



Daikin Türkiye Sustainability Report 2023

A LIVABLE FUTURE WITH DAIKIN



**DAIKIN TÜRKİYE
SUSTAINABILITY REPORT
2023**

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READER GUIDE



You can watch the video by clicking the link when you see this sign.



This icon represents examples of Daikin Türkiye's Best Practices.

Text

The underlined texts on the pages show clickable areas.

About the Report



In this second sustainability report, we present a transparent overview of the sustainability performance and targets achieved during the fiscal years 2021 and 2022 (FY21-FY22, April 2021 - March 2023).

The Global Reporting Initiative (GRI) Standards has guided the formulation and structuring of content within this report, adhering to the established reporting principles. Daikin Türkiye's objective is to continue to report its sustainability efforts through biennial reporting cycles.

In this report, the term “**Daikin**” refers to Daikin Industries Ltd. and encompasses its global operations, while “**Daikin Türkiye**” refers to Daikin Isıtma ve Soğutma Sistemleri San. Tic. A.Ş. and encompasses its activities.

Message from the Top Management



Distinguished business partners,

At Daikin, our journey commenced with a mission to enhance air quality, and today, we persistently advance, taking significant strides to reinforce our dedication towards forging a sustainable future. Through pioneering projects within our sector, we not only ensure sustainable growth but also fulfill our responsibility towards future generations.

As the sole company in the air conditioning sector engaged in the production of our own refrigerant and compressor, and providing products and services in this area, we consider it our strategic objective to generate solutions for societal issues, and to expand our business scope and cultivate new values within the domains of air quality and the environment. We assess the themes of our Daikin Fusion 25 strategy, developed in alignment with our Environmental Vision striving for net-zero emissions by 2050, within this framework.

The COVID-19 pandemic that surfaced towards the end of 2019 and left enduring impacts, the crisis in Ukraine, and supply chain contractions necessitated a reevaluation of our Fusion 25 growth strategy. Within this framework, we have set new goals, including intensifying endeavors to attain our net-zero objective for all plant emissions except chemical production facilities, augmenting investments in eco-friendly products like heat pumps, commencing efforts towards a global refrigerant eco-cycle (recovery, reclamation, and disposal), as well as striving to elevate the adoption rate of environmentally sustainable materials. In addition to these new strategic goals, we are also introducing a new theme of providing energy efficiency solutions for residential buildings.

Recognizing that the journey towards sustainability entails a continuous process of generating enduring and recurring value, our aspiration is to amplify our influence within the realm of sustainability, and work

to build a better world. We are well aware of the value of the contribution and role of you, our stakeholders, in achieving these goals. As we present this report, encompassing the steps taken by Daikin Türkiye in realizing its sustainability objectives along with the forthcoming plans, we would like to thank you all for your cooperation.

Sincerely,

Masatsugu Minaka
Chairman, Daikin Europe N.V.

CEO Message



Esteemed stakeholders,

Embracing the ever-expanding and all-encompassing significance of sustainability, both Daikin and Daikin Türkiye are actively embarking on tangible actions towards the shared objective of achieving carbon neutrality by 2050. This mission has stood as a central focus on Daikin's global agenda since 2018. Following our initial sustainability report published in 2021, we have crafted our second report, presenting the alignment

of our actions with our sustainability strategy. It brings me great pleasure to share this report with you. The increasingly visible adverse effects of the climate crisis underscore the imperative for all of us to take tangible measures. On the other hand, as a pioneering entity within the air conditioning sector, we bear a significant responsibility to efficiently use natural resources and reduce our environmental impact. In light of these realities, we embrace sustainability as one of the foundational pillars of our business. Within this context, all our endeavors are guided by the parameters of the F-25 Strategic Management Plan for FY25, with an emphasis on contributing to both society and the environment in alignment with the Sustainable Development Goals (SDGs).

At Daikin Türkiye, we have achieved significant milestones and made substantial advancements in the realm of sustainability since the publication of our first sustainability report in 2021. These achievements stand as a testament to our dedication to environmental preservation, social accountability, and enduring, sustainable growth, and underline our commitment to building a better world for future generations.

Aligned with our sensitivity towards addressing environmental challenges, we pur-

sue our objectives of establishing ourselves as a premier global air conditioning brand by proactively addressing these issues through our products and services and achieving carbon neutrality by the year 2050. We also aim to become the most efficient factory in the Daikin Europe N.V. region by increasing our production capacity. The most concrete step we have taken to this end was to calculate our greenhouse gas (GHG) emissions in 3 scopes and 6 categories within the framework of the updated ISO 14064 requirements. Based on the results, our aim is to achieve net-zero emissions for Scope 1 and 2 in FY25.

Beyond our net-zero objective, we aim to encourage energy efficiency across all our operations and strive to contribute to society by optimizing resource utilization, achieved through elevating the energy efficiency ratios of our products, production procedures, and supply chain practices. Through our Energy Efficiency Consulting Company (EEC) services, we engage in studies aimed at optimizing the equilibrium between energy consumption and comfort, extend our support to stakeholders in diverse sectors, including hotels, hospitals, and industrial settings, enhancing the sustainable functionality and efficiency of their air conditioning systems. Furthermore, acknowledging the escalat-

ing significance of transitioning to green and renewable energy sources, we are actively integrating renewable energy solutions into our operations with the aim of reducing dependence on fossil fuels. Hendek Production, in 2020, we have generated an amount of electricity from solar energy equal to 68% of the electricity we have used in our production activities to date with the solar energy facility we established at the Hendek Production Facility. With the recent introduction of an additional solar energy facility within the same location in July 2023, we anticipate elevating this share to 90%. Moreover, in the upcoming year, through the implementation of a ground-based solar energy facility, we will secure 100% of the electricity consumption at our offices and sales outlets exclusively from solar energy sources. Furthermore, we strive to reduce our environmental impact and fulfill our responsibility towards future generations through projects in different areas such as chemical management, sustainable packaging and green building.

At Daikin Türkiye, we have made great progress in achieving our social responsibility goals in addition to addressing environmental issues. We recognize the importance of promoting diversity, equality and inclusion in the workplace to create a positive impact both within our organization and with our ex-

ternal stakeholders. In this context, we are actively enhancing women's representation within our workforce while ensuring equal opportunities for all employees, thereby upholding our commitment to gender equality. Through our endeavors to elevate the share of female employees, we succeeded in increasing the share of female employees from 33.7% in 2021 to 35.2% in 2022. As a clear sign of our commitment to these efforts, we have set a target to increase the share of female blue-collar employees to 50% and the overall share of female employees to 45%. Furthermore, in line with the importance we attach to a qualified workforce, we strategically address talent management processes and career development and support the personal and professional development of our employees. In the coming years, we will continue to work to enhance the competencies of our employees and to be among the most preferred employers.

Since the publication of our first sustainability report, we have extended our initiatives beyond our organizational boundaries and collaborated with local communities and forged partnerships with non-profit organizations to collectively address social challenges. Through efforts such as the "Sakura Women Entrepreneur Support Program" and the "Sakura Women Technician Training Program", executed within the realm of corporate social responsibility, we have provided backing for the growth and expansion of accomplished businesswomen within the sector and set an example for other sectors. At Daikin Türkiye, we aim to continue to utilize our resources in line with the needs of the

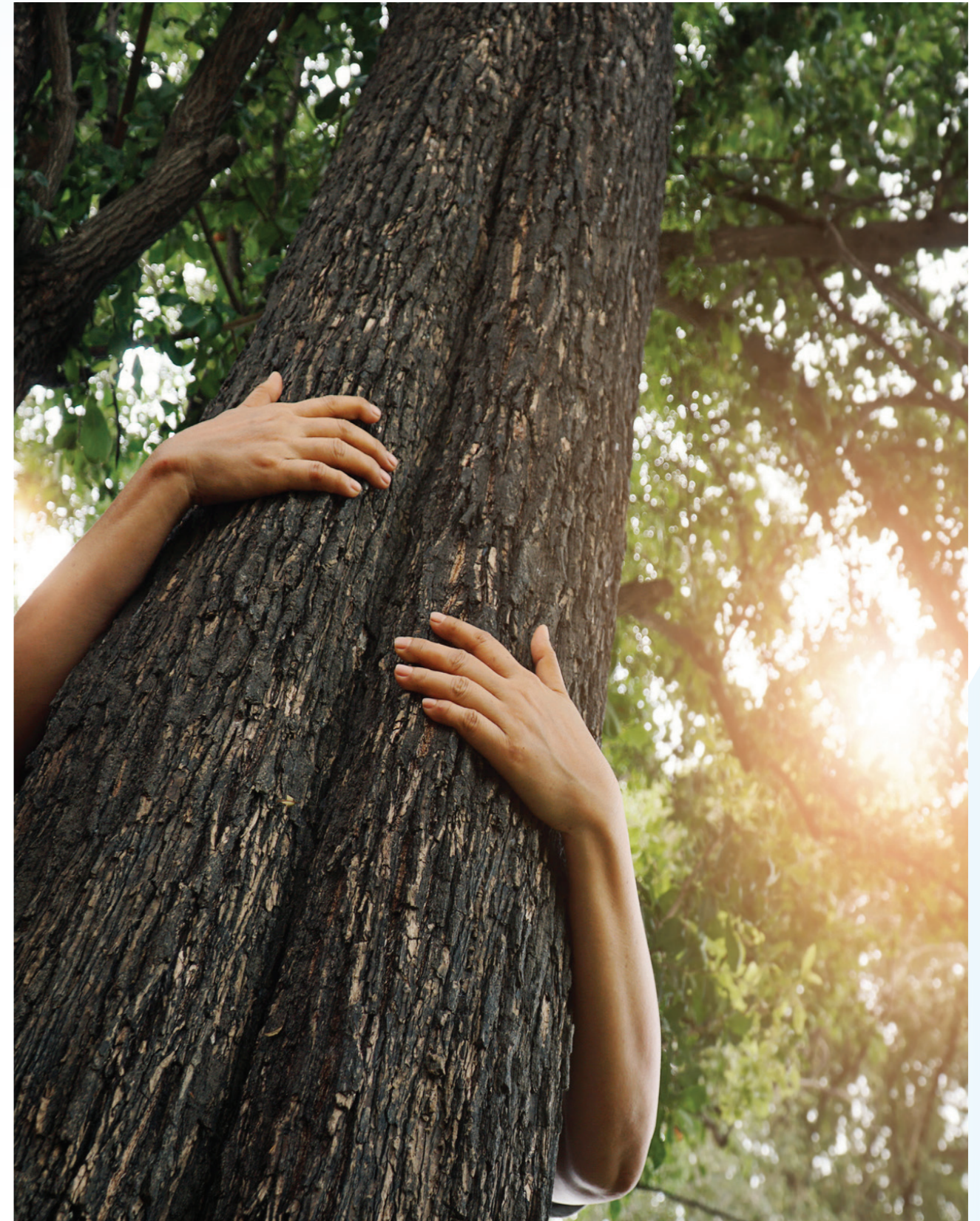
segments we serve and to contribute to the overall well-being and resilience of our society.

We acknowledge that the path towards sustainability necessitates ongoing enhancement, and we are resolute in upholding our dedication to ongoing progress. In the coming years, we will focus on applying circular economy principles, investing in renewable energy sources, and exploring innovative ways to minimize waste and optimize resource use. We believe in the importance of transparency and accountability. To this end, we adhere to globally recognized standards and reporting frameworks to track our performance and identify areas for improvement. Just like in our first sustainability report, we continue to openly share our performance in this report as well.

Confident that impactful transformation necessitates collaborative endeavors, I would like to underscore the utmost importance we place on the feedback and collaboration of our esteemed stakeholders. These achievements would not have been possible without your contributions and support. On this occasion, I would like to take this opportunity to thank all our stakeholders, especially our employees who support us with loyalty and dedication, for the value they add to our journey to create a sustainable future.

Sincerely,

Hasan Önder
Daikin Türkiye, CEO





3 About Daikin

- 3.1. About Daikin Industries Ltd.
- 3.2. About Daikin Europe N.V.
- 3.3. About Daikin Türkiye
- 3.4. Products and Services
- 3.5. Our Core Values,
Our Vision and Our Mission
- 3.6. Milestones

About Daikin Industries Ltd.

Established in 1924, Daikin Industries Ltd. embarked on its journey in Osaka, Japan. Today, with a legacy spanning 99 years, the company operates across over 170 countries worldwide. Operating across sectors encompassing air conditioning, industrial refrigeration, chemicals, and various other domains (oil-hydraulics, defense systems, and electronics), Daikin has achieved a turnover exceeding EUR 28.2 billion in FY22 (April 1, 2022 - March 31, 2023). With over 96,000 employees and a network of over 110 production centers, Daikin has ascended to a position of global leadership in heat pumps, air conditioning systems and air purification solutions. Mindful of the evolving requisites of its clientele spanning residential, commercial, and industrial air conditioning needs, Daikin adopts an innovative stance towards worldwide product development, setting itself apart from competitors in terms of quality and usability through its integrated solutions. It is also the sole company to produce its own compressor and refrigerant.

More than **110** production centers worldwide

OVER **96** THOUSAND EMPLOYEES

Sales to more than **170** COUNTRIES

EUR **28.2** BILLION in turnover

347 Group Companies in total

30	317
in Japan	outside Japan

More than **1,500** patents per year

About Daikin Europe N.V.

Established in Oostend, Belgium in 1972, Daikin Europe N.V., a key subsidiary within the Daikin Group, offers services in providing comprehensive solutions encompassing heating, cooling, ventilation, and air purification technologies. Commencing its production endeavors in Europe back in 1973, Daikin Europe N.V. operates in designing and manufacturing tailored solutions utilizing its diverse equipment portfolio catering to residential, commercial, and industrial air conditioning needs across the regions of Europe, Middle East, and Africa. Today, it is the leading manufacturer of air conditioning, heat pump, air purification and refrigerant equipment in Europe with its 13,700 employees in more than 57 EMEA (Europe, Middle East and Africa) business partnerships and 14 production sites located in Belgium, Czech Republic, Germany, Italy, Spain, Austria, United Kingdom, Türkiye, United Arab Emirates and Kingdom of Saudi Arabia.

Daikin Europe N.V., boasting over 50 years of experience in the heating and air conditioning industry, holds a pioneering status in heat pump technology within Europe. Aligned with its objective of upholding its robust standing within the sector, Daikin Europe N.V. plans to inaugurate a heat pump manufacturing facility in Poland by 2024 through an investment of EUR 300 million.



MESSAGE FROM THE TOP MANAGEMENT

ABOUT DAIKIN

About Daikin Türkiye

Daikin, initially operating in Türkiye through distributors since 1978, acquired Airfel in July 2011 and became a prominent investor within Türkiye’s air conditioning sector. Presently, Daikin Türkiye stands as the enterprise boasting the most extensive array of products in the field of heating, cooling, and ventilation in the Turkish market.

Under the Daikin brand, it offers products manufactured with the latest technology for different needs such as combi boilers, air conditioning units, VRV (Variable Refrigerant Volume), fan coils, and air handling units to its customers. With its headquarters situated in İstanbul, Daikin Türkiye operates from a production facility



Daikin Türkiye Production Facility, Hendek, Sakarya



Daikin Türkiye Headquarter, İstanbul

spanning 163,000 m² in Sakarya. Within this Sakarya-based facility, products tailored to an array of requirements, including combi boilers, air conditioning units, VRV systems, fan coils, and air handling units, are manufactured under both the Daikin and Airfel brands. With 4 regional directorates, a workforce of around 2,000 employees, a network of 500 dealers, 16 Sakura dealers led by female entrepreneurs, 500 sales outlets, and over 500 authorized service providers, Daikin Türkiye has achieved an extensive presence across diverse regions within Türkiye. It is also home to Europe’s first Air Conditioning Experience Center. At the same time, through the Daikin Academy, Daikin supports the power of education to influence stakeholders’ personal development, professional experience and quality of work. Daikin Türkiye is making strides to become a hub for R&D, production, and logistics not only within Türkiye but also across Eastern Europe, the Middle East, and North Africa. Furthermore, it is also responsible for serving the markets of the Commonwealth of Independent States (CIS) including Azerbaijan, Uzbekistan, Turkmenistan, Kazakhstan, Kyrgyzstan, Armenia, Tajikistan, and Georgia, as well as the markets of Northern Iraq, Mongolia, and the Turkish Republic of Northern Cyprus (TRNC).

Split Air Conditioner Production Facility

The air conditioners produced at the facility undergo a rigorous testing process, including 100% evaluation of high pressure, functionality, performance, electrical safety, and sound. Utilizing robots in the copper pipe joint welding processes, particularly at crucial production stages, enables the production of air conditioners to be carried out without manual intervention.

Air Handling Unit Production Facility

The facility is responsible for manufacturing a diverse range of products including comfort and hygienic air handling units, cellular aspirators, pool dehumidification units, kitchen aspirators, shelter ventilation devices, and heat recovery units. The air handling facility boasts the most cutting-edge amenities in Türkiye, and the central ventilation systems crafted by Daikin within this facility are favored choices in numerous esteemed establishments such as hotels, hospitals, pharmaceutical factories, shopping malls, convention centers, and office complexes, both within Türkiye and globally.

Fan Coil Production Facility

The fan coil devices, which started to be produced in 2009 following the completion of design and certification processes, are preferred by many hotels and business centers in both local and global markets due to their low noise levels and high efficiency.

Combi Boiler Production Facility

The combi boiler production facility serves as a hub of intensive R&D efforts, where expert teams design and manufacture combi boilers utilizing top-quality components, reflecting a commitment to excellence in the industry.

These combi boilers undergo comprehensive testing, including assessments for 100% safety, functionality, tightness, and pressure resistance and are manufactured by state-of-the-art robots equipped with visual control systems. CE certifications are carried out by accredited laboratories in Europe.

VRV Production Facility

Commencing its operations in 2022, the facility stands as the second largest VRV manufacturer in Europe among Daikin production facilities, following Belgium, that specialize in this field. The VRV outdoor units, manufactured with cutting-edge Japanese technology, have garnered recognition as products boasting the highest seasonal efficiency within air conditioning systems. The VRV outdoor unit production facility has invested in state-of-the-art technology in the dyeing plant by adopting an environmentally friendly approach and started to use waste flue gases for heating. In addition, the facility has achieved remarkable productivity through the implementation of automated transfer systems and a U-shaped production flow design. Furthermore, the utilization of MES (Manufacturing Execution System) along the production line has enabled the attainment of maximum traceability. Designed by Daikin Japan Production Engineering with the aim of standardizing factories globally, the 4m model module conveyors are also adopted within the Daikin Türkiye facility. These conveyors not only enhance initial investment and maintenance cost efficiency but also achieve weight reduction through the utilization of aluminum profiles.



Daikin Türkiye VRV Production Facility Opening Launch

Daikin Türkiye Business Scale



Products and Services

1

UNITARY SYSTEMS PRODUCT RANGE

- Combi Boilers
- Air Conditioners
- Multi Split Air Conditioners
- Light Commercial Air Conditioners
- Heat Pumps
- Air Purifiers

2

ENGINEERING SYSTEMS PRODUCT RANGE

- Central Systems
- Industrial Cooling
- VRV

3

REFRIGERATION PRODUCT RANGE

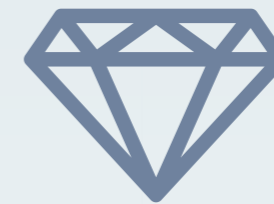
- Refrigerated Cabinets
- Central Systems
- Condenser Units
- Integrated Solutions
- Transport Cooling
- Wineblock - Monoblock Units for High Temperature Cooling
- Solutions for Cold Rooms and Wine Cellars in the Horeca (Hotel, Restaurant, Cafe) Sector

4

ENERGY EFFICIENCY CONSULTANCY

- Energy Audits
- Efficiency Improvement Projects (EIPs)
- Consultancy
- Energy Management
- Renewable Energy Services
- Measurement and Reporting
- Monitoring and Evaluation
- Energy Manager Trainings
- Issuance of Building Energy Efficiency Ratings (BEERs) for Existing Buildings

Our Core Values, Our Vision and Our Mission



OUR CORE VALUES

- ✓ Absolute Credibility
- ✓ Enterprising Management
- ✓ Harmonious Personal Relations



OUR MISSION

Together with our stakeholders, to improve the quality of life through our innovative and environmentally friendly solutions that encompass every facet of life.



OUR VISION

To be a pioneering and profitable market leader in our core product and service lines through operations excellence designed to deliver superior customer and employee experience.

Milestones

1924-1950

- Akira Yamada founds Osaka Kinzoku Kogyosho Ltd. which laid the foundations for Daikin. (1924)

1951-1975

- Japan's first packaged air conditioner is produced. (1951)
- Japan's first window air conditioner with a rotary compressor is launched. (1958)
- Japan's first packaged heat pump is developed. (1958)
- Daikin Europe N.V. begins manufacturing air conditioning products in Oostend, Belgium. (1973)

1976-2000

- Japan's first commercial multi split type (VRV) air conditioning systems are introduced to the market. (1982)

2001-2020

- A DICZ plant is established in Plzen, Czech Republic. (2004)
- The company acquires German heating manufacturer ROTEX GmbH, McQuay International FZE in the Middle East, McQuay Szanyo & Szanyo Service in Central Europe and Svenska Daikin A.B. (DASW) in Sweden. (2008)
- EDC, European Development Center is established. (2011)
- Daikin enters the Turkish market by acquiring Airfel. (2011)
- Daikin acquires Goodman Global, the second largest air conditioner manufacturer in the US, for USD 3.7 billion. (2012)
- Worldwide patents for appliances using the next generation refrigerant R-32 are made freely available to the industry. (2015)
- Daikin Europe N.V. acquires Italian commercial refrigerator manufacturer Zanotti to expand its existing refrigeration range. (2016)

2021

- Daikin Europe N.V. announces its Strategic Management Plan "Fusion 25" on October 11.
- Daikin Industries Ltd. decides to expand its European Development Center (EDC), including its R&D center in Türkiye, in order to conduct more comprehensive research. With this decision, it makes an investment of EUR 140 million in Ghent, Belgium.
- Daikin is included in the "Climate Change A List" compiled by CDP.

2022

- Daikin ranks 15th among roughly 1,600 companies in Toyo Keizai, Inc.'s CSR Corporate Ranking a compilation that identifies Japanese companies deemed credible in both social responsibility and corporate performance domains.
- Daikin Emura wins the "Red Dot Product Design Award" and the "iF Design Award".
- Daikin Europe N.V. made an investment of EUR 300 million for a heat pump factory in Poland.
- Daikin Europe N.V. wins the "Foreign Investment of the Year Award" in 2022, presented by Flanders Investment and Trade (FIT), in recognition of the EMEA Development Center (EDC) project's accomplishments.
- Daikin Europe N.V. provides free access to its 30 patents related to VRF combined with HFC-32 refrigerant.
- The first VRV production starts in Türkiye in May.

