.

Information Security

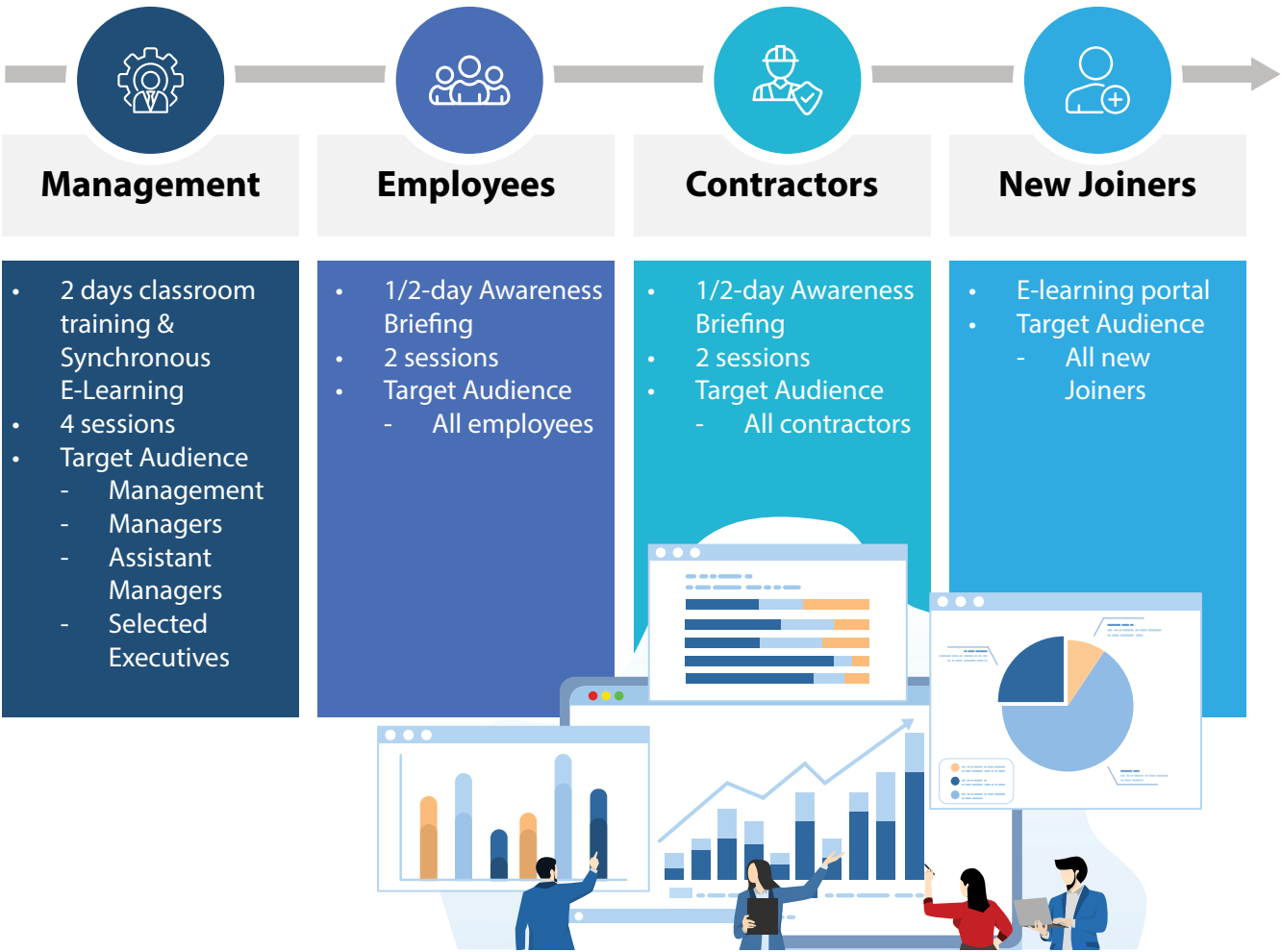
Daikin Singapore is committed to complying with the Personal Data Protection Act (PDPA) 2012. Safeguarding the privacy and security of personal information is an integral aspect of our commitment to responsible governance. Year after year, we undertake rigorous self-assessments and risk evaluations to ensure constant compliance with our Group Conduct Guidelines. Our dedication to information protection is evident through the formulation of a comprehensive Privacy Policy and a set of in-house rules designed to guide the proper collection, utilisation, disclosure, and preservation of all personal data entrusted to us. To further reinforce these principles, dedicated data protection officers and other professionals within each division oversee the strict enforcement of these in-house rules, ensuring the highest standards in safeguarding personal information.

Our commitment to continuous improvement in information security extends to our Internal Auditing Department, which diligently conducts audits to verify our compliance with the

Conduct Guidelines and Information Security policy. This proactive approach allows us to identify areas for enhancement and ensures that our practices remain robust and up to date. At Daikin Singapore, we conduct yearly assessments that is aligned with JSOX.

In addition to these measures, Daikin remains dedicated to ensuring compliance with relevant regulations. We prioritise the education of our employees through PDPA trainings, which not only provide them with a comprehensive understanding of the policy but also keep them informed about any updates or modifications. Through this ongoing training, we refine our policies and processes to align seamlessly with the rules and regulations of the PDPA, reaffirming our commitment to responsible data management and information security.

During the reporting year, there were no substantiated complaints received concerning breaches of customer privacy.