4

Daikin Sustainability Strategy and Daikin Türkiye

- 4.1. Daikin Environmental Vision 2050
- 4.2. Daikin FUSION 25
- 4.3. Daikin Türkiye FUSION 25
- 4.4. Corporate Governance Practices
- 4.5. Enterprise Risk Management
- 4.6. Ethics and Compliance

Daikin Environmental Vision 2050

In 2018, Daikin introduced the Daikin Environmental Vision 2050, a framework that forms the basis for the company's commitment to attaining net zero GHG emissions by 2050. Driven by a resolute dedication to sustainability, Daikin aspires to play a pivotal role in worldwide endeavors to combat climate change and foster the creation of a more sustainable future. Leveraging its proprietary core technologies, the company advo-

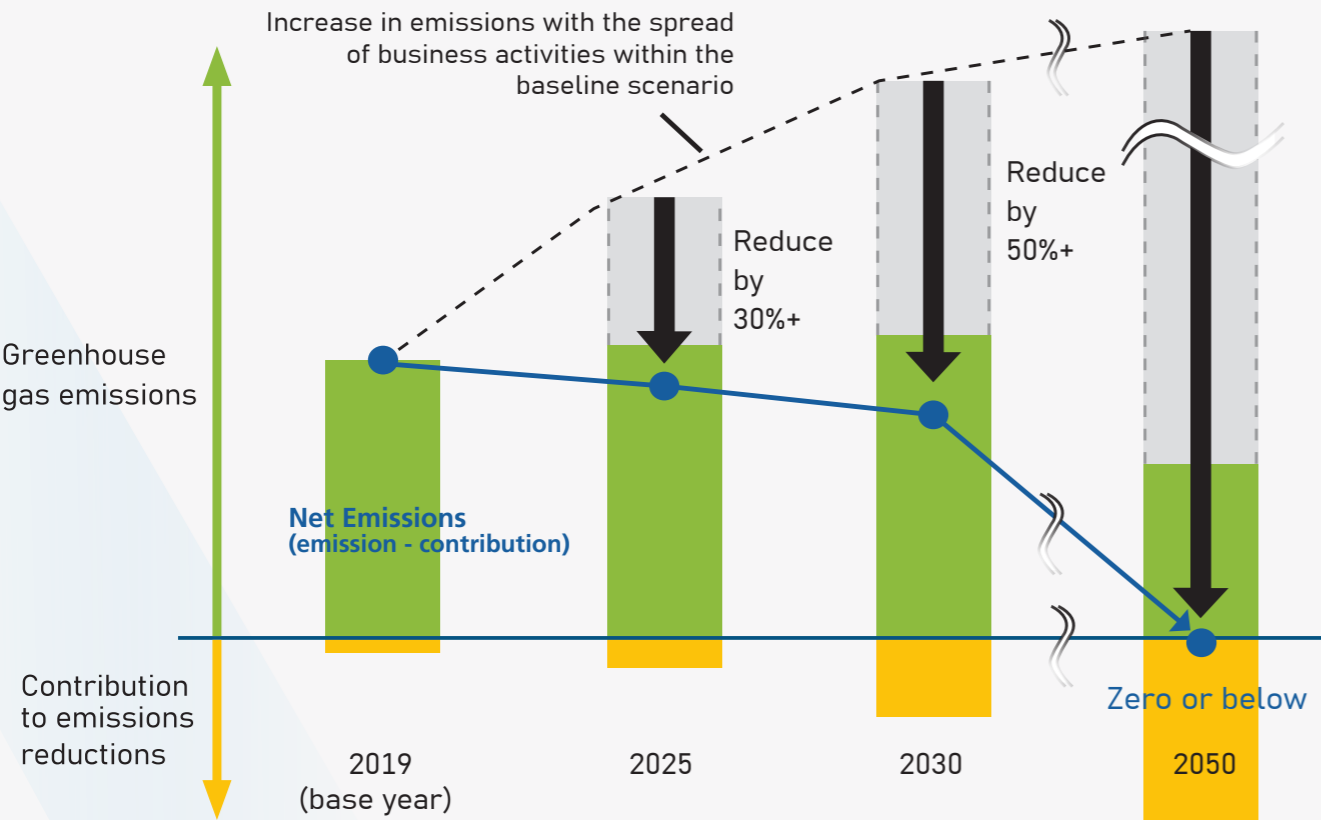
cates for environmentally friendly products, such as energy-efficient inverter air conditioners and heat pump space/water heaters. Furthermore, Daikin is committed to global betterment and business expansion through the development of refrigerants boasting minimal global warming potential, the provision of energy-efficient solutions, and the establishment of systems for the recovery and recycling of refrigerants.

Towards Daikin Environmental Vision 2050

Daikin will reduce GHG emissions over the entire life cycle of its products. The company is also committed to creating solutions that connect society and customers while working with stakeholders to reduce GHG emissions to net zero. Harnessing the capabilities of IoT, artificial intelligence, and open innovation initiatives, Daikin Türkiye will meet the demand for air solutions across the globe, ensuring secure and healthy air environments, and concurrently addressing critical global environmental challenges.



One of the key goals of Daikin’s environmental vision is to reduce **GHG emissions to net zero by 2050**. The company recognizes the urgent need to minimize its carbon footprint and combat the negative effects of climate change. In order to achieve this, the company is actively working to add energy efficient and environmentally friendly innovative technologies to its product range.



* 10% reduction in greenhouse gas emissions was achieved by the end of FY21 (compared to base year 2019)

Through products

Increase energy efficiency of products

Development and adoption of refrigerants with lower global warming potential

Reduction of GHG throughout the entire product lifecycle including production

Through solutions

Reductions through energy efficient construction and spread of renewable energy

Use energy management to carry out efficient operation of buildings with centralized systems for energy efficiency and renewable energy

Provision of energy services throughout the value chain

Reducing the remainder by

Switching, recovering, and reclaiming refrigerants

Spreading use of heat pump space and water heaters

Conducting renewable energy businesses

Protecting forests

Others

The Power of Air

High Quality of Life

- Highly productive office environments
- Enhance concentration
- Improve quality of sleep

Healthy and Comfortable

- Reduce sleep disorders
- Reduce stress
- Provide consistent whole house room temperatures

Safe and Reliable

- Protect people’s health from air pollution
- Reduce risk of infectious diseases
- Prevent heatstroke

Starting from 2019 as the baseline year, the objective is to achieve a reduction of 30% or more in net GHG emissions by 2025, followed by a reduction of 50% or more by 2030, relative to emissions that would occur without implementing mitigation measures. **A 10% reduction in GHG emissions was achieved in FY21.**

In addition to the net zero target, Daikin aims

to promote energy efficiency in all areas of its operations. Daikin focuses on improving the energy efficiency of its products, production processes and supply chain, thus contributing to a more sustainable and resource-efficient society. To achieve its environmental vision, Daikin actively collaborates with various stakeholders, including government, industry partners and customers.

Daikin FUSION 25

Daikin is steadfast in its pursuit of sustained growth and business evolution, guided by the **FUSION 25 (F-25) Strategic Management Plan** aimed at the fiscal year 2025. This trajectory is aligned with a focus on advancing societal welfare and environmental well-being in harmony with the objectives laid out in the SDGs. The F-25 Strategic Management Plan, prepared in light of the SDGs and guiding the organization's progress towards sustainability, was developed by combining the **three themes** of Daikin's growth strategy set out in its Environmental Vision 2050. With this plan, Daikin aims to strike a balance between business growth and addressing social problems.



GRI 3-3



CHALLENGE TO ACHIEVE CARBON NEUTRALITY

- Reduce energy-related CO₂ and HFC/PFC emissions in production and development processes
- Accelerate conversion to inverter units to lead other companies with environmental products
- Position Europe and North America as priority regions to accelerate the conversion of combustion heaters to heat pump space and water heaters
- Establish regulations aimed at reducing CO₂ emissions originating from refrigerants to take the lead in fostering an environmentally conscious society and industry
- Undertake initiatives for market expansion and CO₂ reduction
- Engage in research and development endeavors to pioneer technologies focused on the separation, recovery and reuse of CO₂

PROMOTION OF SOLUTIONS BUSINESS CONNECTED WITH CUSTOMERS

- Create solutions for services/audits and value-added offers during equipment operation/renewal/replacement to create a business model that provides customers with a unique experience
- Expand the scope of business operations by integrating energy-saving and environmentally friendly technologies that have been developed

CREATING VALUE WITH AIR

- Create new products/services by leveraging the opportunities offered by the recently increasing demand for ventilation/indoor air quality and creating a market in this field
- Collect and analyze air conditioning data

Following the initial formulation of the plan, a comprehensive review and reinforcement of the existing strategy were undertaken in May 2023 to align with the evolving global landscape. The three growth strategy themes remain unchanged, but a new development perspective has been added. The newly added perspectives are intended to support Daikin's growth through both regional and managerial development.

GROWTH STRATEGIES

1. Challenge to achieve carbon neutrality
 - **Zero GHG emissions at all factories**
 - **Natural refrigerants, Circular economy**
2. Promotion of solutions business connected with customers
 - Commercial / **Residential** / Refrigeration
3. Creating value with air

BUSINESS SUPPORTING OUR GROWTH

FOCUS REGIONS AND BUSINESSES

4. AC business in North America
5. **Establishing an important base in India**
6. **Chemicals: Challenge to become a leading company in high-performance and environmental materials**

ENHANCEMENT OF MANAGEMENT FOUNDATION

7. Strengthening technology development capabilities
8. Establishing a robust supply chain
9. Promoting digital transformation for innovation
10. Creating market value/enhancing advocacy activities
11. Improving HR capabilities through advanced diversity management

*Newly added strategies are marked in **bold**.



Daikin Türkiye

FUSION 25

Aligned with Daikin’s overarching vision and mission, Daikin Türkiye has identified **9 fundamental strategies**, which incorporate the unique organizational perspective of F-25.

FUSION 25 STRATEGIC MANAGEMENT PLAN

“Generating novel environmental and air-related values to both foster a sustainable society and drive Group expansion”

-  To be the **most preferred** company in the air conditioning sector
-  To be the **best service and solution provider** in the air conditioning market
-  To be an **important player** in commercial and industrial refrigeration

-  In CIS countries, to **strengthen our market position** by increasing our brand awareness developing new products and services, as well as expanding our sales network
-  **Strengthening our leadership** in the project channel and increasing our profitability
-  Providing customer experience **beyond expectations**
-  To be the **most efficient factory** in the Daikin Europe N.V. region by increasing our production capacity
-  To be an air conditioning brand that leads the solutions to global environmental problems with its products and services as well as being a **carbon neutral company**
-  To increase the competencies of our employees and to be among the **most desired companies to work in**

Corporate Governance Practices

The corporate governance practices of Daikin Türkiye are founded on a “**people-oriented management**” approach. Embracing a value-oriented approach to empower employees and stakeholders to unlock their complete potential, the company pursues a business strategy centered on sustainable growth and customer satisfaction. Exemplifying an approach that instills trust among its internal employees and external stakeholders through its corporate governance practices, Daikin Türkiye upholds its obligations to society, the environment and all stakeholders, simultaneously assuming a leadership position within the business realm.

The company’s management approach is based on the values of respect for ethical values, transparency, equality, dedication and accountability. The company’s objective is to enhance corporate value through pertinent management practices. To achieve this, the focus is on expediting management decisions and actions, ensuring a swift, trans-

parent, and resilient response to challenges and shifts within the business landscape. Daikin regularly organizes Group Management Meetings, fostering corporate governance across its Group Companies and promoting unified action driven by a shared vision. During these meetings, Group philosophy and crucial Group regulations are deliberated upon, offering assistance in resolving business-related challenges.

Daikin Türkiye adheres to business ethics guidelines aligned with those established by Daikin Europe N.V. and conducts asset-level controls as outlined by the Investment Instruments and Foreign Exchange Law (J-SOX) enacted in Japan. The company policies are in alignment with the policies of both Daikin and Daikin Europe N.V., as well as the local regulatory framework. The Legal and Compliance Department organizes, announces and monitors the policies. Each department has developed procedures in

accordance with its specific internal guidelines and regulations.

Daikin Türkiye has established Corporate Governance Committees and sub-working groups dedicated to addressing managerial and strategic matters. Comprising the CEO, Board members, and senior executives, these committees hold the responsibility of overseeing the effective execution of strategic and managerial matters. The Executive and Management Committees assess the risk and financial operations of Daikin Türkiye, ensuring that day-to-day and overarching operations align with the criteria established by Daikin.

Daikin Türkiye places significant emphasis on addressing disciplinary violations and has established well-defined procedures

for managing such incidents. In instances of disciplinary violations within the company’s operations, suitable disciplinary actions are implemented via the relevant disciplinary committee. Daikin Türkiye has established separate disciplinary boards for Daikin Headquarters and Hendek Production Facility operations. Boards have a duty to ensure fair representation and a balanced approach to the handling of disciplinary cases. In addition to the facility-level disciplinary boards, there exists a Central Disciplinary Board as well. Alongside the CEO, executives from the Legal and Compliance, Human Resources departments hold permanent positions as members of the Board of Directors, while Assistant General Managers assume roles as alternate members.

Enterprise Risk Management

Daikin Türkiye employs a comprehensive enterprise risk management approach to proactively mitigate potential risks and uncertainties. The risk management system encompasses the identification and evaluation of risks and opportunities, the development of risk strategies, and their periodic revision as needed. To foster a proactive risk management approach, Daikin Türkiye has formed a dedicated Risk Assessment Team tasked with conducting thorough analyses of risks and opportunities. This team plays a crucial role in offering valuable feedback and assistance to various departments within the organization, while also facilitating effective communication between relevant units and management.

The Legal and Compliance Department of the company undertakes a thorough compliance assessment internally to mitigate risks associated with competition law. In collaboration with the Daikin Türkiye Academy, training materials including documents, visual aids, and written informational guides are developed to address topics identified within the scope of compliance requirements. This comprehensive approach aids Daikin Türkiye



in managing risks effectively and cultivating a culture of compliance throughout the organization.

A comprehensive analysis of climate risks and opportunities has been carried out in the **2021 Daikin Türkiye Climate Risks Report**. In the upcoming period, the company plans to conduct thorough investigations into both physical and transitional risks. Regular audits are conducted to identify and evaluate risks within the domain of Information Security Management Systems. Occupational health and safety risks are methodically managed and documented in accordance with the Occupational Health and Safety Risk Analysis Procedure and relevant regulatory frameworks.

Ethics and Compliance

Adhering to Daikin Türkiye's **Code of Ethics** holds immense significance in safeguarding the corporate reputation. The company implements an ethics and compliance program aimed at ensuring that all employees comprehend and adhere to ethical principles and regulations. The Code of Ethics comprises 12 fundamental principles designed to uphold ethical values across diverse realms, including equitable competition, supplier interactions, confidentiality and sharing of information, environmental duties, security, anti-corruption measures, anti-discrimination efforts, and similar domains. These principles serve as a guiding framework for employees to uphold elevated ethical standards in their everyday activities and decision-making procedures.

Daikin Türkiye aligns its ethical approach with the organization's fundamental values of absolute reliability, entrepreneurial management, and harmonious interpersonal relationships. These values form the basis of the Group philosophy reflected in Daikin Türkiye's Code of Ethics. The Code of Ethics applies not only to employees and managers, but also to stakeholders. Daikin Türkiye reinforces a culture of integrity and mutual trust by promoting adherence to the Code of Ethics among all business partners, encompassing customers and suppliers.

It offers efficient channels for reporting ethical violations, enabling employees to raise con-

cerns in a secure and confidential manner. The process for reporting ethical violations is overseen by Daikin Europe N.V. and encompasses two primary channels:

- **Ethics Form:** The Ethics Form, accessible through the Intranet, facilitates the reporting of incidents of non-compliance by individuals seeking to do so conveniently. Via the form, employees can furnish details about the observed or encountered violation.
- **Ethics Hotline:** The hotline, established in collaboration with Daikin Europe N.V.'s global partner, enables employees to anonymously report ethical violations. The hotline is accessible via both phone and online platforms, offering employees the flexibility to choose the method of communication that suits them best.

Employees and suppliers are subject to audits and assessments by either Daikin Türkiye or independent organizations as stipulated in their agreements and commitments. In the event of any suspicious conduct or violations, a dedicated communication channel (daikincompliance@daikin.com.tr) is available for reporting purposes. Daikin Türkiye is committed to safeguarding the confidentiality of individuals who report unethical conduct or potential breaches of business ethics. Safeguarding the notifying party's identity and thwarting any form of retaliation remains a paramount priority for the company.

Sustainability Approach at Daikin Türkiye

- 5.1. Sustainability Governance Structure
- 5.2. Sustainability-Linked Material Topics at Daikin Türkiye
- 5.3. Contribution to the UN Sustainable Development Goals

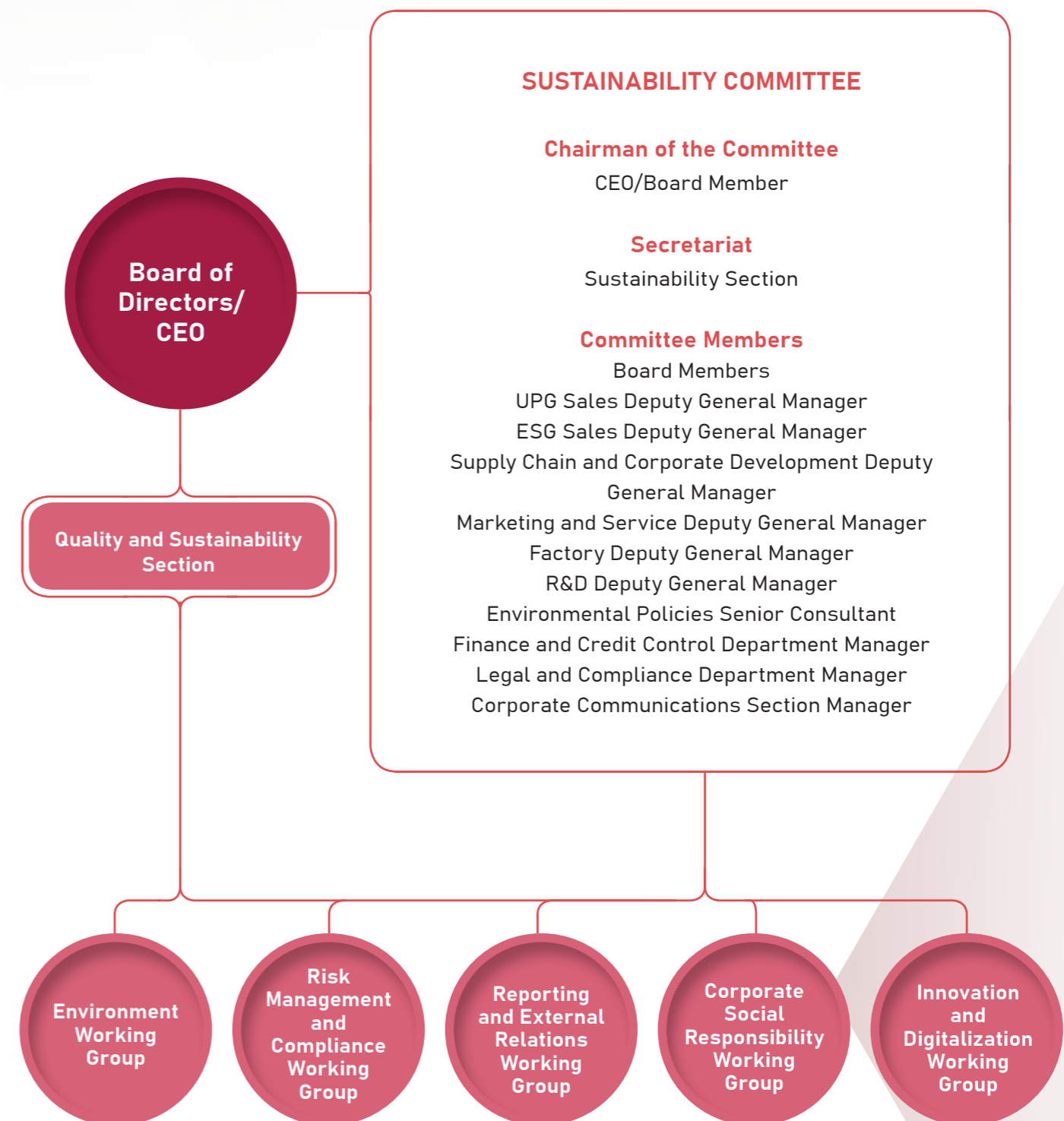
Sustainability Governance Structure

Starting in FY21, Daikin Türkiye initiated the implementation of sustainability management system processes across all its operations, and further expanded this scope in FY22 to encompass all its locations within the process. Requirements of the ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 10002:2018 Customer Satisfaction Management System, ISO 50001:2018 Energy Management System and ISO 27001:2013 Information Security Management System within the scope of the Integrated Management System are implemented in all operations.

Daikin Türkiye methodically oversees all environmental, social, and governance initiatives across its operational and managerial processes through its “Sustainability Management System” and “Sustainability Policy”, both introduced in 2021. All sustainability-related policies and certificates of Daikin Türkiye can be accessed in the [“Sustainability”](#) section of the website.

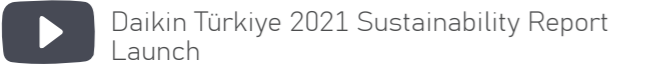
Pursuing its goal of becoming a frontrunner in sustainability, Daikin Türkiye has established a robust sustainability governance structure led by the Sustainability Committee. This committee, accountable to the CEO, oversees and directs sustainability matters, ensuring their alignment with all company activities.

The internal initiatives of 5 distinct Working Groups, which report to the Sustainability Committee, are currently ongoing. Throughout FY21 - FY22, a total of 14 meetings were convened involving working groups and the sustainability committee, comprising participants from various departments within the organization. In June 2022, a Quality and Sustainability Section was established under the CEO to oversee and supervise integrated management systems and the sustainability management system across the organization.



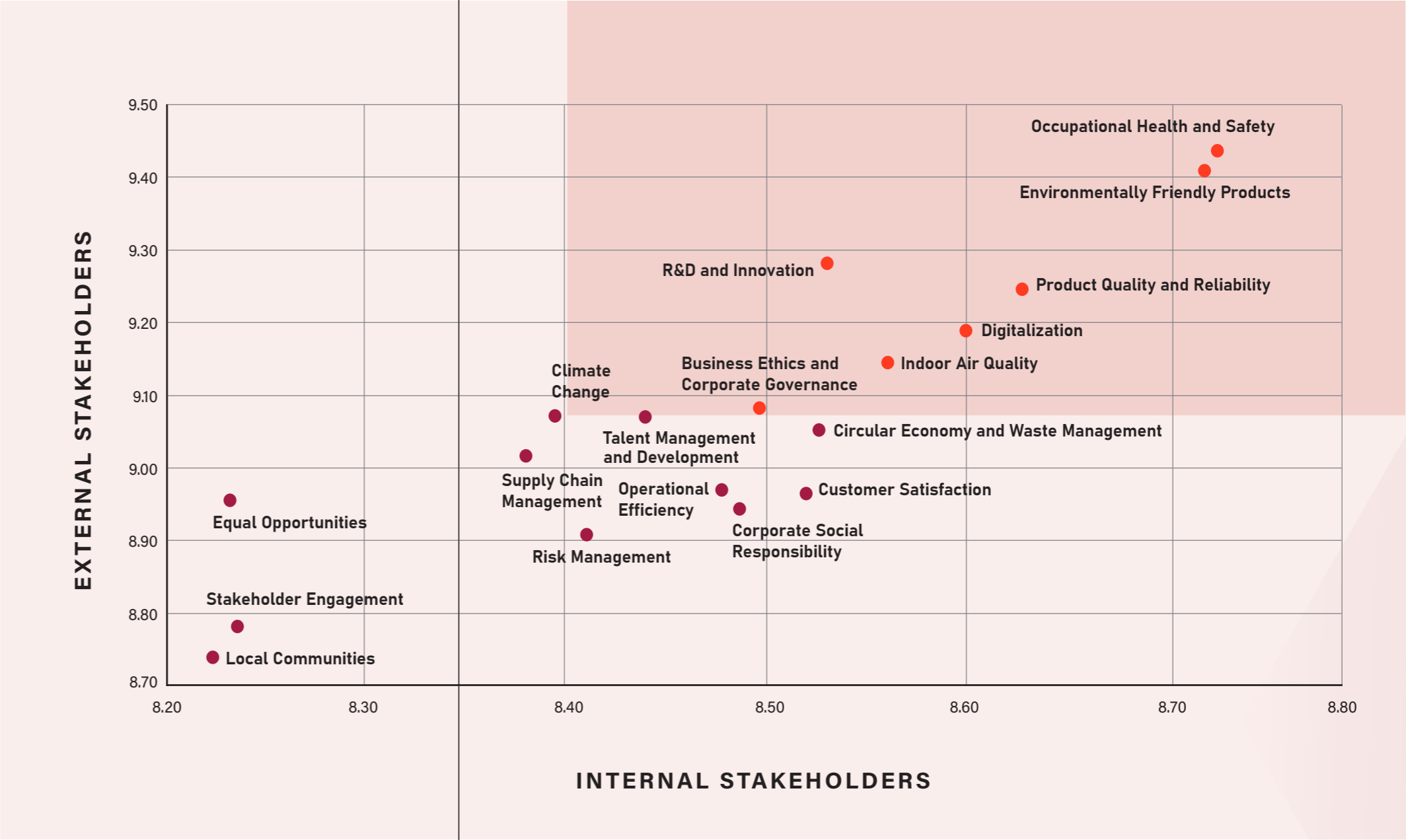
Sustainability-Linked Material Topics at Daikin Türkiye

In FY22, Daikin Türkiye assessed and revised the sustainability-linked material topics from the preceding period, taking into account sectoral trends and recent developments. In the process of identifying material topics, the sustainability-linked material topics outlined in both the **Daikin Türkiye 2021 Sustainability Report** and the **Daikin Global 2022 Sustainability Report** were assessed. This evaluation led to the formulation of a framework encompassing 18 key topics.



Daikin Türkiye places great importance on identifying, ranking, and disclosing elements that exert the most substantial influence on its stakeholders, as well as addressing matters intertwined with its own operations. To this end, a survey was conducted involving both internal and external stakeholder groups that were identified as pertinent to Daikin Türkiye's operations. Drawing from past experiences, a survey was crafted with content that captures stakeholder viewpoints, incorporating a systematic approach that included questions from three distinct perspectives to ensure accurate and comprehensive responses. The survey included three key questions: one evaluating the overall importance of the relevant topic for stakeholders, another gauging the adequacy of Daikin Türkiye's efforts on the topic from the stakeholder perspective, and a third assessing the future significance of the topic for Daikin Türkiye. The topics in the upper right section of the matrix are the highest priority topics for Daikin Türkiye.

MATERIALITY MATRIX



Contribution to the UN Sustainable Development Goals

Daikin Türkiye integrates sustainability efforts into its core business strategies, implementing sustainability principles across its business processes and supply chain. Furthermore, it pioneers innovative solutions to achieve the SDGs, optimizes resource utilization, and consistently evaluates its social impact.

Today, a substantial majority of consumers consider not only the quality of products and services, but also their environmental and social ramifications. Aligning with the SDGs has become an imperative for every business entrusted with the responsibility of safeguarding a habitable world for future generations. In this context, Daikin Türkiye acknowledges that adhering to the SDGs is among the paramount strategies to bolster its sustained success and competitiveness, fortify its corporate reputation, foster employee commitment, and cultivate enduring alliances with its business associates.

Daikin Türkiye prioritizes acting in line with the UN SDGs and embracing inclusivity area while planning its routine operations and innovative products/services. In 2023, **SDG-11: Sustainable Cities and Communities** was incorporated into Daikin Türkiye's SDGs following comprehensive surveys assessing the organization's sustainability objectives and identifying high-priority topics, along with consultations with senior management. As a result, Daikin Türkiye's shared SDG focus for a sustainable future has broadened to encompass SDG-3, SDG-7, SDG-8, SDG-9, SDG-11, SDG-12, and SDG-13.



6 Creating New Value Innovation and Customer Satisfaction

- 6.1. Customer Relations Management
- 6.2. Customer and Business Partner Management
- 6.3. Management of Sales Channels
- 6.4. Management of Service Providers
- 6.5. Supply Chain Management
- 6.6. R&D, Innovation and Digitalization

Customer Relations Management

Daikin Türkiye places significant importance on understanding both current and future customer needs and strives to fulfill their desires as a crucial objective. The company prioritizes enhancing customer satisfaction and comfort by providing top-notch products, materials, and dependable services to its customers.

The newly designed customer relationship management system at Daikin Türkiye aims to optimize customer application processes and expedite problem-solving steps. This system was developed by separating the “Call Center” team and the “Customer Rela-

tions Management” team. The customer relations management team proactively listens to concerns and requests, subsequently engaging with customers to provide updates on the corrective actions taken. Furthermore, as part of customer satisfaction efforts, performance reporting is conducted for all complaints, requests, and suggestions in order to enhance overall performance.

The following table illustrates the statistics for the number of requests, expectations, feedback and closure rates achieved by Daikin Türkiye over the past three fiscal years.

Number of Requests, Expectations and Feedback Received			Closing Rates Within a 0-3 Day Timeframe		
FY20	FY21	FY22	FY20	FY21	FY22
2,972	5,239	6,328	62%	72%	60%

The Customer Experience Management team successfully resolved all the requests, expectations and feedback related to dealers and service providers and in FY22 Daikin Türkiye managed to close 60% of the complaints within the targeted 3-day timeframe. In FY22, there was a slight reduction in the

resolution of complaints within the 0-3 day timeframe compared to FY21. The primary factor contributing to this was the disruptions in the global supply chain, particularly following the onset of the pandemic. The aim for FY23 is to achieve a closure rate of 75% within 0-3 days.

DAIKIN CALL CENTER

Daikin manages its Call Center operations with two experienced suppliers. To evaluate the service quality provided to end customers, “customer satisfaction” calls are conducted after the service has been provided. Negative feedback from the field is conveyed to the respective department

directorates through the Call Center, where it is reviewed and addressed. Starting from May 2023, alongside the İstanbul Call Center, the Diyarbakır Call Center has been established to mitigate operational risks and promote regional employment.



Based on the Key Performance Indicators (KPIs) tracked by Daikin Türkiye, the company received around 489,000 calls during FY22, indicating a 9% rise in call volume compared to the previous year. Furthermore, de-

spite the escalated call volume, there were improvements in the percentages of unanswered call rates and calls meeting the target response time of 20 seconds.



In FY23, the name of the call center was changed to “**Customer Interaction Center**”. The rationale behind the name change is that the Customer Interaction Center is now designed to cater to not only customers’ post-sales requirements but also their pre-sales and sales process support needs.

Customer and Business Partner Management

Daikin Türkiye integrates sustainability into its corporate strategy across all operational domains and locations.

Utilizing cutting-edge technology and innovative product offerings, Daikin holds a significant global position, effectively contributing to the sustainable comfort and well-being of its customers across diverse regions. Implementing a centralized configuration, Daikin enhances **Customer Relationship Management (CRM)** to gather insights used by various departments, including product and service development, to shape management philosophies and strategies.

By proactively addressing the future needs of customers, Daikin places a strong emphasis on fostering loyalty among stakeholders, guided by the principle of unconditional customer satisfaction. To enhance the overall customer experience, Daikin Türkiye is committed to consistently improving through robust business partnerships and conducts regular satisfaction surveys for both customers and business partners.

Based on the results of the business partner satisfaction survey carried out in FY22 to gauge the contentment of business partners with Daikin products, the satisfaction rate stood at 81%. The Net Promoter Score (NPS) survey, conducted on an annual basis to assess the effectiveness of all services offered to customers, experienced a 3-point decline in FY22. This was attributed to fluctuations in product pricing and disruptions in the supply chain due to the COVID-19 pandemic.

	FY21	FY22
Business Partner Satisfaction	83%	81%
NPS	34	31

The management of Daikin Türkiye closely monitors the annual assessment results and takes necessary improvement measures by regularly reviewing the assessment outcomes reported to Daikin Europe N.V.

Project for Managing New Customer Demands

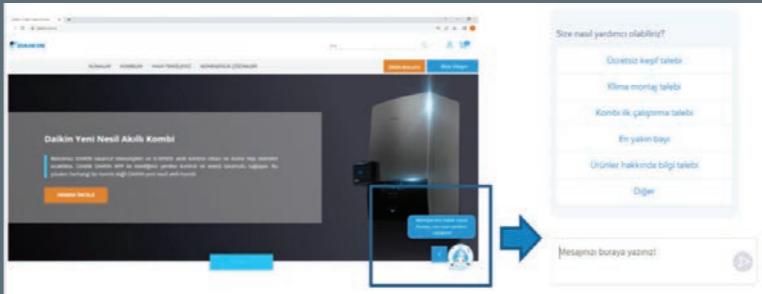
Daikin Türkiye initiated a project to effectively connect customers with product and service requests to the nearest and most suitable business partner, facilitate efficient communication, and evaluate customer satisfaction to identify areas for improvement.

Customers and business partners can access this platform through the company's website and mobile application. In FY22, around 4,000 customer requests were effectively managed using this platform.



Chatbot - Virtual Assistant

Daikin Türkiye launched the Virtual Assistant application on the Daikin website in August 2022. Customers can easily submit installation, assembly, and sit visit requests through the menus provided in the virtual assistant. Users have the option to access information about the nearest dealer, engage in live chat and directly send requests to customer representatives.



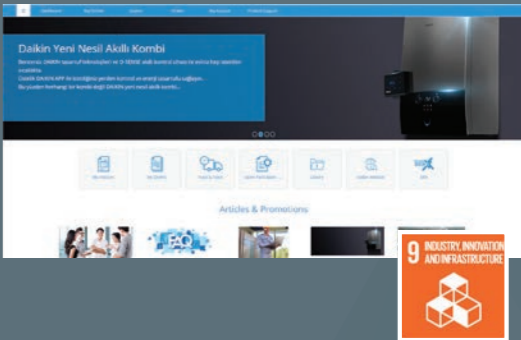
Daikin POD (Partners of Daikin)

In alignment with the new sales strategy in sales management, Daikin Türkiye introduced the **Digital Platform System** in May 2023 to facilitate channel management and enhance the connection between external customers and Daikin throughout FY22. Introduced through Daikin POD, this platform is designed to expedite the submission of commissioning and installation requests by business partners, while also ensuring the traceability of these requests. Furthermore, a software solution is under development specifically for POD dealers, which will enable them to offer incentives and bonuses to their sales teams.



MyDaikin

Introduced in February 2023, My Daikin platform offers real-time information and updates to business partners. The platform features quick links to all existing and new Daikin applications, along with dedicated sections for easy document access. This platform enables users to **check the status of orders, track deliveries and manage financial processes.**



Management of Sales Channels

Daikin Türkiye's main sales channels primarily involve dealers and distributors, which hold a significant role in driving the company's sustainable growth. They contribute to the company's success not only through their technical and commercial expertise but also by aligning their work approach with Daikin's core values.

The supervision and management of dealers and distributors are divided into two separate channels: dealers and distributors specialized in individual systems (Unitary Product Group-UPG) and professional solution partners for engineering system design and sales (Engineering Sales Group-ESG).

UNITARY PRODUCTS SALES AND DEALER MANAGEMENT

Daikin Türkiye conducts sales operations in Türkiye, the CIS region, and Europe through intra-group sales. To maintain a leading position in these markets, it is crucial to not only offer high-quality products but also continually refine and optimize business processes. Daikin Türkiye conducts an extensive analysis of customer behavior, aligns its business processes with customer behavior and experience and designs processes that are attuned to customer trends.

Aligned with the 2025 strategic targets, the sales organization structure of the Daikin sales channel was consolidated based on product groups and unified under the management of the Daikin brand. Following the

strategic approach, distribution channels that operated separately for heating and cooling were integrated and merged. The project, launched with the slogan **"Unification One Daikin"**, aims to streamline consumer access to all Daikin products through a single dealer point with the introduction of a new structure known as the "Premium Dealer". The goal is for premium dealers to enhance their technical and sales capabilities across all product groups within the company to deliver swift and top-notch services. To achieve premium dealer status, specific criteria need to be fulfilled, and in this regard, training programs are organized to enhance technical proficiency across various product categories.

E-COMMERCE

Daikin Türkiye aligns its e-commerce operations and processes with its **"Customer-Oriented Daikin"** objectives. To this end, Daikin Türkiye has set the following goals:

- Minimize the gap between the company and customers,
- Understand customer expectations in a timely manner,
- Organize highly efficient campaigns,
- Enhance customer satisfaction and loyalty, while also improving accuracy in marketing, sales, after-sales services and production forecasts.

Daikin and Turkcell - Dropshipping Collaboration

Through the collaborative dropshipping project with Turkcell, Daikin Türkiye aims to extend its product availability across the country by leveraging chosen Turkcell stores, thus broadening its geographic reach.

Creating new collaboration channels (new models) to strengthen e-commerce business, enabling direct communication with customers

Improving the quality of life of Turkcell users with the "Right Air"

Pioneering with a project that makes a difference in the communication and air conditioning sectors

Reinforcing the brand strength of Turkcell and Daikin

Sectoral differentiation by producing joint projects in digital transformation and smart home systems



ENGINEERING SOLUTION SYSTEMS SALES AND DEALER MANAGEMENT

Daikin Türkiye provides comprehensive product and technical support solutions for all air conditioning needs in B2B (business-to-business) sales channels across various projects. Within these sales channels, competent solution partners engage in “sales consultancy” activities, encompassing tasks like project analysis, project design and application design tailored to the technical demands of “VRV” projects, which involve engineering system solutions. This engagement takes place under the Pro Dealer structure, through which Air Handling Unit, Fancoil, and Chiller product groups are also provided to customers. Furthermore, Daikin Türkiye includes “refrigeration systems” in its array of product groups, providing sustainable solutions and services that facilitate the cold chain process, ensuring food preservation from the source to the table.



Daikin Türkiye initiated the “Pro Dealer Development Program” in collaboration with the Daikin Academy and Marketing and Corporate Communications Sections in 2021. This program aims to enhance the skills and capabilities of professional solution partners responsible for ESG and VRV systems. The goal of the program is to elevate the number of Pro Dealers from 118 to 175 by FY25 through the successful completion of the necessary training. The program is designed to cultivate proficient dealers equipped with the essential expertise to oversee Daikin’s energy-efficient and CO₂ reducing VRV solutions throughout the entire project life-cycle, from initial planning to project completion. Daikin Türkiye conducts regular sustainability themed controls for the Pro Dealer Network.



SALES CONSULTANCY

As part of Daikin Türkiye’s engineering solutions, the Business Development Unit offers extensive technical support throughout the sales process, aiding customers in various industries with the replacement of old products and the implementation of new projects. Furthermore, this approach not only fosters the growth of new business opportunities but also generates cost advantages. It contributes to sustainability by offering customers the option to select energy-efficient and environmentally friendly products.

The Sales Consultancy Team, comprised of highly proficient experts in sales and project engineering, consistently assesses and provides reports on the energy efficiency

advantages attained through their projects. The team maintains direct communication with customers in the field through weekly and monthly visits, delivering timely updates on new products and services, as well as sharing their findings. Furthermore, it arranges training sessions and expert days through Daikin Academy, utilizing platforms like the Chamber of Mechanical Engineers and the Daikin Air Conditioning Technologies Experience Center. The team effectively coordinates domestic and international trade fairs, factory tours, and reference site visits. They also share their expertise with industry stakeholders by publishing articles in specialized journals or platforms and hosting informative seminars.



Management of Service Providers

Daikin Türkiye boasts an extensive network comprising 487 specialized service providers across the country, catering to a variety of product groups. It sets itself apart from competitors through its service structure that encompasses 24 service providers dedicated to the CIS region. The number of service technicians has increased year by year to meet the increasing demand, reaching a total of 1,656 as of June 2023. Daikin Türkiye prioritizes enhancing the competencies of its existing and new teams within its service management approach, rather than focusing solely on numerical growth in the number of service providers.

NUMBER OF TECHNICIANS IN TÜRKİYE AND CIS REGION



	FY20		FY21		FY22		FY23*	
City	Number of Service Providers	Number of Technicians	Number of Service Providers	Number of Technicians	Number of Service Providers	Number of Technicians	Number of Service Providers	Number of Technicians
İstanbul	146	524	144	540	138	529	150	536
İzmir	111	342	107	348	122	414	126	424
Adana	93	285	92	296	85	274	87	277
Ankara	90	218	91	227	98	309	100	313
CIS	22	81	22	89	22	104	24	106
Total	462	1,450	456	1,500	465	1,630	487	1,656

* June FY23



All authorized service provider personnel within Daikin Türkiye's operations undergo comprehensive technical and corporate

identity training developed by Daikin Academy, aligning with the objective of enhancing service quality.

To ensure uninterrupted service in earthquake-impacted areas, Daikin Türkiye facilitated the provision of spare parts, equipment and computer resources to authorized service providers. Furthermore, temporary workspace support, such as containers, was offered to service providers with damaged facilities to enable them to maintain their operations.



Çukurova Region, Adana Daikin Technical Service Provider, Gök Cooling

To guarantee business continuity and swift response to requests, regional employees actively supported authorized service providers, assisting them in various application processes and ensuring that complimentary services were efficiently provided to consumers.

In order to elevate customer satisfaction through heightened service quality, more demanding and ambitious Key Performance Indicators (KPIs) were set. These KPIs are now being measured at the authorized service provider level and reported using Power BI. Concurrently, Net Promoter Score (NPS) measurements were launched to en-

sure ongoing evaluation of the service quality that end users receive from authorized service providers. Furthermore, comprehensive end-to-end management of spare parts processes was implemented, incorporating systematic enhancements to ensure the consistent availability of spare parts in the field. This involved the restructuring of

the spare parts department's organizational framework.

Daikin Türkiye introduced the Daikin Instant Solution Center (DISC) application in 2020 as an integrated platform to enhance service support and streamline the handling of customer complaints within a centralized

center. The project decreased the service response time for technicians within Türkiye and the CIS region from 31.2 hours in FY21 to 27 hours in FY22, marking a substantial enhancement in the system's efficiency. The successful implementation of the Bluetooth Cam feature, a goal set for FY21, enables instant response to malfunctions.

Project for the Service Digitalization

The Project for the Service Digitalization, implemented from May to November 2022, eliminated the requirement for physical service documents to be sent to the company, thereby **reducing paper usage and emissions** from shipping activities. Furthermore, the project aims to streamline the progress payment approval process by minimizing the time spent on transportation. Led by Daikin Türkiye's Information Technologies Department, this project was centered on digitalization, information security and the sustainable management of resources.



E-Signature Service Project

The E-Signature Service Project initiated in FY22 aims to establish a fully electronic environment for signing and archiving contracts involving Daikin Türkiye, enhancing legal security and efficiency.

The project, led by Daikin Türkiye's Legal and Compliance Department, aims to ensure the undeniability of signed data, bolster corporate memory through digital archiving and support the company's sustainability objectives by reducing the need for shipping and physical document storage.



Supply Chain Management

Daikin implements a **Purchasing and Supply Policy**, which was launched in 1992 and is continuously updated to cultivate fair relationships with suppliers. Following a responsible purchasing approach, the company collaborates with suppliers on a global scale, maintaining a commitment to responsible practices across the entire supply chain. Daikin values its raw material and component suppliers as vital business partners, nurturing trust through transparent, equitable, and mutually beneficial trade practices. The company also places strong emphasis on adhering to corporate social responsibility criteria, which encompass environmental considerations, quality standards, occupational safety and human rights, throughout its supply chain.

Daikin Türkiye conducts supplier selection and evaluation processes in accordance with its established procedures. During the supplier selection phase, evaluations are

conducted in the domains of logistics, quality and technical competence. The supplier evaluation plan involves a sequence of visits, meetings, and audits.

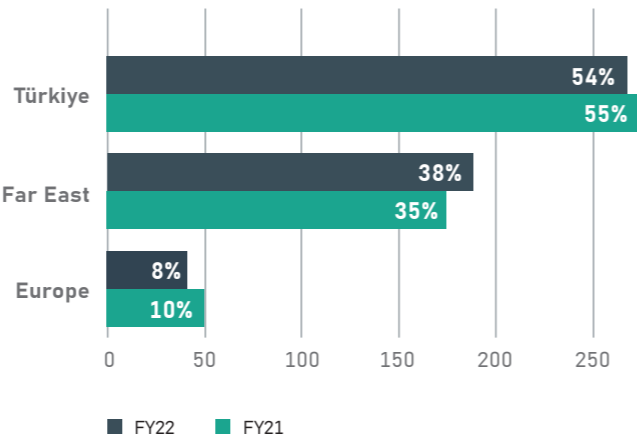
Risk levels are determined by conducting Supplier Risk Assessment in accordance with the Supplier Selection and Evaluation Procedure. Based on these risk levels, procurement strategies are assessed and determined according to the specific product groups being supplied. If deemed necessary, sample controls and on-site audits are conducted to assess and evaluate suppliers. Suppliers chosen based on the risk assessment undergo regular risk performance evaluations at defined intervals.

Daikin Türkiye upholds fair procurement practices by cultivating mutually advantageous and competitive partnerships with suppliers, ensuring equitable business opportunities in the supplier selection procedure.