Daikin Singapore's PDPA Training Plan

Supply Chain Management

Daikin Singapore is committed to conducting business in a responsible and sustainable manner and works towards successful supplier relationships built on trust, fairness and expected behaviour. Our product and service suppliers are critical to our success. We strive to select reliable organisations committed to providing superior products and services that meet our expectations in terms of ethics, business conduct, and social and environmental responsibility.

Green Procurement Policies

Daikin established the Green Procurement Guidelines which oversees environmental management throughout the entire supply chain to provide more environmentally responsible products. In February 2023, Daikin published a revised 13th edition of the Green Procurement Guidelines. At Daikin Singapore, we make sure suppliers abide by the Green Procurement Guidelines and regularly inspect products from our suppliers to ensure they meet the guidelines. In our commitment to sustainable procurement, priority will be given to vendors who share the same values.

Daikin Singapore's Purchasing Policy:

- **Fair relations based on an open-door policy:** Provide open, equal, and fair opportunities for all companies, regardless of their locality, size, and sales results.
- **Look for good partners:** Procure from local as well as overseas vendors who provide innovative products at high quality and competitive prices.
- **Observe laws and maintain confidentiality:** Observe laws on business dealings and respect the spirit of these laws.
- **Mutual growth through mutual trust:** Create open conditions for business dealings and respect free competition.
- **Promote CSR Procurement:** Work hand in hand with suppliers on fulfilling their social responsibilities, such as sustainable purchasing, environmental conservation, occupational safety and health, human rights, forced labour.

Supplier Code of Conduct

Daikin is working with suppliers worldwide in ensuring responsible procurement to fulfil our social responsibility across the entire supply chain. We consider our suppliers as important partners, with whom we are promoting relationships of trust through open, fair, and equal trade. At the same time, Daikin promotes CSR procurement with consideration for the environment, quality, occupational safety, and human rights within its supply chain including our suppliers to earn society's trust as a global company.

The Supplier Code of Conduct sets forth our expectations and requirements for our Suppliers. The Code is not intended to be an exhaustive list of all ethical and business conduct requirements, as we understand and expect our suppliers to have their own internal codes of ethics and conduct.

Supplier ESG Screenings

Our potential partners are invited to complete our Vendor Evaluation Form to collect and assess information about the company. When considering the new vendor, priority will be given to the one who has obtained ISO 9001, ISO 14001 and is compliant with RoHS or REACH standard.

ESG assessments are conducted for our suppliers:

- **Green Procurement assessment**
An Annual Green Procurement Inspection List is sent to our top 10 suppliers to ensure that they have an environmental management system, comply with the applicable laws, manage chemical waste, and take initiatives to reduce their carbon footprint.
- **CSR Procurement assessment**
We send an annual CSR questionnaire to our top 10 suppliers to assess their own compliance and that of their external providers. These questionnaires contain check items related to eliminating excessive and unfair labour, and the respect of human rights at supplier companies.
- **ESG Supplier Assessment pilot for screening key new suppliers**
In 2023, we started screening key suppliers with a ESG Supplier Assessment that covers any human rights, labour and environmental criteria. Over 70 suppliers responded to the assessment. Moving forward, we will continue improving our screening process.

GRI Content Index

Statement of use	Daikin Airconditioning (Singapore) has reported the information with reference to the GRI Standards for the period 1 April 2023 to 31 March 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure	Page
GRI 2: General Disclosures 2021	The organisation and its reporting practices	
	2-1 Organisational details	6, 8
	2-2 Entities included in the organisation's sustainability reporting	6, 8
	2-3 Reporting period, frequency, and contact point	6
	Activities and Workers	
	2-6 Activities, value chain and business relationships	8
	2-7 Employees	24
	Governance	
	2-11 Chair of the highest governance body	11
	2-12 Role of the highest governance body in seeing the management of impacts	11
	2-13 Delegation of responsibility for managing impacts	11
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	2-22 Statement on sustainable development strategy	7
	2-23 Policy commitments	Disclosed throughout the Sustainability Report 2024
	2-24 Embedding policy commitments	Disclosed throughout the Sustainability Report 2024
	2-26 Mechanisms for seeking advice and raising concerns	34 - 35
	Stakeholder Engagement	
	2-29 Approach to stakeholder engagement	13

Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	12
	3-2 List of material topics	12
Green Products and Solutions Daikin Green Building		
GRI 3: Material Topics 2021	3-3 Management of material topics	14 - 23
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	23
	302-3 Energy intensity	23
GRI 303: Water and Effluents 2018	303-3 Water withdrawals	23
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	23
	305-2 Energy indirect (Scope 2) GHG emissions	23
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	17, 23
	306-3 Waste generated	17, 23
Human Resource Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	24 - 28
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	25
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	10, 26
Occupational Safety and Health		
GRI 3: Material Topics 2021	3-3 Management of material topics	29
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	29
	403-5 Worker training on occupational health and safety	29
	403-9 Work-related ill injuries	29
Information Security		
GRI 3: Material Topics 2021	3-3 Management of material topics	35
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	35
Compliance with Corporate Governance		
GRI 3: Material Topics 2021	3-3 Management of material topics	34 - 35
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	34 - 35
	205-3 Confirmed incidents of corruption and actions taken	34 - 35

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UN Global Compact

Since 2008 Daikin has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption.



Eco First

For its range of environmentally advanced efforts, Daikin Industries, Ltd. has been certified as an Eco-First Company by Minister of the Environment of Japan.



The Daikin Group Environmental Symbol

The symbol of the Earth in the shape of a green heart represents a determination on the part of each and every employee of Daikin to think green (think of the Earth and take care of the environment).