Number of Suppliers



FY21 and FY22 Purchases by Region



GRI 2-8, GRI 2-29, GRI 3-3, GRI 413-1

Daikin Türkiye, driven by the goal of national benefit is progressively enhancing the localization rate of its products through ongoing localization endeavors. It continues to improve cost, quality and procurement processes through localization efforts. Throughout FY21-FY22, a total of 80 com-

ponents were successfully localized in collaboration with 13 suppliers, yielding a cost advantage of 30% in FY22. In FY23, a comprehensive localization initiative is scheduled, targeting 83 components in collaboration with 5 suppliers. This project is intended to yield a cost advantage of 25%.

SUPPLIER AUDITS

Daikin Türkiye mandates that its suppliers undergo rigorous approval procedures before being recognized as business partners. Supplier evaluation is conducted on three main criteria: logistics, technical expertise, and quality. The scoring system is established based on pertinent inquiries during procurement audits focused on production activities. Moreover, suppliers are required to provide 8D reports for any issues that arise during mass production. Audits are conducted to verify the implementation of the measures outlined in the report.

A supplier audit system is used to gather relevant information from all suppliers and enhance processes. The Supplier Company Information and Evaluation Form gathers data about suppliers' management and organizational structures, production systems and products/services.

Upon the implementation of the Sustainability Management System in FY21, Daikin Türkiye introduced new supplier selection criteria and conducted assessments to address sustainability-related risks within the supply chain. Work is underway to set new targets for supplier selection criteria. This approach is aimed at proactively mitigating sustainability-related risks within the supply chain.

Procurement processes prioritize suppliers with ISO 9001 and ISO 14001 certifications in line with sustainability criteria, and also include requesting REACH and RoHS certificate confirmations. The Sustainability Management System project evaluations have prompted efforts to establish new supplier selection criteria and targets. This approach is aimed at proactively mitigating sustainability-related risks within the supply chain.

Supplier audit data for production processes	FY20	FY21	FY22
Number of supplier-related incidents	70	63	64
Number of activities that led to the formulation of a correction or improvement plan in response to the incident	69	12	15
Number of suppliers of which employment contracts were terminated as a result of audit findings	2	0	0

Daikin Türkiye organizes Supplier Days events to facilitate information exchange and align mutual expectations with its factory suppliers. Supplier Day conferences provide a platform for communicating expectations and informing about upcoming changes within the next 5 years through presentations from Procurement, R&D, Plan-

ning, and Quality departments. During the Supplier Day held in December 2022, Daikin and Daikin Türkiye shared information about their sustainability initiatives and conveyed the expectation for suppliers to align their efforts in the same direction. Supplier Days for 2023 have been scheduled for July and December.



Supplier Day Event, December 2022

Stakeholders receive detailed information about forthcoming legislation and harmonization laws and are strongly encouraged to make necessary preparations in advance.

Furthermore, stakeholders are motivated to improve their performance through a reward system.



Supplier Day Event, Face-to-Face Meetings, December 2022



Daikin Türkiye introduces Japanese work culture concepts to its suppliers and systematically plans trainings. Daikin organizes Production of Daikin System (PDS) training sessions for its suppliers, aimed at sharing insights into "Lean Production" principles with sub-industry companies.

In late 2022, Daikin Türkiye initiated the Purchasing Portal project in collaboration with its Information Technologies, Factory and Headquarters Purchasing, Business Intelligence, Digitalization, and Process Development Departments, along with the engagement of suppliers. The project aims to digitize procurement processes and facilitate seamless interactions within a digital environment. Scheduled for completion in FY23, the project endeavors to digitize a range of operations, including proposal collection, evaluation, delivery tracking and performance assessment. Furthermore, the project aims to enhance the traceability and archiving of selection and approval processes for proposals.

Route Optimization in the Supply Chain

Daikin Türkiye has shifted its emphasis towards maritime transport for export shipments, resulting in an increase in the share of maritime transport from 28.6% in FY22 to 60.5% in the first half of 2023.

Following the post-COVID-19 transition to a normalization phase, Daikin Türkiye has **significantly reduced air cargo transport by 90% compared to FY21** as part of its commitment to reducing the carbon footprint associated with air transport. The reduction of the carbon footprint was achieved by evaluating intermodal/multimodal transportation alternatives during the supply process planning for materials sourced from Europe. Through another improvement project focused on export shipments, a 25% increase in efficiency per vehicle was accomplished by enhancing vehicle occupancy rates in road transport. In FY21, significant operational and environmental benefits were achieved by optimizing the export process and reducing the number of vehicles used for transporting products from 4,425 to 3,751.



R&D, Innovation and Digitalization

R&D AND INNOVATION



Daikin Türkiye, a key player in the air conditioning industry, understands that securing a leading market position hinges on continuous technological advancement, and thus, it is dedicated to consistently elevating its technological capabilities. Driven by its commitment to targeted advancement, the company has established an R&D unit, fostering skilled teams and opening up business prospects in heating, cooling, and ventilation

sectors. Since 2016, the Daikin Türkiye R&D Center, located at the Hendek Production Facility, has been officially recognized and registered as an R&D Center by the Ministry of Industry and Technology of the Republic of Türkiye. Daikin Türkiye is working towards expanding its R&D workforce to 100 employees by the close of 2025. According to assessments

conducted by the Turkish Time Economy and Business Culture Portal, Daikin Türkiye advanced from the 111th position in 2020 to the **93rd position in 2021** within the R&D 250 list, a compilation of Turkish companies with the highest R&D expenditures.

Daikin's air conditioning R&D capabilities are disseminated across its global network through knowledge exchange with the Daikin Technology and Innovation Center (TIC), headquartered in Osaka, Japan. Functioning as a direct subsidiary of Daikin Europe N.V., the Daikin Türkiye R&D Center also leverages the direct backing and expertise of TIC, which hosts a workforce of over 700 specialists dedicated to diverse aspects of

product development and innovation. Since its inception in 2011, the Daikin Türkiye R&D Center has experienced substantial growth, witnessing a 3.5-fold increase in its employee count and a 5-fold expansion of its budget.

Daikin Türkiye is structuring its R&D Center to effectively address the R&D requirements of air conditioning systems, positioning it as a pivotal hub within the Daikin network, with a specific emphasis on advancing heating technologies. Aligned with its ambition to lead in the air conditioning sector through technological innovation, Daikin Türkiye's R&D strategy revolves around the following core themes:

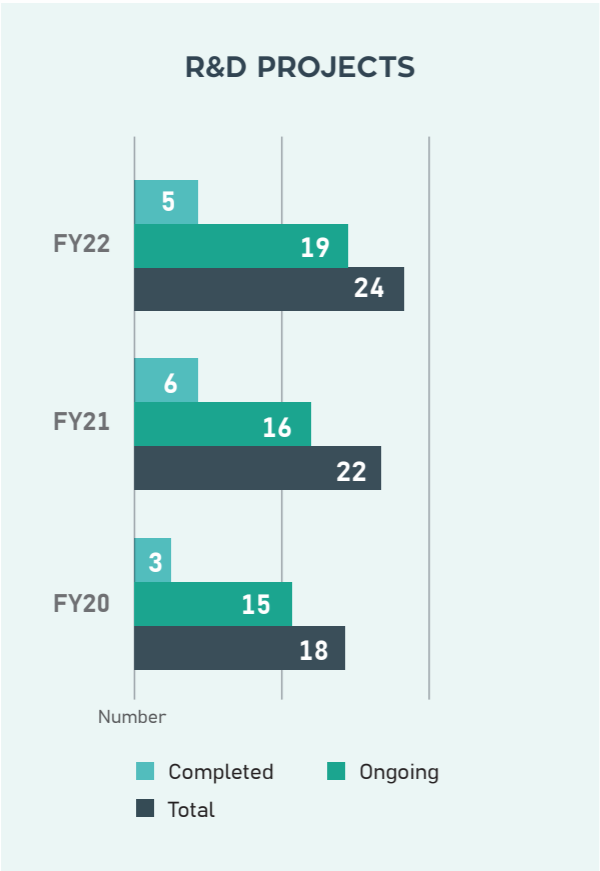
Daikin Türkiye R&D Strategy Main Themes

Be the global leader of the heating and cooling industry with innovative products and solutions	Make investments to supply the resources needed	Live in a carbon neutral and sustainable world
Work with all subsidiaries on a single R&D approach	Increase collaborations, university-industry partnerships and produce new ways of working	Create an innovative environment

R&D ACTIVITIES IN THE ACTIVITY PERIOD

During FY22, a total of 24 new projects were launched, while an additional 5 ongoing projects were completed. Up until FY22,

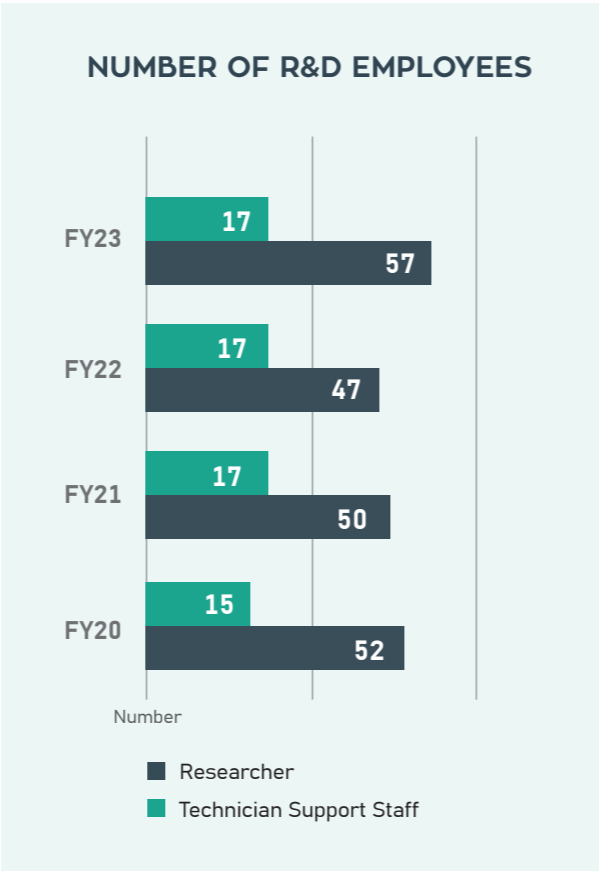
there has been an increase in the number of projects undertaken by the R&D Center and the number of employees.



Be the global leader of the heating and cooling industry with innovative products and solutions

Daikin Türkiye identifies customer needs through its services and aligns its R&D efforts based on the feedback it receives. The established cooperation infrastructure facilitates the initiation of R&D projects through employee suggestions and analysis of inter-

national technological needs. The objective of R&D projects is to generate new knowledge, products, enhanced process management and improved products as the final outcomes. The key highlights of the 24 R&D projects carried out by Daikin Türkiye R&D Center in FY22 are as follows:



- 14 projects were successfully completed for the combi boiler boiler product. The R&D initiatives aimed to enhance energy efficiency during product usage, minimize its environmental footprint, and enable remote product management through IoT technology, all while reducing carbon emissions. These endeavors led to the successful completion of development projects that integrated remote-controlled room thermostats with NDJ model combi boilers and other combi boiler models, marking a significant milestone for Daikin's product offerings.
- 10 projects were successfully completed for the air conditioner product. The projects were centered around localizing product components, optimizing component and system costs, integrating components in line with new generation technologies to enhance product sustainability, transferring products from other Daikin factories for the European market (such as Emura, HSP Duct, and Comfora with WLAN Adapter) to the Hendek factory and other initiatives aimed at refining the overall product quality and environmental impact.

Live in a carbon neutral and sustainable world

In 2021, under the guidance of the Compliance Department within the R&D division, Daikin Türkiye initiated Life Cycle Assessment (LCA) studies for both its products and those of its suppliers. This effort was in alignment with the Daikin Türkiye Climate Change Declaration, which aims to comprehensively address environmental impact through ho-

listic perspectives in environmental impact studies. Consequently, the LCA studies will pinpoint the stages in the life cycle of products where the highest carbon emissions are generated. To this end, the R&D Center Compliance Section facilitated training for its employees on the LCA process, drawing from various educational sources.

Increase collaborations, university-industry partnerships and produce new ways of working

- The “Collaboration Management Model” developed aims to enhance collaboration by providing a framework to assess and manage various potential avenues of cooperation effectively. Using this model, interactions were established with 18 industrial organizations and 11 universities, resulting in an increase in the number of projects undertaken, totaling 4 in the year 2023.
- The Artificial Intelligence-Combi Boiler Module Design project was successfully executed in collaboration with faculty members from Marmara University and Kültür University.
- Studies have been undertaken to explore the incorporation of hydrogen into combi boiler projects.
- During FY22, the company partnered with Sakarya University to assess the environmental footprint of the NDJ 24 kW combi boiler model, delve into LCA methodologies and extend calculations to other products.

- An opening meeting was conducted, bringing together academic advisors from Sakarya University's Environmental Engineering and Mechanical Engineering departments.



Sakarya University Lecturers and R&D Project Team, LCA Project Launch, Hendek Production Facility, March 2023

Work with all subsidiaries on a single R&D approach

Improvements were implemented to the project portfolio and project management tools, which are shared resources within Daikin Europe N.V. A design originating from Daikin Global will be instantly accessible to all R&D centers across the Daikin Group, facilitating knowledge sharing within the company, enabling swift responses to supply chain issues and fostering collaborative development and utilization of innovative solutions.



Create an innovative environment

The innovative works conducted at the Daikin Türkiye R&D Center are formally registered with various patent institutions. A total of 7 patent applications were filed in FY22, 5 of which were registered. The number of patent applications, registrations and design registrations between 2016 and 2022 have been consolidated.

Type of Industrial Property Right	2016-2022
Number of Patent Applications	33
Number of Patent Registrations	27
Number of Design Registrations	22

GEMBA Module

During FY22, the GEMBA (on-site control/evaluation process) module was incorporated into the business processes of the R&D Center. The introduction of the GEMBA module, which is rooted in the philosophy of continuous improvement and signifies the place where value is created in the Kaizen approach, aims to gather suggestions, complaints, and innovative ideas by engaging directly with end customers. Annual site visits planned by R&D teams were incorporated into the process flows and participation in these visits was integrated into the performance management framework. In FY22, visits were paid to 10 customers, 19 dealers and 14 service providers.

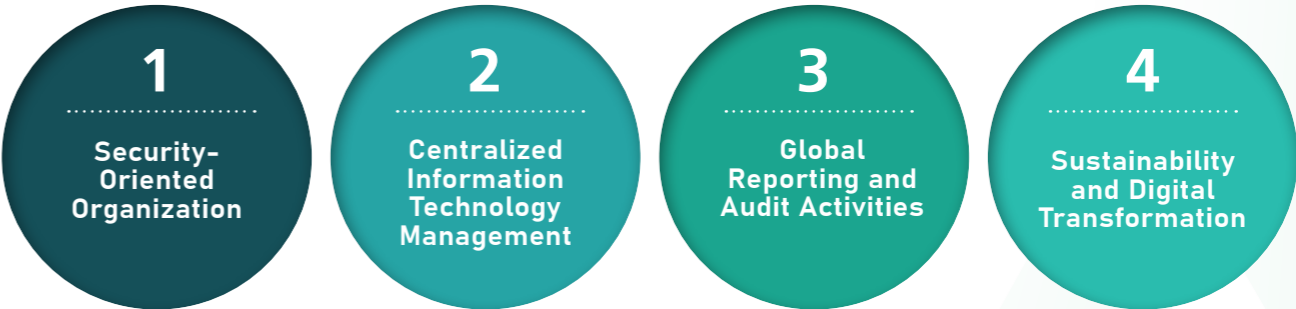


DIGITAL TRANSFORMATION

Daikin Türkiye is proactively driving digitalization initiatives by concentrating on key areas like mobility, process automation, intelligent assistance systems, open communication, and fostering positive environmental impact through ongoing improvement and development approaches.

Daikin Türkiye aims to complete the **0365 Tenant Migration** and **Azure Migration** projects by December 2023, harmonizing its cloud systems with the global infrastructure. By achieving this, Daikin Türkiye anticipates improved efficiency in analyzing both local and global data, while also minimizing environmental impact through the utilization of a unified cloud environment.

Daikin Türkiye boasts an in-house software team that remains dedicated to generating significant projects aligned with the strategic priorities of the local business units. The company has categorized its efforts into four distinct themes to effectively achieve its sustainability objectives concerning information security and digitalization.



Daikin Türkiye is committed to achieving a safe digital transformation process that minimizes environmental impact and optimizes resource utilization. The Company's digitalization strategy encompasses vital goals such as seamless integration with Daikin Europe N.V. IT, the implementation of digital office applications, the utilization of efficient tools, the enhancement of business processes, and the advancement of customer communication practices. The overarching aim is to optimize energy consumption and reduce carbon footprint while ensuring optimal customer comfort through the remote management of products.

The implementation of digitalization processes within Daikin Türkiye is carried out by the collaborative efforts of the Information Technologies Department and the Business Intelligence and Digitalization Section, which assess the requirements from various business units. This approach is designed to

achieve process automation, prevent inefficiencies and repetitive activities and establish sustainable business processes.

The relevant departments are actively engaged in their efforts across four primary focus group/subject: i) customers, ii) products and services, iii) processes and systems, and iv) employees. The objective is to identify suitable opportunities by gaining insights into customers (by forecasting customer needs, preferences, and behaviors through CRM and data analytics initiatives) and to attract new customers within this framework.

Daikin Türkiye continues its process development activities within the scope of the Galileo project, which was initiated with the aim of effective and efficient end-to-end management, monitoring and continuous improvement of managerial, operational and support processes with the perspective of continuously adding value.



DEX B2B Portal



The portal application serves as the bridge connecting approximately 500 Daikin dealers across Türkiye with the headquarters. The cloud-based application comprises numerous modules, including stock management, shipments, orders, offers, CRM, finance, and surveys, catering to over 750 active users. Implemented as a significant upgrade in FY22, the application now utilizes Robotic Process Automation (RPA) technology, allowing seamless transfer of orders from DEX (Daikin Experience) to SAP, the operational system, via an RPA engine. This not only enhances **efficiency and cost-effectiveness** but also plays a pivotal role in **reducing human errors**.



DPM (Daikin Production Management)



DPM (Daikin Production Management) stands as the **Manufacturing Execution System (MES)** that operates within Daikin Türkiye's Hendek facility production lines and has been wholly developed utilizing internal resources, aligning with the **Industry 4.0** standards. Currently, this application is actively utilized across **11 production lines**, showcasing its integration of numerous cutting-edge and sophisticated technologies. Through this system, all relevant production lines are managed, and the real-time data generated is harnessed to inform decision-making processes.



Power BI

With 350 active users, Power BI forms the core of Daikin Türkiye's reporting system. Encompassing the entirety of the company's data infrastructure, the system handles an expanding volume of data with each passing day. By leveraging information automatically sourced from systems like SAP and DEX, data from diverse environments is unified **within the same report**, resulting in **efficiency gains in workforce utilization**.



Daikin Flow



The DaikinFlow system serves as a tool for monitoring processes and daily workflows, as well as managing requests from various business units. As part of process improvement initiatives, a total of 24 processes aimed at enhancing and developing systems are now being tracked and managed through the DaikinFlow application. Starting from March 2023, DaikinFlow began to actively receive requests from various business units. This approach enables effective work tracking, prioritization, and the reporting of workforce gains. Since November 2022, **a total of 2,739 person/hours of labor force has been gained** according to the claimant declaration. The realization of the existing projects is estimated to result in a gain of approximately 11,193 person/hours of labor force.



Law Portal



Led by the Daikin Türkiye Legal and Compliance Department, this initiative stands out as a technologically advanced practice in the industry, offering substantial time and cost savings to Daikin Türkiye.

The migration of the "Legal Portal", an integral part of the Legal and Compliance Department's, digital transformation endeavor initiated in FY21, to the mobile phone environment was successfully concluded, achieving mobile phone integration in FY22.

The project aims to **expedite the management of internal processes and enhance efficiency by enabling remote access.**



e-solutions

In July 2022, Daikin Türkiye's Information Technologies Department embarked on a **SAP Hana** transition, undertaking significant measures to streamline business processes, enhance efficiency, and embrace digital transformation. A part of these efforts, e-solutions encompasses electronic document management, e-invoice, e-archive, and e-ledger applications.



MIRAI Project (SAP Hana Upgrade)



In July 2022, as part of a global project, the migration of the SAP ECC system to the Hana structure was successfully completed, providing access to the latest and most advanced digital functionalities. With the transition to Hana, **performance was increased by 35%.**



Daikin Türkiye Air Conditioning Technologies Experience Center

Daikin's philosophy is rooted in providing optimal air conditioning solutions, contributing positively to the societies in which it operates and leading the industry through its expertise.

The Daikin Air Conditioning Technologies Experience Center, Europe's pioneering air conditioning facility, provides a diverse range of visitors, including commercial investors, individuals, academics and students, with the chance to explore cutting-edge technologies across an 800 m² space in İstanbul.

At the center, domestic and international visitors, as well as private sector and public customers, engage with products and technologies through immersive visual methods.

Hololens technology enables stakeholders in various locations to access the experience through online connections.

The Experience Center offers comprehensive insights into Daikin's global and Turkish presence, philosophy, key milestones, and developmental journey since its inception, along with significant projects both domestically and internationally.

The Experience Center provides an immersive platform for industry professionals like investors, architects, and engineers to witness a diverse range of building-specific air conditioning solutions, showcasing the tangible benefits of these technologies on enhancing quality of life through visual and hands-on experiences. Since 2015, the Experience Center has welcomed **over 19 thousand visitors.**



Visit by Masatsugu Minaka, Chairman of the Board, Daikin Europe N.V., September 2022



University and Technical High School Visits



Daikin Business Partners and Daikin Group Visits



Expert Days



The Daikin Air Conditioning Technologies Experience Center offers complimentary seminars and training to individuals in the air conditioning and energy sectors, vocational schools, university students, academics and non-governmental organizations.

Since its inception, the Experience Center has successfully organized 24 Expert Days covering various topics with a total of 1,970 participants.

The center also hosts important meetings of sectors, associations and organizations such as İSİB, İSKİD and DOSİDER.

- The 2021 program encompassed novel perspectives and solutions prompted by the pandemic.
- In 2022, green buildings and sustainability themes were emphasized due to rising energy costs.



Expert Day Event, Efficient Alternative Solutions for Heating Systems, December 2022



Creating New Value Environment

- 7.1 Environmental Policies
- 7.2. Climate Change and Energy Management
- 7.3. Protection of Natural Resources and the Environment
- 7.4. Water Management
- 7.5. Waste Management

In FY22, Daikin Türkiye provided specialized training on “Fluorinated GHG Regulation and **Daikin's Refrigerant Policy**” to 100 employees in 4 sessions.

Climate Change and Energy Management

As a sustainability-focused organization, Daikin Türkiye acknowledges the pressing importance of addressing climate change and prioritizes impactful energy management practices. The company firmly believes that proactively implementing measures to

lower GHG emissions, enhance energy efficiency, and transition to renewable energy sources presents not only opportunities for the planet’s well-being but also for fostering innovation, resilience and sustained business success.

COMBATING CLIMATE CHANGE

Through its Climate Change Declaration, Daikin Türkiye has announced its commitment to incorporating worldwide climate change policies into all aspects of its business operations. The company is dedicated to reducing GHG emissions throughout the production and product usage phases, with a clear focus on creating environmentally friendly, energy-efficient products. Drawing from the declaration’s guidelines, LCA studies for products were initiated, overseen by the Compliance Department within the R&D Division.

What is Life Cycle Assessment?

LCA is a comprehensive method that evaluates the environmental impacts of a product across its entire lifecycle, encompassing raw material sourcing, manufacturing, transportation, consumer usage and end-of-life disposal.

Daikin Türkiye continues its efforts to combat climate change by actively working to reduce GHG emissions through a range of projects and initiatives. In line with this objective, the company is actively engaged in establishing a management system in compliance with the “ISO 14064-1 Standard for Establishment-Level Calculation and Re-

porting of Greenhouse Gas Emissions and Removals”. Furthermore, in FY22, the company enhanced its data collection and analysis processes to account for indirect GHG emissions stemming from purchased materials (Category 4), and it expanded the calculation scope to incorporate emission data from the logistics processes of products sold along

with 90% of their components. The increase in GHG emission data in FY22 compared to FY21 can be attributed to a 10.2% growth in sales volume during that fiscal year, along-

side the aforementioned improvements and enhancements. **Daikin Türkiye has set a target to be net zero in Scope 1 and Scope 2 emissions for FY25.**

Greenhouse Gas Emissions by Year (tCO ₂ e)		FY20	FY21	FY22
Scope 1		2,002	3,456	3,627
Scope 2		1,652	2,560	2,825
Scope 3	Category 3	10,419,843	2,948	5,074
	Category 4		66,669	141,145
	Category 5		12,814,383	13,984,949
	Category 6		1,126	1,251
Total		10,423,497	12,891,142	14,138,871

* Daikin Türkiye’s greenhouse gas emissions includes Türkiye operations’ non-renewable fuel consumption for heating and electricity production and process leakage gas, refrigerant gas and fire extinguishing gas related direct emissions (Scope 1), energy indirect emissions from the production of purchased electricity (Scope 2) and other indirect emissions (Scope 3) of purchased products and services, energy related activities, capital assets, business trips and commuting as well as the use and disposal of sold products by Daikin Türkiye.

Reducing CO₂ Emissions

Implemented by Daikin Türkiye’s Imports department, this project seeks to mitigate CO₂ emissions by adopting the intermodal transportation approach, which is **environmentally more sustainable** compared to **conventional transportation methods**, for the European import transportation operations. Through collaboration with logistics companies, the project led to a reduction in CO₂ emissions, decreasing from 1,663,735 kg to 1,209,316 kg, thereby achieving a **significant conservation of 454,419 kg of CO₂ emissions**.



ENERGY MANAGEMENT

Daikin Türkiye employs a comprehensive system aimed at optimizing energy consumption across its operations, aligning with distinct management protocols tailored for both the Headquarters and the Hendek Production Facility. Under the ISO 50001 Energy Management System, Energy Management Teams have been established, consisting of representatives from various departments, to ensure the effective utilization and oversight of energy resources.

The company currently engages in manual monitoring of electricity and natural gas meters on a weekly basis and compiles monthly reports using the collected data. The Hendek Production Facility is actively progressing towards implementing the Energy Scada Sys-

tem, an advanced monitoring system designed to offer real-time and online access to energy consumption data. The system is planned to be commissioned in 2023.

Daikin Türkiye conducts comprehensive training programs to enhance the energy management culture within the organization, focusing on raising awareness among both new and existing employees about energy management practices and principles. Focusing not only on its own operations but also considering the impact of its supply chain, Daikin Türkiye will conduct assessments on ISO 50001 compliance, energy monitoring activities, efficiency improvement projects, renewable energy use and awareness initiatives in supplier audits starting from FY23.

Energy Consumption by Year (GJ)

	FY20	FY21	FY22
Non-Renewable Resources	32,504	44,729	45,504
Natural gas	22,628	33,836	32,566
Diesel fuel	9,801	8,211	1,187
Gasoline	75	2,613	11,736
Propane	0	69	15
Electricity Purchased	12,811	21,367	24,687
Renewable Sources	5,422	10,958	12,560
Electricity Generated and Consumed from Renewable Sources	5,422	10,958	12,560
Total Energy Consumption	50,737	77,054	82,751

In FY22, Daikin Türkiye reinforced its dedication to energy management and sustainability by incorporating the “Energy Efficiency” category into its Kaizen system, ensuring the ava-

ilability of the necessary resources and budgets to support energy projects on an annual basis. The company places significant emphasis on the adoption of renewable energy

sources and is set to achieve a notable milestone in FY23 with the establishment of an 800 kWp capacity **Solar Power Plant (SPP) on land**. The aim is to generate **100%** of the electricity consumed across its offices and

sales points from renewable sources. The anticipated commissioning of the land SPP in 2023 is projected to yield an annual electricity generation of 1,300 MWh.

Increasing Renewable Energy Utilization by Installing an Additional SPP on the Factory Roof

During FY22, the 5,784 kWp SPP situated on the roofs of Factory-1 and Factory-2 produced electricity equal to **62%** of the total electricity consumption. There are plans to install an additional 2,060 kWp SPP in 2023, with the goal of elevating the SPPs' contribution to electricity consumption to **90%** in FY23. Based on calculations, the anticipated annual electricity generation from the supplementary SPP is 2,110 MWh, contributing to a reduction of approximately 1,369 tons of CO₂ emissions.



Reducing Energy Consumption of the HE&N₂ Mixed Gas Compressor

The project executed at the Hendek Production Facility focused on minimizing energy consumption during the transition of the HE&N₂ Mixed Gas Compressor from operational load to idle mode. The project led to an annual electricity savings of 80,152.66 kWh and a reduction of 35.5 tCO₂e in emissions.



Adding Motion Sensors to the Walkway Lighting of Factory-1

The Motion Sensor Addition project was undertaken to address the issue of energy wastage resulting from the unnecessary activation of lighting fixtures during tea and lunch breaks in the walkways of Factory-1. The project implementation led to notable outcomes, including an annual 7,113 kWh reduction in electricity consumption (24%) and a decrease of 2.93 tCO₂e.



DAIKIN TÜRKİYE ENERGY EFFICIENCY CONSULTANCY

Daikin Türkiye actively contributes to the energy transformation within the air-conditioning industry through the development of energy-efficient projects, and its **Energy Efficiency Consulting Company (EEC)** services play a vital role in promoting sustainable energy practices. The company provides a comprehensive range of services encompassing energy audits, Efficiency Improvement Projects (EIPs), consultancy, energy management, renewable energy solutions, measurement and reporting, monitoring and evaluation, energy manager training, and issuance of Building Energy Efficiency Ratings (BEERs) for existing buildings. The company's goal is to enhance the sustainability and efficiency of both planned and operational air conditioning systems by optimizing energy and comfort balances through its EEC services. Catering to clients in the hotel, hospital, and industrial sectors, Daikin Türkiye partners with a range of energy efficiency firms to bolster its proficiency in

air conditioning systems, coalesce efforts in business growth and offer comprehensive product support.

Aligning with its effective EEC initiatives, Daikin Türkiye secured the top spot in the "Project for Enhancing Energy Efficiency in Public Buildings" category during the Solution Service Contest orchestrated by Daikin Europe N.V.



1st Prize in Solution Service Contest EEC Application



As part of this project, energy audits were performed at 16 sites, and proposals for efficiency-improvement initiatives were put forth. The determined energy-saving potential amounted to 22,540 MWh/year of electricity and 366,343 Sm³ of natural gas. The implemented improvements resulted in the prevention of 9,287 tons of CO₂ emissions annually and generated a financial return of EUR 4 million.



Site Audit and Measurement Activities

With an experienced team, Daikin Türkiye thoroughly analyzes and reports the energy inputs and outputs of its customers. Solutions are devised to efficiently utilize the identified points of energy loss. By leveraging approaches like the Energy Service Company (ESCO) Business Model and Energy Performance Contracts (EPS), Daikin Tür-

kiye strives to reduce energy consumption through services like chiller modernization, inverter retrofit kits, remote monitoring, central cooling automation and optimization. Daikin Türkiye has conducted comprehensive energy audits in 50 buildings and industrial facilities in the last year.

From a total of 30 energy audits conducted in commercial buildings:			
Number of Audits	Amount of Savings Identified (kWh/year)	Avoidable Emissions (tons CO ₂ /year)	Number of Trees for Carbon Emissions
30	15,000,000	6,180	175,500

From a total of 20 energy audits conducted in industrial buildings:			
Number of Audits	Amount of Savings Identified (kWh/year)	Avoidable Emissions (tons CO ₂ /year)	Number of Trees for Carbon Emissions
20	52,000,000	21,424	608,400

Air conditioning systems typically account for approximately 60% of the overall energy consumption in both commercial and residential environments. In industrial facilities, while this ratio can vary by sector, air conditioning processes play a significant

role in energy consumption, particularly in industries such as food, pharmaceuticals, textiles, petrochemicals, and plastics. Daikin Türkiye achieves substantial energy savings, particularly in these sectors, by implementing EIPs that effectively reduce energy con-

sumption by up to 30%. For 2023, the company's main focus revolves around energy monitoring and management for air conditioning systems in chain stores.

Daikin Türkiye contributes to energy efficiency projects by offering solutions that analyze and enhance indoor air conditions. Waste heat recovery, air quality monitoring, and automated monitoring play vital roles in

enhancing indoor air quality. The company is engaged in developing remote control capabilities for air conditioning systems, operation strategies based on outdoor temperature, energy monitoring systems, indoor air quality monitoring, and predictive system structures to prevent potential errors and malfunctions. In 2023, these services, aimed at broader adoption, are currently offered through the Daikin Cloud Service and Daikin On Side systems.

EXAMPLES OF EEC EFFORTS

Use of R1234ze Refrigerant Gas in a Pharmaceutical Factory



Daikin Türkiye introduced energy efficiency enhancements within a pharmaceutical facility through its EEC services, targeting 6 existing cooling units that operate with R22 gas. The installation of new, high-efficiency cooling units resulted in a substantial energy savings of 28%, which corresponds to an annual electricity savings of 2.5 million kWh. Furthermore, the project resulted in the avoidance of 1,030 tons of CO₂ emissions annually, which is equivalent to the carbon emissions of approximately 29,250 trees. To minimize environmental impact, the project replaced the previous R22 devices, with a GWP (Global Warming Potential) value of 1840 and ozone layer impact, with devices using R1234ze refrigerant, which boasts a GWP value of 7 and poses no harm to the ozone layer.

Energy Audit Upgrade at a Plastic Factory



During an energy audit performed in the plastics sector in March 2023, a customer's air-cooling unit, which had been purchased four years ago, was replaced with a new, highly efficient air-cooling unit. This initiative led to a payback period of 1.7 years and the potential for savings amounting to USD 1.5 million over a 10-year span. This study highlights the significance of equipment replacement in attaining energy efficiency and cost savings within industrial settings.

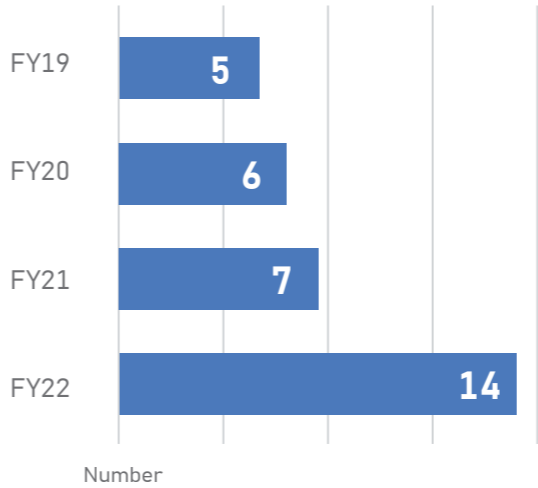
Protection of Natural Resources and the Environment

On a global scale, Daikin is striving to attain net zero GHG emissions by 2050, proactively identifying risks and opportunities in this domain. To effectively monitor progress, specific environmental objectives are established every five years, centering on critical performance indicators like GHG emissions, waste generation, water consumption, and volatile organic carbon from production facilities. The goal is to achieve net zero emissions at all production facilities by the end of fiscal year 2030.



Daikin Türkiye's Hendek Production Facility is certified with ISO 14001 for its environmentally conscious production practices and has been aligning its processes with the zero-waste certificate since 2021. The facility's environmental processes are closely managed through an Environmental Management System, subject to annual audits by accredited organizations, ensuring ongoing monitoring and enhancement.

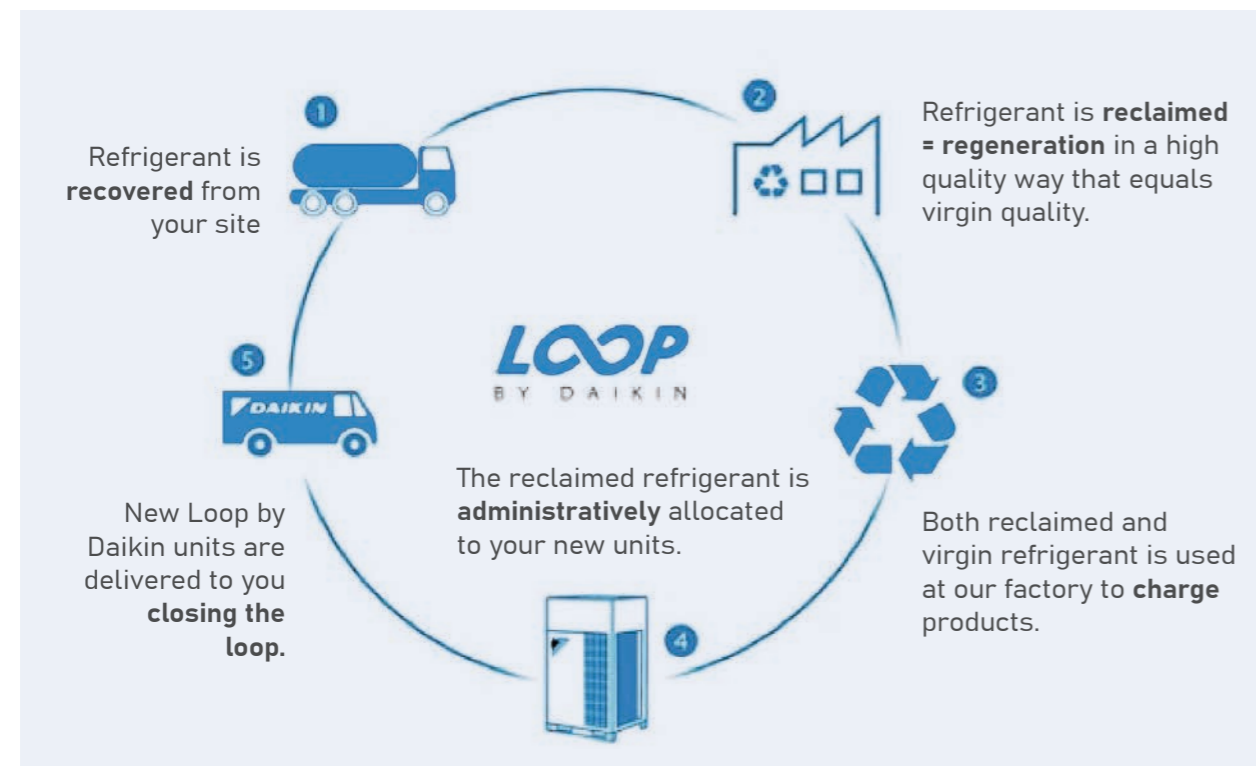
Sustainability-Themed Kaizen Projects



Embracing the Kaizen approach for continuous improvement, the Daikin Türkiye Hendek Production Facility launched 14 projects in the Sustainability (Energy Efficiency & Environment) category during FY22. Through the implementation of 9 Energy Efficiency Kaizen projects, Daikin Türkiye achieved a remarkable energy saving of 506,802 kWh in 2022, resulting in a reduction of 148.95 tCO₂e emissions and the preservation of approximately 5,929 trees.

TOWARDS A CIRCULAR ECONOMY OF REFRIGERANTS

Loop by Daikin is the revolutionary refrigerant program run by Daikin Europe N.V. "Recover-Reclaim-Reuse" are the keywords that form the basic principle of the Loop by Daikin approach. The recovered refrigerant prevents the production of more than 400,000 kg of virgin gas each year. Within the scope of the program, certified and reclaimed refrigerants are used in VRV units manufactured at the Hendek Production Facility. In FY22, Daikin Türkiye utilized 35,832 kg of recovered/reclaimed R410A gas as part of its VRV production, preventing the consumption of an equivalent amount of new gas and thereby reducing its environmental impact.



CONTRIBUTION TO SUSTAINABLE CITIES

Daikin Türkiye actively supports sustainable building practices with highly energy-efficient central systems (such as VRV, Chiller, Air Handling Units, etc.) to achieve high ratings in leading green building cer-

tification programs such as BREEAM and LEED. Various decarbonization and certification studies are conducted through different projects as part of the green building initiatives.



Galataport İstanbul, LEED Platinum, Türkiye

ENVIRONMENTAL PROTECTION PROJECTS

Daikin Forests Project

Daikin Türkiye continues to implement the Daikin Forests Project, which aims to plant one million trees by 2050. As part of the company's mission to achieve "Net Zero GHG Emissions", a total of 50,000 saplings were planted to contribute to a sustainable future through the Daikin Forests Project. In the upcoming period, the company will continue to support the Daikin Forests Project, carried out in cooperation with the Aegean Forest Foundation. The Memorial Forest program received significant contributions as saplings were planted in the Kınık region of Bergama in İzmir and in Germencik in Aydın.



Vehicle Fleet Changes

Daikin Türkiye reinforces the importance it attaches to the environment by making changes to its vehicle fleet. The adoption of environmentally friendly hybrid technology in the vehicle fleet led to the prevention of 156 tCO₂/year in emissions.



MaratHOME CLIMATE Project

As part of the project, awareness runs will be organized at five carefully chosen locations. Each run has unique themes, such as highlighting the threat of climate change and the importance of ancient civilizations. The book, which will be prepared under the editorship of Prof. Dr. A. Tamer Aker as editor, will encompass subjects like travel experiences, regional attributes and the ramifications of climate change.



World Wildlife Fund (WWF) Earth Hour Campaign

Every year, on the final Saturday of March, the WWF urges people to symbolically participate by switching off their lights for an hour, highlighting the pressing climate crisis and the concerning decline of biodiversity and natural environments. Aligned with this global initiative, Daikin Türkiye actively promotes the project on its social media platforms, aiming to raise awareness and inspire broad engagement.

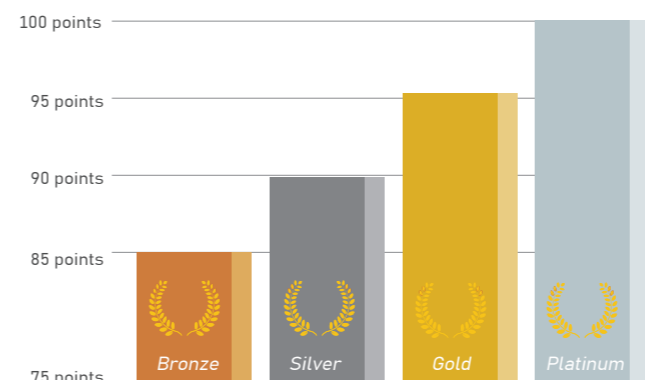


GREEN HEART FACTORY

Daikin has established an internal certification system called "Green Heart Factory" to assess and certify its production facilities based on their environmental and social performance over 2-year cycles. The symbol of this certification is the Green Heart, which represents each Daikin employee's commitment to green thinking (thinking of the earth and caring for the environment) and social awareness. To attain the "Green Heart Factory" certificate, an evaluation is conducted based on a scale that mandates a minimum of 75 points out of a possible 100. The assessment criteria encompass environmental and social aspects, encompassing endeavors towards achieving net zero CO₂ emissions, waste reduction initiatives, limited chemical usage, adept handling of environmental risks, prevention of soil and groundwater contamination, adaptation to climate change, contribution to the SDGs, and fostering sustainable social connections.



Daikin Türkiye's Hendek Production Facility successfully passed the 1st stage in 2015 and subsequently completed the 2nd stage in 2019 following a change in criteria, earning the Green Heart Factory certificate. In 2022, following another update of the criteria, Daikin Türkiye successfully completed the 3rd stage within the framework of the revised standards and was granted a "Bronze" level certificate in November. Daikin Türkiye, one of the two subsidiaries that attained the highest score in the 3rd stage involving 14 Group Companies across Europe, was granted the "Bronze" level certificate for achieving the highest score among these companies. For the 2024 assessment, efforts are currently being directed towards enhancing energy management activities, refining the data collection approach, optimizing waste management practices and further advancing sustainability measures, all with the aim of attaining the higher "Silver" level certification.



Certification

Platinum : 95 points or more
Gold : 90 points or higher and lower than 95 points
Silver : 85 points or higher and lower than 90 points
Bronze : 75 points or higher and lower than 85 points

Aligned with Daikin's global environmental standards, the Hendek Production Facility embraces an eco-conscious and socially responsible approach starting from the manufacturing phase. Daikin strives to manufacture all its products within environmentally conscious facilities, implementing a strategic and systematic approach to steadily diminish its environmental and societal footprint. Embodying this objective as a guiding ethos, Daikin Türkiye effectively demonstrates its dedication to curbing GHG emissions and fostering sustainable societal connections through the attainment of the "Green Heart Factory-3rd Stage" certification.

Water Management

Daikin Türkiye places great importance on responsible water management and adopts a holistic approach toward this vital resource. The company recognizes the importance of water conservation and aims to minimize its

water footprint throughout its operations. Daikin Türkiye's water management strategy includes assessing water risks, implementing efficient water use practices and actively seeking innovative solutions.

Water Consumption by Year (m³)

	Water Source	FY20	FY21	FY22
Water Consumption	Mains	14,525	13,912	8,938
	Groundwater	70,200	66,746	75,714
Water Discharge	Municipal Waste Water Treatment	84,725	80,658	84,652

Reuse of Water Used in Combi Boiler Test Stations

The project implemented at the Auxiliary Enterprises location aimed to reduce water consumption by repurposing wastewater from the combi boiler test stations. The water recycling system designed within this context effectively reduces water consumption by stabilizing water pressure and recovering wastewater from combi boiler test stations. Thanks to the project, water consumption dropped from 1,800 tons/year to a mere 50 tons/year. **This led to a water savings of 1,750 tons per year, resulting in a water saving rate of 97.22%.**



Gray Water Project

In February 2022, a gray water system was installed in the sink and rainwater lines within the Headquarters Building. Thanks to this installation, sink and rainwater are collected and reused in drains and for garden irrigation. With the gray water system installation, a total of 219 m³ of water has been recovered by the end of May 2023.



Waste Management

Recognizing the significance of effective waste management, Daikin Türkiye actively advocates responsible practices encompassing recycling, source reduction and safe disposal methods, all aimed at securing a sustainable and healthy global future. Daikin Türkiye Headquarters, Academy and Hendek locations adhere to a responsible waste management model, operating under the principles of the **Zero Waste** certification. The company raises awareness through the use of waste sorting units, visual aids and internal training programs. Annual agreements are signed with waste recycling companies, and waste is regularly transported to these contracted firms at designated intervals to ensure recycling.

Reusable packaging is used for raw material acquisitions to minimize packaging waste in the production processes. Electronic devices that have reached the end of their lifecycle within the organization are disposed of in compliance with the Information Security Management System. By altering the chemicals used in the treatment plant, Daikin Türkiye achieved a reduction in hazardous waste and improved the efficiency of treatment sludge reduction. Furthermore, the elimination of the cataphoresis coating stage in the dyeing process prevented the formation of sludge.

A total of 4.5 tons of wastes have been recycled in 2022.

These data were received from Zero Waste Information System.

Oil Savings
3,538 lt

Trees
31

Raw Material Recovery
1.1 tons

Mixed Waste (Plastic, Wood, Metal, Paper)
4.5 tons

GHG Emissions
438 kg

Water Savings
52 m³

Storage Area Saving
10 m³

Energy Savings
15,681 kWh

GRI 3-3, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4



Waste Values by Years (tons)

Waste Values	FY20	FY21	FY22
Hazardous Waste	114	42	49
Non-Hazardous Waste	3,495	4,215	4,522
Total	3,609	4,257	4,571

Waste Battery Collection Project

Through the protocol signed between Daikin Türkiye and the Association of Portable Battery Manufacturers and Importers Commercial Enterprise (TAP), waste battery training was provided to 431 Daikin employees across the Adana, Ankara, İstanbul, and İzmir. Despite the initial goal of collecting 4,000 batteries set at the outset, **a total of 18,764 batteries were collected.** By collecting this substantial number of batteries and preventing their release into the environment, an estimated 120,000 tons of soil and over 10 million m³ of drinking water have been safeguarded from potential pollution.

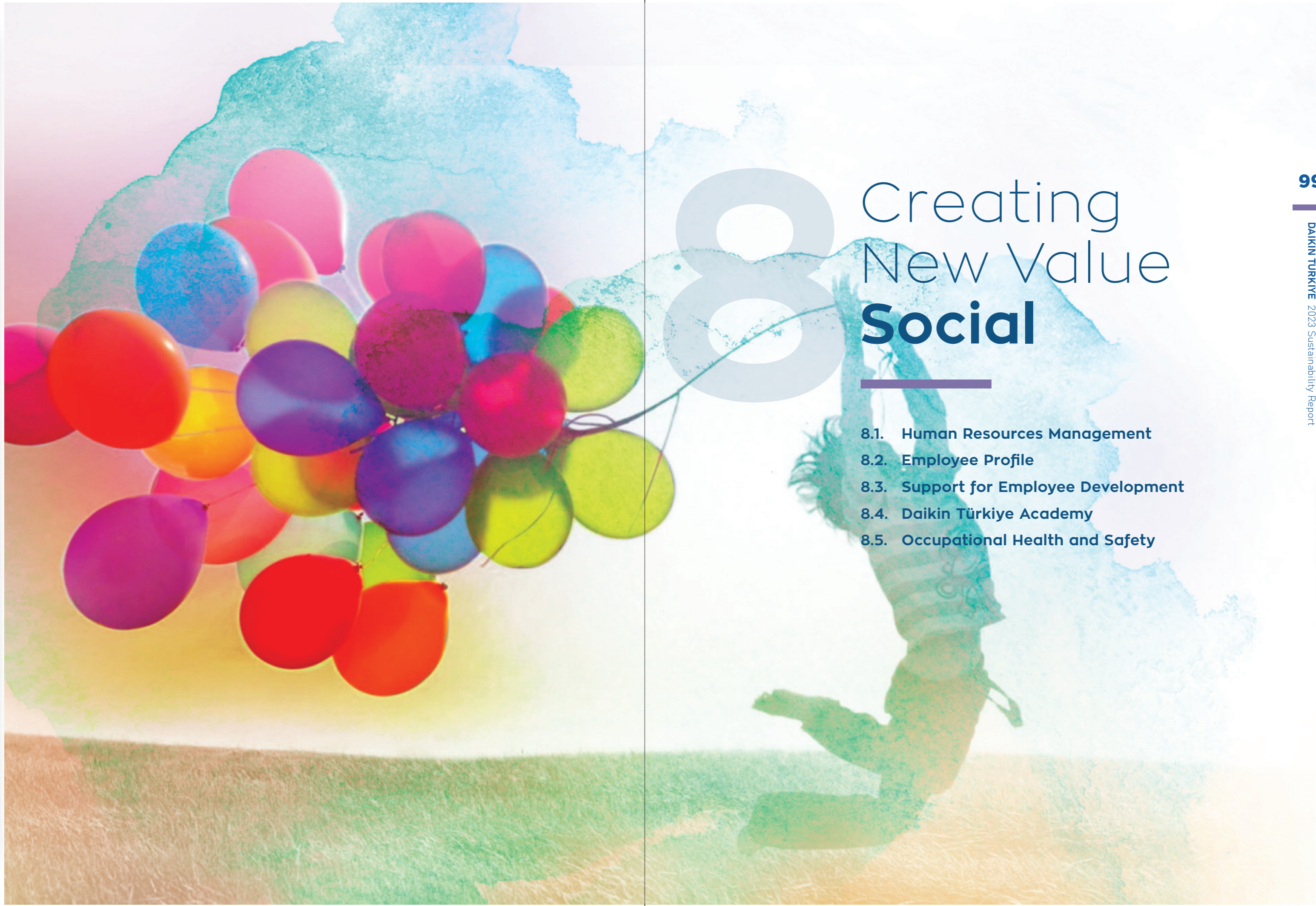
doğanın pili bitmesin

ATIK PİLLERİNİZ ÇÖP DEĞİLDİR GERİ DÖNÜŞEBİLİR LÜTFEN AYRI TOPLAYIN

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND



8

Creating New Value Social

- 8.1. Human Resources Management
- 8.2. Employee Profile
- 8.3. Support for Employee Development
- 8.4. Daikin Türkiye Academy
- 8.5. Occupational Health and Safety

Human Resources Management

Daikin Türkiye is committed to fostering an environment that nurtures employee enthusiasm and unlocks their full potential for optimal productivity. This commitment is underpinned by a corporate governance culture aligned with the company's growth objectives. The Daikin Türkiye F-25 Human Resources Strategy is geared towards enhancing employee competencies and positioning the company as one of the most preferred employers. To this end, the company has identified various sub-strategies. These include sustainable talent management, enhancing the employee value proposition, aligning performance measurement with strategic goals, investing in employee experience, shaping and expanding corporate culture, reinforcing vision and purpose-driven leadership, fostering a strong green culture, restructuring the employee development process and fortifying people-oriented leadership competencies.

Daikin Türkiye considers the development of its employees as a high-priority topic and acts with an understanding rooted in respect for people in the business world. The company's approach, which embraces respect for human rights, strictly prohibits child labor and ensures adherence to all applicable laws and regulations. Daikin Türkiye upholds a non-discriminatory stance within its workplaces, promoting diversity and inclusion by rejecting discrimination based on factors such as age, race, ethnicity, religion, language, gender,

sexual orientation, nationality, and disability. The company opposes any form of harassment or threats of violence, taking proactive measures to address ethical violations and ensuring a safe and respectful work environment. Always prioritizing equal opportunities, Daikin Türkiye has established a Procedure on Preventing and Addressing Gender-Based Harassment and Violence in workplace.

At Daikin Türkiye, labor-management relations are evaluated in accordance with all universal rights. There is no differentiation whatsoever in terms of working conditions or employment termination between workers who are union members and those who are not, or among workers who belong to different trade unions. In FY22, at the Daikin Türkiye Hendek Production Facility where a Collective Labor Agreement ("CLA") is in place, 70% of the workforce (1,037 employees) were employed under the terms of the CLA.

Daikin Türkiye employs a strategically planned recruitment process, tailored to the specific requirements of each position. During this process, Daikin Türkiye partners with diverse online job posting platforms to identify optimal candidates through a range of selection techniques. The company also leverages its internal job posting system and works in collaboration with consulting firms to tap into a wide pool of candidates, conducting thorough evaluations to pinpoint skilled and suitable applicants.

GRI 2-19, GRI 2-20, GRI 3-3, GRI 406-1, GRI 408-1, GRI 409-1

SUPPORTING YOUNG TALENTS

Daikin Türkiye achieved a significant milestone in education and collaboration by initiating the CO-OP (Cooperative Education) project in February 2023, as part of the partnership established with Yıldız Technical University. Within the scope of this project, students from Yıldız Technical University are placed in roles within Daikin Türkiye in ac-

cordance with their undergraduate major and the impact of their in-company performance on their academic achievements is evaluated throughout the semester. Consequently, this initiative not only mentors young talents, fostering their personal and professional growth, but also facilitates their transition into the business environment.

Employee Support Program

Dedicated to providing comprehensive support to its employees, Daikin Türkiye introduced the AVİTA project in August 2022. AVİTA offers a range of free services to Daikin Türkiye employees and their immediate family members, including psychological support, health guidance (office ergonomics, healthy nutrition advice, newborn care, etc.), financial information, technological assistance, veterinary consultation, home and garden plant advice, and social life services. The program, which has benefited 341 Daikin Türkiye employees since its initiation, continues to provide uninterrupted services.



CHATBOT / Explore with Tenki



Tenki, an AI-powered internal communication platform, was developed to provide 24/7 quick responses to employees' fundamental inquiries. Tenki contributes to ensuring the accurate execution of operations and adherence to organizational rules within Daikin Türkiye. Employees can conveniently obtain immediate answers regarding topics like leave, services, food, and healthcare. Since its installation, Tenki has been accessed 4,494 times and received a total of 3,401 messages, demonstrating an AI match rate of 75.6%.



PRACTICES FOR EMPLOYEES

In collaboration with the Great Place to Work (GPTW) institute, a series of initiatives were launched based on the biennial corporate culture survey results, aimed at aligning with employee satisfaction levels and enhancing the workplace environment. The survey, conducted on a voluntary basis without any seniority requirements and with a focus on confidentiality, garnered responses from a total of 914 Daikin Türkiye employees. The questionnaire revolved around the GPTW Model's pillars of "Reliability, Respect, Fairness, Pride, and Team Spirit", and the outcomes were openly shared throughout the organization. Furthermore, as part of the GPTW initiatives, an internal suggestion system was established, enabling the formal monitoring of employees' ideas and expectations through a structured process. The GPTW survey results have catalyzed changes in various processes including feedback mechanisms, wage management and performance evaluation within the organization.

Employee-specific applications such as the HR Portal, DaikinGo, and DaikinMobile have enriched internal communication activities, offering increased flexibility and enhancing overall working experiences for employees.

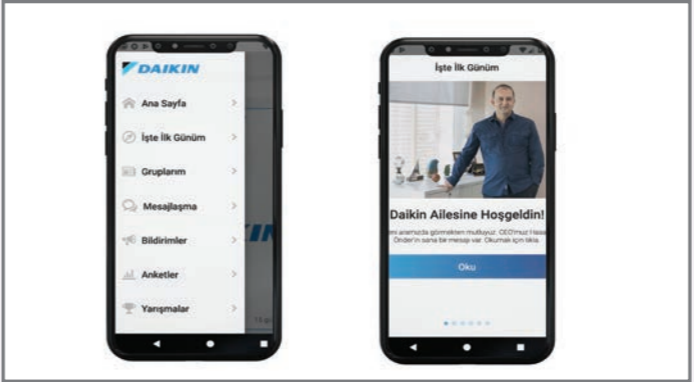
Daikin Türkiye fosters diverse experiences for both its employees and the community by engaging in a variety of events and sponsorships.



The Travel Club organizes events in and outside İstanbul. (Mardin Trip, 2022)



The Running Club, established to promote sports and a healthy lifestyle, has actively participated in various running events, including the 18th İstanbul Half Marathon.



Emphasizing "dialogue" style communication with its entire ecosystem, Daikin Türkiye introduced the web version of the Daikin Mobile platform in FY23, encompassing 2,500 blue-collar, white-collar, dealer, and service provider employees. For FY24, the goal is to transition all internal communication activities from the intranet to the Daikin Mobile platform.



The Daikin Kids Club organized a delightful event on April 23rd, bringing together the children of employees for a memorable gathering at the Air Conditioning Experience Center.



The Theater Club provides employees with the opportunity to engage in theater training led by a professional instructor. Preparations are currently underway for a theater play in which employees will take the stage, scheduled for November 2023.

Additional events organized in FY22 encompassed the Half1 Closing Party, Daikin Picnic, motivational gatherings, and Heart to Heart Coffee Talks sessions. Daikin Türkiye regu-

larly organizes events designed to elevate employee satisfaction by fostering personal growth and strengthening social ties.



Half1 Closing Party



Daikin Türkiye Picnic, Hendek, Sakarya

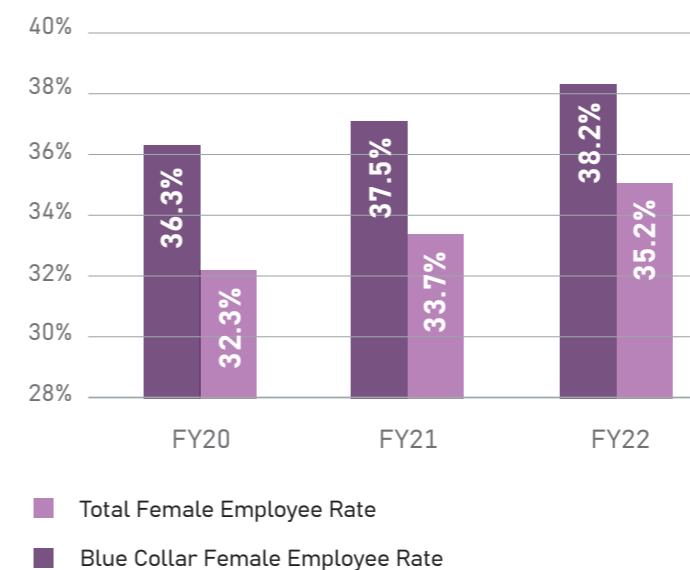


Daikin Türkiye Picnic, İstanbul

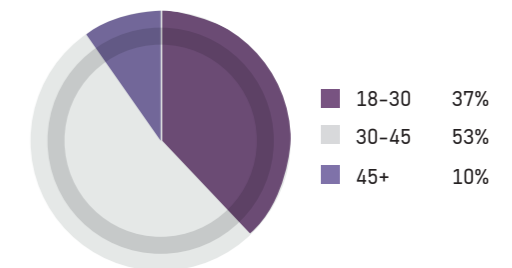
Employee Profile

Daikin Türkiye upholds the values of equal opportunity and inclusivity across all facets of the organization. The company aims to enhance women's representation in the workforce and ensure equal opportunities for all employees in line with its commitment to gender equality. Specific measures have been implemented to elevate the percentage of female employees, leading to tangible results. For example, the representation of female employees at Daikin Türkiye rose from 33.7% in 2021 to 35.2% in 2022. Aligned with future objectives, the company plans to elevate the overall percentage of female employees to 45%. Daikin Türkiye is committed to ensuring equal opportunities for the inclusion of persons with disabilities in the workforce and implements proactive measures to foster their participation. Information and graphs regarding the employee demographics of Daikin Türkiye in FY22 are provided below.

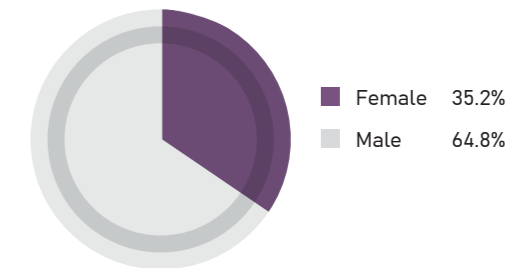
Daikin Türkiye Female Employee Rate



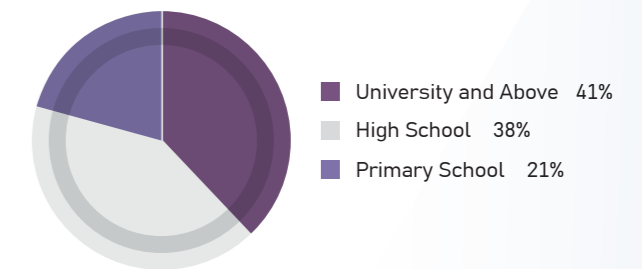
Employees by Age Groups



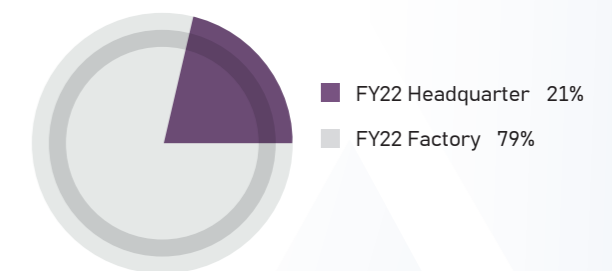
Breakdown of Employees by Gender



Employees by Education Level



Total Employees



Support for Employee Development

Daikin Türkiye employs a strategic approach to guide talent management processes and career development, fostering the personal and professional growth of its employees. The company's vision revolves around empowering employees to maximize their potential while ensuring equal opportunities for all. The diverse talents, ideas, and experiences of employees are regarded as a wellspring of strength driving the company's success. Daikin Türkiye adopts a zero tolerance policy against any acts of discrimination or harassment and commits to the principle of respect for human rights as set out in the Universal Declaration of Human Rights.

Daikin Türkiye prioritizes employee satisfaction, recognizing its pivotal role in fostering the ongoing development of its workforce. The company follows a comprehensive Career Management Procedure to oversee all aspects of talent management processes. The procedure involves collecting data on employees' strengths and areas for improvement through evaluation processes like employee performance assessments and 360-degree competency assessments using the Balanced Score Card (BSC) framework. Based on this data, career maps are established, and persona development plans are formulated. The outcomes of these procedures, overseen by the Human Resources Department, are communicated to the CEO and respective department managers.

Daikin Türkiye Academy

Established in 2013 with the vision of becoming the pioneering and leading academy in the sector by training people who research, produce, create value and are responsible, Daikin Türkiye Academy aims to help the development of success-oriented, ethical, well-equipped and future-ready professionals.

The Academy's Executive Board operates on a structured framework designed for systematic transformation. Being a crucial aspect of the learning organization culture, manager involvement in training activities is integral to designing development initiatives not only for employees but also for the entire company's benefit.

Daikin Türkiye Academy strategically plans its activities, aligning them with long-term strategies and overseeing their execution on a monthly, quarterly, and annual basis. The Academy's main strategies for 2022 were shaped under the following 4 themes:

- Enhance the current and potential development of employees.
- Improve the quality of the sector's workforce.
- Implement pioneering, innovative and environmentally friendly practices.
- Spread Daikin's success stories and contribute to promoting its philosophy.

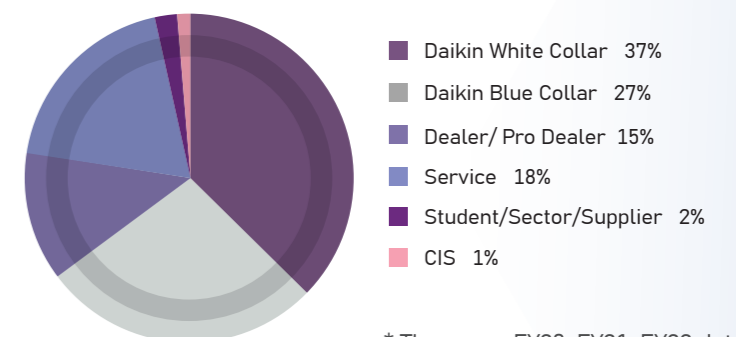
Daikin Türkiye Academy not only emphasizes internal training but also strives to make val-

uable contributions to its business partners and the local community. Additionally, the academy coordinates initiatives like social responsibility projects, environmental initiatives, and awareness-raising campaigns to enhance the well-being of the community. The Academy raises the quality of the sector and produces innovative solutions for the future.



The Academy offers a range of training programs, including Leader Development, Foreman Development, Sales Team Development, Dealer Development and Internal Trainer Development to cater to various professional growth needs. In FY22, 80% of these trainings were delivered by internal trainers.

Stakeholders Participated in Trainings



* These are FY20, FY21, FY22 datas.

	FY20						FY21					FY22				
	Number of Trainings	Number of Participants	Person* Hour	Share	NTS		Number of Trainings	Number of Participants	Person* Hour	Share	NTS	Number of Trainings	Number of Participants	Person* Hour	Share	NTS
Daikin White-Collar	135	1,495	4,284	27%	62%		172	4,071	14,123	32%	70%	191	2,493	14,955	25%	72%
Daikin White-Collar_E-Training	-	-	-	-	-		-	-	-	-	-	41	168	485	5%	-
Daikin Blue-Collar	329	2,019	6,772	67%	-		253	1,743	10,725	47%	-	299	2,220	13,637	38%	46%
Dealer/Pro Dealer	6	184	380	1%	36%		36	515	1,074	7%	66%	114	2,533	10,477	15%	79%
Service Providers	23	970	3,310	5%	83%		55	1,031	11,268	10%	89%	86	1,987	16,639	11%	92%
Students/Industry/Suppliers	1	120	120	0.2%	-		7	75	1,309	1%	87%	24	259	2,764	3%	89%
CIS	-	-	-	-	-		14	112	1,370	3%	-	17	214	4,986	2%	91%
Social Responsibility Projects	-	-	-	-	-		-	-	-	-	-	5	38	292	1%	100%
Total	494	4,788	14,866	100%	60%		537	7,547	39,869	100%	78%	777	9,912	64,235	100%	81%

DEALER, DISTRIBUTOR AND SERVICE PROVIDER TRAININGS

Apart from enhancing technical and product knowledge for external stakeholders, the Daikin Türkiye Academy also conducts training programs focused on creating a positive initial impression, establishing trust and honing sales skills for effective communication with customers and decision-makers.

In FY22, the “You Smile First” training was introduced for Service Provider Secretariats, vital contributors in delivering comprehensive and prompt service with a customer-centric approach, emphasizing customer satisfaction as a top priority. In this training, the focus is

on enhancing customer communication skills and honing persuasive abilities. The program was conducted through 11 stages across 7 different provinces in Türkiye, delivering a total of 1,295 person*hours of training. 259 people participated in the training.

Within the scope of stakeholder awareness, the Quality and Sustainability Section Manager conducted a total of 518 person*hours of awareness training to service secretariats, covering topics such as Daikin brand awareness, environment and sustainability.



Pro Dealer Trainings, Çukurova Region



Sustainability Training, Service Provider Secretariat, Aegean Region

TRAININGS FOR THE INDUSTRY

Institute İstanbul İSMEK Technical Trainings

Daikin Türkiye provided training sets and instructor support to the Institute İstanbul İSMEK launched in 2018. In May 2022, the Daikin Türkiye Technical Department collaborated with the Institute İstanbul İSMEK İstanbul Art and Vocational Training Courses to deliver technical training sessions on cooling principles, air conditioning principles, and systems to individuals seeking to acquire vocational skills. These trainings, conducted over a span of 6 days with 30 participants, aimed to contribute to the sector by equipping the participants with skills.

Content Support for the Curriculum Preparation and Technical Trainings of the Ministry of National Education

During the months of May, June, and September 2022, Daikin's internal trainers offered technical training sessions for vocational high school teachers within the Academy's training halls. A total of 1,914 person hours of training was provided to 46 participants.



Vocational High School Branch Teachers, MEB METEK Cooling Systems Training, Daikin Türkiye Academy Location

Trainings for Employees

The fundamental principle that guides Daikin Türkiye's operations is the philosophy of "People-Oriented Management". This philosophy centers around the boundless potential of individuals, grounded in the conviction that the advancement and growth of every employee serve as the cornerstone of the company's progress.

With this understanding, every employee is empowered to foster their personal growth and unleash their potential, thereby contributing to the fortification of the organization. Daikin Türkiye places significant emphasis on capturing the perspectives of both internal and external customers, including unspoken insights, as a crucial objective when crafting training programs through its corporate academy. This approach aims to align individual employee development with the organization's overarching goals.

"A New Me Leader Development Program"

Daikin Academy bolsters a comprehensive approach to company management through its "A New Me Leader Development Program" initiated in 2021. The program includes annual leadership training sessions for executives.

The Leadership Development Program fosters leadership competencies at all tiers,



facilitating a seamless transition towards a "High Trust Culture". This program is designed to facilitate the transformation of the leadership climate by taking strategic steps.



A New Me, Leadership Training

The **Mentoring Program** was initiated in FY22 to foster employee development and maximize their potential, thereby ensuring the effective execution of corporate strategies. This program is centered around the exchange of accumulated experiences and the enhancement of skill-building.

The Academy is dedicated to crafting **Development Programs** that emphasize Strategy and Innovation, prioritizing crucial shifts like fostering a culture of continuous learning.



Design-Based Learning, Workshop Hendek Production Facility

The Factory Maintenance Department Competency Development Program was launched based on training topics identified from a needs analysis conducted in FY21. Its

purpose is to elevate employee competencies, streamline machine maintenance and repair processes and enhance operational efficiency by reducing working time.

EXAMPLES OF OTHER LEARNING AND DEVELOPMENT INITIATIVES

- The Information Technologies Department organizes **"Tech Talks"** to disseminate insights and viewpoints about emerging technologies, fostering a greater grasp of new advancements and promoting smoother integration with evolving trends.
- The **"Book Club"** seeks to encourage social interaction and in-depth discussion of books as well as reading, an important part of development.
- In response to the earthquake, basic-level **"Earthquake Awareness"** online training sessions were conducted to enhance public awareness about emotions such as fear, anxiety, concern, shame, and guilt commonly experienced in such situations.
- As part of the **"Well-Being Journey"** initiative, a series of seminars and training sessions were scheduled at regular intervals throughout the year to enhance the psychological resilience of employ-

- ees, aiming to safeguard their physical, mental, and emotional well-being.
- The **"A New Route for Digital Trainers"** development program was implemented to equip trainers with new competencies in an increasingly digitized world. A training catalog was created in cooperation with internal trainers and professional asynchronous training videos were shot. This approach offers participants the flexibility to access trainings at their preferred time and pace.



Trainer Development Programs at Hendek Production Facility

Daikin Türkiye continues its investments in human resources. During the period from November 2021 to June 2022, two trainer candidates successfully accomplished the one-year training process as part of the 12th

Global Talent Trainer Development Program initiated by Daikin. These candidates further completed the local trainer process, focusing on the maintenance and welding departments.



Mümine Kurt, Brazing, Local Trainer



Tahir Çerlek, Maintenance, Local Trainer

Following successful completion of training from January to March 2023, an internal trainer who currently serves as a local trainer within the factory was awarded the title of Regional Trainer, granting authority to conduct training sessions across Europe.



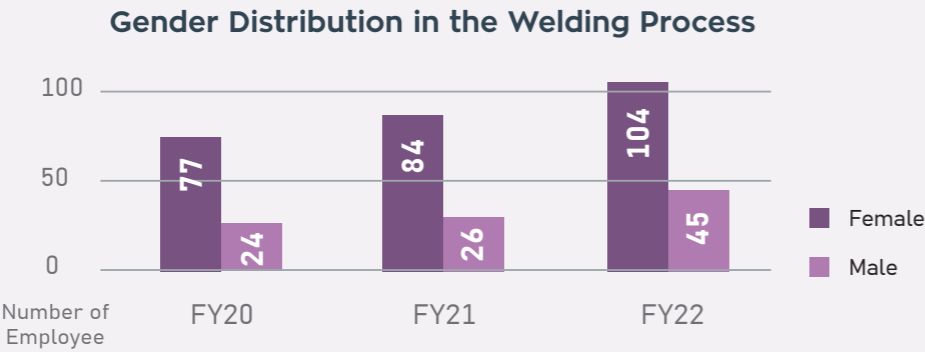
Daikin Türkiye Fevzi Demir, European Regional Trainer Certificate



Initiatives to Enhance Female Workforce Engagement in Production

As a result of Daikin Türkiye's commitment to promoting women's employment, the count of female employees engaged in the welding process at the Hendek Production Facility has shown a consistent annual rise.

In comparison to the previous period, there was a 23% increase in the count of women employed in the welding process during FY22, constituting 70% of the overall workforce within that process.



Daikin Türkiye takes great pride in the daily accomplishments of its female welding operators who represent the company at the Daikin Talent Olympics.



Ümrân Açıkıllı being awarded 1st prize and Zümre Tuncel being awarded 2nd prize in the European Welding Talent Competition, Belgium, September 2021



Beyzanur Seçim being awarded 1st prize and Aysun Poyrazoğlu being awarded 2nd prize in the European Welding Talent Competition, Czech Republic, September 2022



Welcome to Daikin Industries Czech Republic
EMEA Skill Olympics



Beyzanur Seçim being awarded 3rd prize and Aysun Poyrazoğlu being awarded 5th prize in the Global Welding Talent Competition, Japan, February 2022

DOJO AREAS AT DAIKIN TÜRKİYE

Daikin Türkiye initiated the customized Dojo areas project in November of FY22, aiming to enhance the practical skills and application capabilities of both new and existing employees through factory training. As the number of production lines and personnel at the factory continues to grow, training

and development activities have become increasingly significant.

Daikin Türkiye Dojo (Training Center) Project aims to enhance the capacity of current training facilities and refine training content. The project aims to centralize all ed-

1	OHS (Occupational Health and Safety) Dojo: Occupational safety, energy efficiency and environmental awareness trainings
2	PDS (Production of Daikin System) Dojo: Practical and theoretical training sessions for Kaizen PDS
3	Manufacturing Dojo: Basic skills and orientation trainings
4	Quality Dojo: Quality control processes
5	Brazing Dojo: Brazing trainings
6	Maintenance Dojo: Practical applications
7	Karakuri Dojo: System information that does not require the use of energy or additional power
8	Mold Maintenance Dojo: Practical training for employees and mold maintenance/repair training

ucational activities within a single area and adopt a comprehensive approach. These areas, established with the “Learn by Applying” principle at Gemba, enhance learning effectiveness through their comprehensive content. Furthermore, the Daikin Türkiye Dojo stands out as the sole training center in Europe that offers unified on-the-job training for newcomers, white-collar staff and participants from supplier companies within a single facility.

According to the project outputs; a total of 8 dojos and 2 workshops were established.

Trainers specializing in the Brazing and Maintenance category actively participate in the Talent Olympics organized within the Daikin Group.



Dojo Training Center, Hendek Production Facility, November 2022

Dojo Training Area Opening Ceremony

DAIKIN TÜRKİYE'S KAIZEN SYSTEMATIC

Daikin Türkiye conducts Factory Improvement Activity Presentation events as part of its Kaizen initiatives, facilitating the sharing and continuity of successful practices throughout the entire facility. Using Improvement Suggestion Forms, employees have the opportunity to provide suggestions related to topics such as occupational safety, quality enhancement, productivity improvement, cost reduction, environmental impact and energy efficiency.

DAIKIN PRODUCTION SYSTEM, PDS KEY PERSON DEVELOPMENT PROCESS

To promote the PDS philosophy and enhance Kaizen initiatives, the factory implemented the **PDS Key Person System** in December 2019.

The development of the PDS Key Operator System aimed to establish sustainable factory-wide Kaizen initiatives and standardize processes. While actively engaged in their roles on existing production lines, PDS Key Operators take the lead in driving Kaizen initiatives, forming teams and preparing relevant Kaizen documentation.



Kaizen Presentation, Hendek Production Facility

DAIKIN TÜRKİYE'S GLOBAL KAIZEN SUCCESS

The **W-MIPS (World/Wisdom Monozukuri Improvement Providing Site) Global Kaizen Sharing Site** was established to facilitate the dissemination of Kaizen studies conducted within Daikin's production facilities among various factories. The W-MIPS committee members evaluate Kaizen projects submitted by all companies to Daikin Japan, and sugges-

tions that meet the criteria for ideas and content are then shared on the relevant site.

Daikin Türkiye was acknowledged by Daikin Japan for its outstanding performance, having achieved the highest number of Kaizen projects, totaling 33, in FY21.

In FY22, it regained the title of the factory that sent the most Kaizen projects with 28 projects.



W-MIPS Award, 2022

Occupational Health and Safety

Daikin Türkiye has implemented an Occupational Health and Safety (OHS) Management System across its locations, with a steadfast commitment to achieving a **"Zero Accident"** goal throughout all workplaces. Within this framework, regular OHS risk assessments are carried out, and appropriate safety measures are implemented. Improvements were made with the goal of establishing a conducive work environment, aligning with the Occupational Health and Safety Policy. Consequently, the accident frequency rate witnessed a reduction of 39% when compared to the figures from 2021. In addition to conducting yearly in-

ternal and external audits, a consistent series of trainings and safety tours are organized to actively pursue the objective of achieving the "zero accident" goal. Activities are carried out to foster a healthy work environment through a range of initiatives, encompassing training programs like Work at Height, OHS Specialization, Operator, First Aid, Fire and Search and Rescue, all of which are conducted at the Academy and Dojo Areas. Daikin Türkiye prioritizes OHS as a crucial element for both its employees and stakeholders, with OHS criteria playing a significant role in supplier evaluations and labor contracts.

"I Have a Suggestion" Competition

In May 2022, within the scope of OHS Week, a contest titled "I Have a Suggestion" was organized at the Hendek Production Facility. The competition saw active employee participation, resulting in the submission of 130 suggestions related to OHS. A jury comprising senior management and executives from the factory assessed the 20 notable proposals from the competition and the top 4 employees were recognized and awarded for their contributions.



First Aid, Fire and Evacuation Training at Hendek Production Facility, June 2022

There are three OHS Boards at Daikin Türkiye. These boards consist of representatives from the employer, OHS specialists, workplace physicians, employee representatives, and subcontractor representatives. In the event of an accident, the OHS Board provides a detailed report of the incident to the senior management and the OHS officer at Daikin Japan. Furthermore, annual OHS meetings are arranged to enhance safety measures.

No fatal accidents occurred during Daikin Türkiye's operations in both FY21 and FY22. Accident statistics, including parameters such as accident frequency rate and accident severity rate, are shared on a fiscal year basis. The relevant tables can be found in the Social Performance Indicators section.



Creating New Value **Benefit to Society**

- 9.1. Benefit to Society
- 9.2. Women Support Projects
- 9.3. Clean Air Ambassadors

Benefit to Society

In addition to its business operations, Daikin Türkiye strives to contribute to a more sustainable future by fulfilling its environmental and social responsibilities. As a sector leader, Daikin Türkiye places significant emphasis on reducing carbon emissions and enhancing environmental awareness among individuals. As outlined in the Daikin Türkiye **Ethical Values Guide**, a primary objective of Daikin Türkiye is to contribute value to the environment and society. Accordingly, the company carries out CSR (Corporate Social Responsibility) projects.

The After Sales Services, Academy, and Corporate Communications teams jointly manage Daikin Türkiye's CSR projects, with the

mission of serving as ambassadors of Japanese culture in Türkiye. Within this framework, the goal is to make social contributions that reach various segments of society. Daikin Türkiye also engages in supporting art events, aiming to act as a cultural ambassador through its various activities. For example, Daikin Türkiye sponsored a special screening of the film "The Great Passage" by renowned Japanese director Ishii Yuya during the "İstanbul Japanese Film Festival", which was organized in collaboration with Kenichi Kasahara, the Consul General of Japan in İstanbul. A gala night was organized with the participation of Daikin Türkiye management and stakeholders.



"The Great Passage" Movie Screening, October 2022

BUSINESS AND HUMAN RIGHTS (B+HR) PROJECT

Türkiye's Human Rights Action Plan strives to formulate domestic guidelines for labor and employment, incorporating the UN Guiding Principles on Business and Human Rights, and to conduct initiatives that enhance awareness and understanding of these principles within the realm of work and working life. The project aims to establish human rights-oriented policy-making procedures aligned with the UN Guiding Principles on Business and Human Rights, foster business operations that prioritize human rights and these principles, and engage stakeholders in ongoing monitoring of these processes.

To this end, an awareness training and mentoring initiative was developed in collaboration with **the United Nations Development Program (UNDP)** and **the Government of Japan** during the fiscal year 2022. The trainings were organized under the ownership of the Legal and Compliance Department with the participation of relevant managers, the company's Board of Directors and supplier representatives.

Daikin Türkiye provided "Business and Human Rights: Supporting Responsible Business Behavior in Türkiye" training to its suppliers in April 2023. Daikin Academy plans to continue to provide training programs for suppliers in 2023.

Daikin Türkiye extended its support for women in sports by becoming the jersey sponsor of the Galatasaray Women's Volleyball Team.



Galatasaray Women's Volleyball Team, Daikin Jersey Chest Sponsorship Signing Ceremony, October 2022

Air Conditioning Laboratories Project

Daikin Türkiye signs long-term training protocols with educational institutions to contribute to the growth of the sector and foster skilled young professionals entering the industry nationwide. To achieve this goal, Air Conditioning Laboratory Projects are undertaken, incorporating Daikin technologies and products, and are supplemented by expert trainers. Work is underway to establish a total of 5 laboratories by the year 2025.

Year Air Conditioning Laboratories

2020	Pendik Borsa İstanbul Vocational and Technical Anatolian High School
2021	Aliğa Habaş Hamdi Başaran Vocational and Technical Anatolian High School
2022	Manisa Celal Bayar University, Hasan Ferdi Turgutlu Faculty of Technology



Manisa Celal Bayar University, Laboratory Opening



Women Support Projects

SAKURA WOMEN ENTREPRENEUR SUPPORT PROGRAM

In 2014, Daikin Türkiye pioneered and supported the **Sakura Women Entrepreneur Support Program**, a pioneering initiative in the sector, launched in cooperation with K0-SGEB (Small and Medium Enterprises Development Organization) and KalDer (Turkish Quality Association).

The program aims to empower women entrepreneurs to establish their own businesses in the air conditioning sector. A platform has been established



to empower women entrepreneurs to showcase their talents and bring their successful business projects to life. The project also aims to foster sectoral growth and foster the emergence of business models with the potential to generate positive social impact.



ZETA İklimlendirme Mühendislik San. Tic. Ltd. Şti.

The Sakura Women Entrepreneur Support Program has been a significant contributor to the endeavor of establishing a robust and impactful presence of women in the business world while also enriching the business landscape with added value. In 2018, the program earned recognition by receiving the "TEGEP Grand Prize for Development Project Making a Difference in Social Contribution" in the Learning and Development Awards held by TEGEP (Turkish Education and De-

velopment Platform). This acknowledgment highlighted its comprehensive support for women entrepreneurs, encompassing training, economic assistance, and consultancy services. An additional significant aspect of the program is Daikin Türkiye's commitment to covering the operational costs of workplaces owned by recent university graduates who are women entrepreneurs and demonstrate environmental and social awareness for a duration of 3 years.

As of 2022, a total of 16 women entrepreneurs has been actively engaged in various business operations across 6 different provinces, encompassing Ankara, Adana, İzmir, Antalya,

Bursa, and İstanbul. In pursuit of the “One Daikin” approach, new strategies/initiatives are being devised to enhance the skill set and augment the presence of female sales representatives within premium dealers.

SAKURA WOMEN TECHNICIAN PROGRAM



Inspired by the social impact of the Sakura Program, Daikin Türkiye is committed to fostering women's engagement in the business arena through the “Enhancing Female Workforce Awareness” initiative, which in-

cludes the pioneering “**Sakura Women Technician**” business model introduced in 2017, setting a precedent within the air conditioning sector.



The objectives of the project are as follows:

01

Support employment and equal opportunity for technicians, which is considered “men's work” in the air conditioning sector,

02

Allow women to be successful in fields other than those perceived as “women's professions”,

03

Help women develop their leadership, entrepreneurship and management skills,

04

Offer a choice of female technicians in line with consumers' expectations, • Be a role model for women in Türkiye through sustainable and profitable growth.



To ensure the program's sustained impact, a goal has been set for female technicians to transition into becoming “**Female Authorized Service Providers**” within their own workplaces following the training process.

The specialized program is designed to offer women candidates a comprehensive training experience, equipping them with the essential knowledge and skills required in the air conditioning sector, enabling their active participation in field services. The program encompasses a range of topics including Daikin's corporate values, ethical standards, business methodologies, industry-specific technical expertise, and training in areas like customer relationship management and occupational health and safety. Upon successful completion of the training and internship process, female candidates are offered the opportunity to work at Daikin Türkiye's designated service providers.

To ensure the program's effectiveness and sustainability, an annual workshop is organized for female technicians and service provider managers, fostering productive discussions among participants to address expectations and areas for improvement.

The technician from Daikin's Adana region, who successfully completed the training under the Sakura Women Technicians Project and established an authorized service, was honored with the “Best Performance” award at the Summit to Support Women Entrepreneurs, hosted by YAPDER (New Attempts Initiative Platform Association).

As of FY22, 14 female technicians have successfully completed their training and continue to work at their respective roles. Women who participated in the 8-day (64-hour) program received courses on the following topics:

- Theoretical and practical training for boilers and air conditioners
- Finance management training
- Communication, persuasion and influence management training
- A factory tour and training on the Daikin Production System (PDS) and welding training

In FY22, with the assistance of this program, Sakura Technicians in Adana and İstanbul successfully launched their own businesses.



İstanbul, Tuzla Sakura Technical Service Provider Opening, Halenur Doruk



Adana, Çukurova Sakura Technical Service Provider Opening, Ebru Karaörs

GLOBAL WOMEN TRAINEE PROGRAM

Since 2012, Daikin Türkiye has been implementing the Global Trainee Program, aiming to share its expertise with young candidates and provide them with opportunities to make meaningful contributions to the company. This program is an important part of Daikin's global business plan and an investment in the future. Accepted candidates of the Global Trainee Program are offered the chance to work across various Daikin Europe locations, aligning with their educational and career aspirations, and depending on the availability of suitable positions. This allows them to gain insights into various working methods, organizational structures, and interdepartmental dynamics across different countries.

During FY22, the program was designed as the **"Global Women Trainee"** initiative, targeting recent female graduates, and it has resulted in the employment of 2 "Global Women Trainees" in the Business Intelligence and Digitalization as well as Product Management departments at Daikin Türkiye. Two young female team members enrolled in the program will spend 6 months working at the DTAS office and, if appropriate roles emerge at Daikin Europe N.V., they will also have the chance to work in various countries for a designated period.



Clean Air Ambassadors



Believing in the significance of preserving our planet and instilling this consciousness in future generations, Daikin Türkiye initiated the **Clean Air Ambassadors** project, which seeks to heighten awareness among children aged 5 to 12 about clean air and climate change. Introduced in 2017, this initiative establishes specially designed clean air classrooms in rural schools. Daikin air purifiers are installed in these classrooms, creating a comfortable and clean environment for the children. Experts explain the topics of clean air and a clean environment in a fun and engaging manner, helping children understand the importance of the air they breathe in these classrooms. As part of the project, children are assigned as part of the "Clean Air Ambassadors" family. This approach instills a sense of responsibility in them, encouraging behaviors such as avoiding littering,

conserving water and energy and actively participating in actions that benefit society.

Since 2017, Daikin Türkiye has established Clean Air Classrooms in a total of 14 schools, achieving 10 classrooms by the end of the year while setting its 2022 target as 5. For the year 2023, the goal is to establish clean air classrooms in an additional 15 schools and to expand the number of Clean Air Ambassadors to 3,000 individuals by the year 2025. Under the umbrella of the Clean Air Ambassadors initiative, a character named TENKI, derived from the Japanese word for "air", was conceived and is still used in various internal projects.



Schools with Clean Air Classrooms:



Kocaeli/Gebze - Mudarlı Primary School, Ovacık Primary School, Kadıllı Primary School (2021)



Adana/Yüreğir - Gökçeli Primary School, Yenice Primary School (2022)



Mardin/Nusaybin - Yukarı Artuklu Primary School, Artuklu Çatak Primary School (2022)



Sakarya/Hendek - Tuzak Primary School, Dereköy Primary School, Hamitli Primary School, Kurtuluş Primary School, Dikmen Primary School (2022)



Diyarbakır/Bismil - Yukarıdarlı Primary School (2022)



Clean Air Ambassadors Classroom Opening

As part of the **2023 World Disability Week**, a new addition has been introduced to the "Clean Air Classrooms" openings through the the Clean Air Ambassadors Project. A fresh air classroom was inaugurated as an education-

nal space for children with special needs at the Beyazay Special Education and Rehabilitation Center. The fresh air classroom is furnished with educational materials catering to students from diverse disability groups.



İstanbul, Beyazay Special Education and Rehabilitation Center, Clean Air Classroom

10

Appendices

- 10.1. Daikin Türkiye's Achievements and Awards
- 10.2. Daikin Türkiye Committee Structures
- 10.3. Daikin Türkiye's Corporate Memberships
- 10.4. Environmental Performance Indicators
- 10.5. Social Performance Indicators
- 10.6. GRI Content Index
- 10.7. Contact

Daikin Türkiye's Achievements and Awards

2015

- Daikin Türkiye was recognized as one of "Türkiye's Super Brands" as announced by Superbrands Türkiye.
- Among the 17 countries under the umbrella of Daikin Europe N.V., the company honored with the "Academy Practices" award for its exemplary training initiatives within the Service Support sector.
- It was the only brand to receive an award in the durable goods category at the Effie Awards.
- Daikin Türkiye Hendek Production Facilities received the "Green Heart Factory" (environmentally friendly factory) Certificate from the Daikin Group.

2016

- Daikin Türkiye received the "Top Split Air Conditioner Exporter" award from İSİB in 2015.
- Daikin Türkiye's R&D team received the R&D Center certificate.

2018

- The "Sakura Project" won the "Best Project" award in the "Development Project Making a Difference in Social Contribution" category at TEGEF's Learning and Development Awards competition.
- At the "Ozone Panel" centered around the theme of "Energy Efficiency in the Air Conditioning Sector", hosted by the Republic of Türkiye Ministry of Environment and Urbanization, Daikin Türkiye was honored with two plaques of appreciation as a recognition of its significant contributions to the successful implementation of the "Hydrochlorofluorocarbon Termination Management Plan" project led by the Ministry of Environment and Urbanization.

2019

- In 2017, Daikin Türkiye, previously positioned at the Bronze "Green Heart Factory" level, advanced to the Silver level.
- The company received the "Top Split Air Conditioner Exporter of the Year" award presented by İSİB for the third consecutive time.

2020

- Daikin Türkiye became the first company in the sector to receive the "Zero Waste Certificate" in İstanbul.
- The "Combi Boiler Worth the Search" campaign earned a Silver Effie in the "Durable Goods-Small Domestic Appliances" category.
- At the Hendek Production Facility, solar energy contributed to over 18% of the electricity demand during the initial 3 months, resulting in a reduction of carbon emissions equivalent to the carbon sequestration of 26 thousand trees.
- At the İSİB Export Stars award ceremony in 2019, Daikin Türkiye achieved remarkable success by securing three awards: the top spot in the categories of "Top Split Air Conditioner Exporter" and "Top Air Handling Unit, Rooftop, Fan Coil, and Packaged Air Conditioner Exporter", and second place in the category of "Company with the Highest Export Volume".

2021

- In 2021, the company received the Quality Circle Award from KalDer Ankara, along with the Kaizen award.
- The company secured the top position in both the heating and cooling categories at The One Awards Integrated Marketing Awards, where the most prestigious brands of the year are selected.
- It rose from 129th place in the "R&D 250" ranking in 2020 to 111th.
- Daikin Türkiye has achieved a great success by winning the first prize in the cooling category at A.L.F.A. Awards.
- It ranked 81st in the TİM Exporters List.
- In Türkiye's Top 500 Industrial Enterprises Survey, the company advanced 41 places to secure the 111th position.
- At the İSİB Export Stars award ceremony in 2020, Daikin Türkiye achieved remarkable success by securing three awards: the top spot in the categories of "Top Split Air Conditioner Exporter" and "Top Air Handling Unit, Rooftop, Fan Coil, and Packaged Air Conditioner Exporter", and second place in the category of "Company with the Highest Export Volume".

2022

- Daikin Türkiye won the first prize in the Cooling Category at the A.L.F.A. Awards 2022 organized by Marketing Türkiye.
- The company ranked 93rd in the 2021 R&D 250 list.
- At the İSİB Export Stars award ceremony in 2021, the company secured the second prize in the "Company with the Highest Export Volume" category, as well as clinching the top spot in the "Top Split Air Conditioner Exporter" category.
- In 2022, the Daikin brand was recognized as a "Superbrand" in Türkiye, a recognition conferred based on the findings of research conducted by Nielsen.
- Daikin Türkiye achieved the top position in the Solution Service Contest hosted by Daikin Europe N.V., securing the first prize for its outstanding energy efficiency project.
- Daikin Türkiye secured the leading position within its sector in the 2022 list of the top 1,000 exporting companies published by TİM. It achieved a remarkable accomplishment by securing the 70th position in the overall ranking.
- Daikin Türkiye ranked 125th in the Fortune 500 Türkiye 2022 ranking.

Daikin Türkiye

Committee Structures

Committee Name	Committee Scope
OHS Board	This board identifies the operational protocols, responsibilities and powers of the OHS Board established for Daikin Isıtma ve Soğutma Sistemleri San. Tic. A.Ş. to manage OHS matters. It convenes to establish efficient work processes, foster innovation, maintain a sound organizational structure, enhance the well-being of employees, promote a healthier and safer work environment, and adopt proactive measures to enhance work performance while mitigating potential risks.
Daikin Recommendation Board	Daikin Türkiye encourages the active participation of its stakeholders in the processes pertaining to its activities and evaluates their recommendations. In this context, the company has a Recommendation Board that evaluates the feedback received, directs it to the relevant departments and monitors the implementation processes. The Recommendation Board, which consists of the team determined by the Human Resources and Corporate Communications managers from various departments, presents awards at the end of the year based on the established scoring criteria.
Sustainability Committee	The Sustainability Committee is the body responsible for the strategic management of sustainability issues covering the economic, environmental, social and governance areas throughout the company. Aligned with the strategies of Daikin and Daikin Europe N.V., the company's sustainability strategy and priorities are defined during the review meeting, subject to yearly assessments, and adjusted as needed. The committee oversees its existing sustainability processes, practices, and projects, it sets sustainability objectives and performance standards, while also maintaining consistent monitoring of performance to align with the defined targets.

Information Security Committee	The senior management of Daikin Türkiye bears the ultimate responsibility for executing and upholding the corporate governance and information security management system. The management and control of information security risks is part of corporate governance. Managerial responsibilities are assigned by Senior Management to authorized business owners and are carried out within the scope of ISO/IEC 27001:2013 Information Security Management System. Senior Management sets the overall strategic course by approving and enforcing information security principles. It assigns responsibilities for physical and information security to the Information Security Committee, which consists of 10 members and 8 advisors. The Information Security Committee is responsible for supporting and informing management on the implementation of security rules and controls.
PDPL Committee	Daikin Türkiye has a 13-member Personal Data Protection Committee, dedicated to advancing adherence to policies, procedures, pertinent legal regulations (such as the Personal Data Protection Law - PDPL), and contractual obligations pertaining to the safeguarding of personal data. The committee identifies personal data protection strategies and makes the necessary plans for the implementation of the said strategies. It provides information about the personal data protection system annually or as necessary and assesses the undertaken activities within the specified timeframe.
COVID-19 Business Continuity Steering Committee	Under the umbrella of the COVID-19 Business Continuity Plan, an Executive Committee has been instituted to oversee matters with the utmost representation within Daikin Türkiye. This committee periodically formulates and oversees fundamental decisions, including internal workflow, remote work arrangements and compliance with legal obligations.
Energy Management System Board	Daikin Türkiye facilities actively monitor operations aligned with the ISO 50001 Energy Management System. Continuous endeavors are undertaken to enhance energy efficiency, involving the tracking of energy consumption, meticulous data analysis, and active participation in initiatives aimed at fostering awareness of the Energy Management System.

Daikin Türkiye’s Corporate Memberships

- Air Conditioning Industry Exporters’ Association (İSİB)
- Cooling Industry Businesspeople Association (SOSİAD)
- Air-Conditioning and Refrigeration Manufacturers’ Association (İSKİD)
- Natural Gas Equipment Industrialists and Businessmen Association (DOSİDER)
- Heating Cooling Air Conditioning Research and Education Foundation (ISKAV)
- Energy Efficiency and Management Association (EYODER)
- TOBB Turkish Climatization Council
- Quality Association of Türkiye (KalDer)
- İstanbul Customs Brokers Association (İGMD)
- Association of Foreign Trade Leaders (DIŞYÖNDER)
- Chain Stores Association (ZMD)

Environmental Performance Indicators

Greenhouse Gas Emissions by Year (tCO ₂ e)		FY20	FY21	FY22
Scope 1		2,002	3,456	3,627
Scope 2		1,652	2,560	2,825
Scope 3	Category 3	10,419,843	2,948	5,074
	Category 4		66,669	141,145
	Category 5		12,814,383	13,984,949
	Category 6		1,126	1,251
Total		10,423,497	12,891,142	14,138,871

Energy Consumption by Year (GJ)		FY20	FY21	FY22
Non-Renewable Resources		32,504	44,729	45,504
	Natural gas	22,628	33,836	32,566
	Diesel fuel	9,801	8,211	1,187
	Gasoline	75	2,613	11,736
	Propane	0	69	15
Electricity Purchased		12,811	21,367	24,687
Renewable Sources		5,422	10,958	12,560
Electricity Generated and Consumed from Renewable Sources		5,422	10,958	12,560
Total Energy Consumption		50,737	77,054	82,751

Water Consumption by Year (m³)	Water Source	FY20	FY21	FY22
Water Consumption	Mains	14,525	13,912	8,938
	Groundwater	70,200	66,746	75,714
Water Discharge	Municipal Waste Water Treatment	84,725	80,658	84,652

Waste Values by Year (Tons)		FY20	FY21	FY22
Hazardous Waste		114	42	49
Non-Hazardous Waste		3,495	4,215	4,522
Total		3,609	4,257	4,571

Social Performance Indicators

Employees by Employment Type		FY20	FY21	FY22
Permanent		1,254	1,455	1,596
	Female	370	467	531
	Male	884	988	1,065
Temporary		362	307	289
	Female	165	126	132
	Male	197	181	157

Total Employees by Education		FY20	FY21	FY22
Primary school and below		409	415	400
	High school or equivalent	557	625	719
	University and above	650	722	766

Total Employees by Age Group		FY20	FY21	FY22
18-30		620	652	704
	30-45	867	939	991
	45+	129	171	190

Management Level Employees by Gender		FY20	FY21	FY22
Top Management		30	32	34
	Female	1	2	2
	Male	29	30	32
Mid-Level Management		48	52	54
	Female	7	8	10
	Male	41	44	44
First-Level Management		89	106	116
	Female	25	32	34
	Male	64	74	82

New Employees by Gender		FY20	FY21	FY22
Female		99	249	198
	Male	154	409	317

Leavers by gender		FY20	FY21	FY22
Female		65	151	129
	Male	97	282	263

Parental Leave		FY20	FY21	FY22
Employees Who Took Parental Leave				
	Female	20	21	18
	Male	-	-	-
Employees Returning From Parental Leave				
	Female	16	18	16
Employees Who Were Still Employed After 12 Months Since Returning From Parental Leave				
	Female	11	12	16

Disabled Employees		FY20	FY21	FY22
	Female	6	9	10
	Male	30	34	38

Unionization		FY20	FY21	FY22
	Direct Employees	723	1,039	1,037

Training Hours per Employee		FY20	FY21	FY22
	Daikin Türkiye Headquarter and Hendek Production Facility Employees	8.9	13.7	17.0

Employees Subject to Performance Review (%)		FY20	FY21	FY22
	Blue Collar	100	100	100
	White Collar	100	100	100

Occupational Health and Safety Performance		FY20	FY21	FY22
Incident rate (IR) The incident rate indicates the frequency of accidents per 1,000,000 working hours. [(Total number of work/deaths accidents) / Total actual working hours]*1,000,000		2.42	1.38	0.84
Accident severity rate The accident severity rate represents hours lost per 1,000 hours worked, in terms of man-days. (Number of days lost as a result of work-related accidents / Total actual hours worked)*1,000		0.04	0.03	0.01
Incidents resulting in death		0	0	0

	FY20		FY21		FY22	
Total number of people trained on OHS	Employees	Subcontractor	Employees	Subcontractor	Employees	Subcontractor
	337 (4h)	---	502	---	609 (4h)	400
	Employees: 467 (8h)				Employees: 851 (8h)	
Total OHS training (hours)	Blue-Collar	White-Collar	Blue-Collar	White-Collar	Blue-Collar	White-Collar
	5,084	---	2,008	---	9,244	---
Total OHS training (hours)	Employees	Subcontractor	Employees	Subcontractor	Employees	Subcontractor
	5,084	---	2,008	---	9,244	200
Total OHS training (person.hour)	Blue-Collar	White-Collar	Blue-Collar	White-Collar	Blue-Collar	White-Collar
	804	---	502	---	1,460	---
Total OHS training (person.hour)	Employees	Subcontractor	Employees	Subcontractor	Employees	Subcontractor
	804	---	502	---	1,460	400
Number of accidents	Employees	Subcontractor	Employees	Subcontractor	Employees	Subcontractor
	32	0	62	0	62	0
Number of fatal accidents	Employees	Subcontractor	Employees	Subcontractor	Employees	Subcontractor
	0	0	0	0	0	0
Rate of days lost due to accidents	60		63		20	
Absenteeism rate due to accidents (Lost days/working hours)	60/1,655,962		63/2,165,545		20/2,377,882	
Accident frequency rate*	2.416		1.385		0.841	
Accident severity rate**	0.0362		0.0291		0.0084	
Total number of persons trained	Blue-Collar	White-Collar	Blue-Collar	White-Collar	Blue-Collar	White-Collar
	2,019	1,495	1,743	4,071	2,220	2,661
Total training (hours)	Blue-Collar	White-Collar	Blue-Collar	White-Collar	Blue-Collar	White-Collar
	1,487	423	1,631	948	2,008	1,367
Total training (person.hour)	Blue-Collar	White-Collar	Blue-Collar	White-Collar	Blue-Collar	White-Collar
	6,772	4,284	10,725	14,123	13,637	15,440

GRI Content Index

GRI 1

Daikin Türkiye has reported in accordance with GRI Standards for the period between April 2021 and March 2023.

GRI STANDARD	DISCLOSURE	PAGE NUMBERS, DESCRIPTIONS AND/OR URL
GRI 1: FOUNDATION 2021		
GRI 2: GENERAL DISCLOSURES 2021		
GRI 2: GENERAL DISCLOSURES 2021	CORPORATE PROFILE, CORPORATE GOVERNANCE AND EFFECTIVE RISK MANAGEMENT	
	2-1 Organizational details	About Daikin, p.14-23
	2-2 Entities included in the organization's sustainability reporting	About Report, p.5 Message from the Top Management, p.6-11
	2-3 Reporting period, frequency and contact point	About Report, p.5
	2-4 Restatements of information	For 2020, GHG emissions and energy consumption data have been updated.
	2-5 External assurance	No external audit was conducted within the scope of the sustainability report.
	2-6 Activities, value chain and other business relationships	About Daikin, p.14-23
	2-7 Employees	Human Resources Management, p.100-104 Employee Profile, p.105
	2-8 Workers who are not employees	Supply Chain Management, p.62-65 Social Performance Indicators, p.142
	2-9 Governance structure and composition	Corporate Governance Practices, p.36-37 Daikin Türkiye Committee Structures, p.138-139
	2-10 Nomination and selection of the highest governance body	Privacy Restrictions Daikin Türkiye does not share this information publicly in accordance with the organization's privacy policies.
	2-11 Chair of the highest governance body	Message from the Top Management, p.6-11 Sustainability Governance Structure, p.42-43

GRI 2: GENERAL DISCLOSURES 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Message from the Top Management, p.6-11 Corporate Governance Practices, p.36-37 Enterprise Risk Management, p.38 Sustainability Governance Structure, p.42-43
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance Structure, p.42-43
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Approach at Daikin Türkiye, p.42-47
	2-15 Conflicts of interest	Ethics and Compliance, p.39
	2-16 Communication of critical concerns	Corporate Governance Practices, p.36-37 During the reporting period, Daikin Türkiye did not receive any critical issues.
	2-17 Collective knowledge of the highest governance body	Corporate Governance Practices, p.36-37 Daikin Türkiye Committee Structures, p.138-139
	2-18 Evaluation of the performance of the highest governance body	Privacy Restrictions Daikin Türkiye does not share this information publicly in accordance with the organization's privacy policies.
	2-19 Remuneration policies	Human Resources Management, p.100-104
	2-20 Process to determine remuneration	Human Resources Management, p.100-104
	2-21 Annual total compensation ratio	Privacy Restrictions Daikin Türkiye does not share this information publicly in accordance with the organization's privacy policies.
	2-22 Statement on sustainable development strategy	Message from the Top Management, p.6-11 Sustainability Approach at Daikin Türkiye, p.42-47
	2-23 Policy commitments	Corporate Governance Practices, p.36-37
	2-24 Embedding policy commitments	Corporate Governance Practices, p.36-37
	2-25 Processes to remediate negative impacts	Corporate Governance Practices, p.36-37 Climate Change and Energy Management, p.82-88 R&D and Innovation, p.66-70

GRI 2: GENERAL DISCLOSURES 2021	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Compliance, p.39
	2-27 Compliance with laws and regulations	Ethics and Compliance, p.39
	2-28 Membership associations	Daikin Türkiye's Corporate Memberships, p.140
	2-29 Approach to stakeholder engagement	Customer and Business Partner Management, p.52-53 Supply Chain Management, p.62-65 Creating New Value - Benefit to Society, p.124-126
	2-30 Collective bargaining agreements	Employee Profile, p.105
GRI 3: MATERIAL TOPICS 2021		
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Sustainability-Linked Material Topics at Daikin Türkiye, p.44-45
	3-2 List of material topics	<ul style="list-style-type: none">Sustainability-Linked Material Topics at Daikin Türkiye, p.44-45<ul style="list-style-type: none">Occupational Health and SafetyEnvironmentally Friendly ProductsProduct Quality and ReliabilityDigitalizationR&D and InnovationIndoor Air QualityBusiness Ethics and Corporate GovernanceClimate ChangeCircular Economy and Waste ManagementTalent Management and DevelopmentSupply Chain ManagementOperational EfficiencyCustomer SatisfactionCorporate Social ResponsibilityRisk ManagementEqual OpportunityStakeholder EngagementLocal Communities
	3-3 Management of material topics	Sustainability Approach at Daikin Türkiye, p.42-47
Business Ethics and Corporate Governance		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Corporate Governance Practices, p.36-37 Ethics and Compliance, p.39
GRI 205: ANTI-CORRUPTION 2016	205-1 Activities assessed in terms of risks related to corruption	Ethics and Compliance, p.39
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Total number and outcomes of lawsuits related to anti-competitive behavior and activities	There are no lawsuits regarding anti-competitive behavior and activities.

Risk Management		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Enterprise Risk Management, p.38 Climate Change and Energy Management, p.82-88 Daikin FUSION 25, p.30-33 Daikin Türkiye FUSION 25, p.34-35
Climate Change		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Climate Change and Energy Management, p.82-88
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Energy Management, p.84-85 Environmental Performance Indicators, p.141
	302-4 Reduction of energy consumption	Energy Management, p.84-85
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG Emissions	Combating Climate Change, p.83 Environmental Performance Indicators, p.141
	305-2 Energy Indirect (Scope 2) GHG Emissions	Combating Climate Change, p.83 Environmental Performance Indicators, p.141
	305-3 Other indirect (Scope 3) GHG Emissions	Combating Climate Change, p.83 Environmental Performance Indicators, p.141
	305-5 Reduction of GHG emissions	Combating Climate Change, p.83 Environmental Performance Indicators, p.141
Circular Economy and Waste Management		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Protection of Natural Resources and Environment, p.89-93 Waste Management, p.96-97
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, p.96-97
	306-2 Management of significant waste-related impacts	Waste Management, p.96-97
	306-3 Waste generated	Waste Management, p.96-97 Environmental Performance Indicators, p.141
	306-4 Waste diverted from disposal	Waste Management, p.96-97 Environmental Performance Indicators, p.141
GRI 303: WATER AND EFFLUENTS 2018	303-5 Water consumption	Water Management, p.94-95 Environmental Performance Indicators, p.141

Indoor Air Quality		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Top Management, p.6-11 Daikin FUSION 25, p.30-33 Daikin Türkiye FUSION 25, p.34-35 Daikin Türkiye Energy Efficiency Consultancy, p.86-88
Product Quality and Reliability		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Customer Relations Management, p.50-51 Customer and Business Partner Management, p.52-53
Environmentally Friendly Products		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Combating Climate Change, p.82-83 Protection of Natural Resources and Environment, p.89-93
Digitalization		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Digital Transformation, p.71-77
R&D and Innovation		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	R&D and Innovation, p.66-70
Occupational Health and Safety		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Occupational Health and Safety, p.120-121
GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, p.120-121
	403-2 Hazard identification, risk assessment, and incident investigation	Social Performance Indicators, p.144
	403-3 Occupational health services	Occupational Health and Safety, p.120-121
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p.120-121
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, p.120-121 Social Performance Indicators, p.144

GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2018	403-6 Promotion of worker health	Occupational Health and Safety, p.120-121
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p.120-121
	403-10 Work-related patient cases	During the reporting period, no employee was diagnosed with occupational disease due to the activities.
Equal Opportunity		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Human Resources Management, p.100-104 Employee Profile, p.105 Initiatives to Enhance Female Workforce Engagement in Production, p.114-115 Women Support Projects, p.127-130
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-2 Ratio of base salary and remuneration of women to men	Privacy Restrictions Daikin Türkiye does not share this information publicly in accordance with the organization's privacy policies.
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	Ethics and Compliance, p.39 Human Resources Management, p.100-104 There were no cases of discrimination during the reporting period.
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Ethics and Compliance, p.39 Human Resources Management, p.100-104
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethics and Compliance, p.39 Human Resources Management, p.100-104
Talent Management and Employee Development		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Support for Employee Development, p.106 Daikin Türkiye Academy, p.107-117
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Social Performance Indicators, p.142-143
	404-2 Programs for upgrading employee skills and transition assistance programs	Daikin Türkiye Academy, p.107-117
Supply Chain Management		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Supply Chain Management, p.62-65

Stakeholder Engagement		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Customer and Business Partner Management, p.52-53 Supply Chain Management, p.62-65 Creating New Value - Benefit to Society, p.124-133
Local Communities		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Supply Chain Management, p.62-65 Creating New Value - Benefit to Society, p.124-133
GRI 413: LOCAL COMMUNITY 2016	413-1 Percentage of operations with local community engagement, impact assessments and development programs in place	Supply Chain Management, p.62-65 Creating New Value - Benefit to Society, p.124-133
Customer Satisfaction		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Customer Relationship Management, p.50-51 Customer and Business Partner Management, p.52-53
GRI 417: MARKETING AND LABELING 2016	417-1 Requirements for product and service information and labeling	Management of Sales Channels, p.54-57 Management of Service Providers, p.58-61
Operational Efficiency		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	R&D, Innovation and Digitalization, p.66-77
Corporate Social Responsibility		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Creating New Value - Benefit to Society, p.124-133

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