

Ambitious growth and contributions to society

Daikin's Fusion 25 plan starts from a societal context in which humanity faces urgent issues, such as global warming, energy shortages and the need for healthy indoor air. These issues coincide with the digitalization of society, which fundamentally changes the way we live and do business. Daikin sees it as its responsibility to contribute to solving these societal challenges, while growing its business.

The plan identifies 3 strategic growth areas, for which substantial investments are planned :

1. Daikin carbon neutral (net zero) by 2050
2. Be a total solution provider
3. Creating healthy indoor air



Mr. Patrick Crombez, General Manager Heating Business : "The way we are heating our buildings in Europe is a big source of carbon emissions, and we are running out of time to decarbonize in this domain. This decade is crucial to take action, and the EU leads the way with its Green Deal targets to reduce carbon emissions by at least 55% by 2030. Our strategic plan fully supports this, and includes major investments for heat pump R&D and production capacity increase in Europe. We aim to drive truly sustainable growth in the heating business."

Daikin carbon neutral (net zero) by 2050

Daikin takes its role to tackle carbon emissions seriously. In that context, in 2018, Daikin Industries Ltd. launched its Environmental Vision 2050. Under this programme, Daikin aims to achieve carbon neutrality in every aspect of its business, including the use and waste phase of its installed products. The first intermediate target for this, is to achieve a 30% reduction of CO₂ emissions by 2025^[1].

For the next five years, the focus of Daikin Europe N.V. is to contribute to the global plan with the expansion of its heat pump business, developing energy-saving air conditioning and refrigeration equipment with lower Global Warming Potential (GWP) and/or natural refrigerants, as well as establishing a circular business model for refrigerants. To innovate in hydronic heat pump and refrigeration technology, Daikin decided to establish its global R&D Center in Ghent in Belgium and drastically expand its capabilities there.

Heat pump technology

- Heat pumps play a crucial role in Daikin's global CO2 reduction plan. Daikin will globally promote the uptake of heat pump technology to reduce carbon emissions.
- Heat pumps in Europe contribute to the EU Green Deal decarbonization strategy for the heating sector. For each kWh heating the carbon impact of a heat pump is half the impact of a high efficiency gas boiler. And when run on renewable electricity, the carbon footprint of a heat pump drops even further, unlike combustion heating.
- As a result of the favourable market conditions and its long-standing expertise in heat pumps, Daikin intends to more than double its heating business by 2025. All heat pumps sold in Europe are developed and produced in Europe, in the Daikin factories in Germany, Belgium and Czech Republic.



Daikin intends to leverage its broad portfolio and technological know-how in all areas of its heating, ventilation, air conditioning and refrigeration business to bring solutions that satisfy diverse customer needs, not in the least helping customers to reduce their own CO2 emissions. The company will drastically increase its sales and service capabilities through recruitments, partnerships and external growth.

Highlights in the commercial and industrial business segment

- Provide maintenance, repair, retrofit and replacement solutions, which can include system design and engineering services for its own products, or combined with external equipment and controls.
- Provide consultancy services for optimal system design and engineering in support of the most demanding green building, acoustics and design standards.
- Refrigerated supply chain : Focus in particular on the food cold chain from place of production to consumption ("Farm to Fork"). Contribute to reducing food loss and ensuring food safety by utilizing data and monitoring. Furthermore, expand the offer of specific solutions for the medical cold chain.

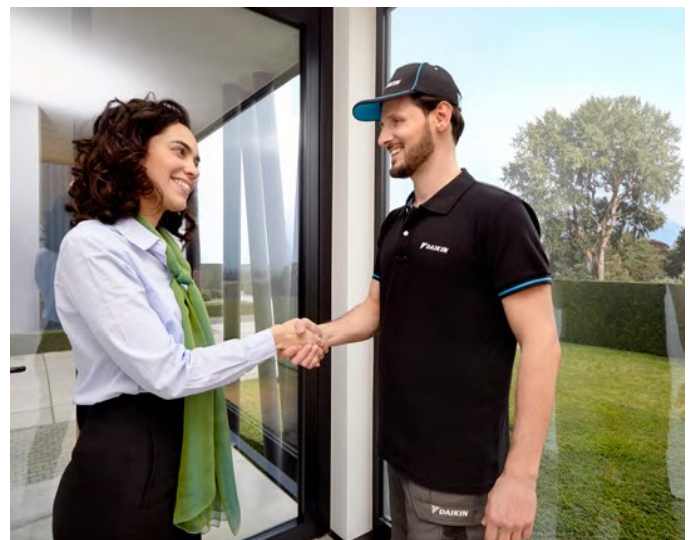
Creating healthy indoor air

The Daikin group globally has a complete line-up of ventilation and air purification equipment. Earlier this year Daikin's air purifiers were tested by the renowned Institut Pasteur de Lille and confirmed to be highly efficient in eliminating respiratory viruses such as Covid-19 and the common flue. Daikin Europe aims to become the region's leading player in the ventilation and air purification market.



The evolution of pure comfort

Only the best is good enough when it comes to your home. Now, Daikin has taken comfort to a whole new level by reimagining a pure atmosphere with its Blueevolution range. When you choose Daikin technologies, you can count on year-round comfort, energy efficiency, reliability and control. High seasonal efficiency ensures you stay comfortable in winter and summer, without breaking the bank. The R-32 refrigerant is more environmentally friendly than previous refrigerants. Daikin's many years of experience and broad range of products means you can count on selecting a reliable, long lasting product perfectly suited for your home. And even when you aren't home, you can adjust room temperature and operating mode with a user-friendly smartphone app. Let Daikin help you create the perfect atmosphere.



A core element of Daikin's corporate philosophy is that the company strives to be a leader in applying environmentally friendly practices, with energy efficiency and refrigerant choice as key factors. Daikin launched the first worldwide air conditioners with R-32 refrigerant at the end of 2012 in Japan, where several million units have since been installed. Subsequently, R-32 models have been providing indoor climate comfort in other countries such as Australia, New Zealand, India, Thailand, Malaysia and Indonesia. In 2013, R-32 models made their debut in Europe, adding new environmental benefits to the unrivalled control they offer users.



The main impact on global warming from air conditioners or heat pumps comes from the electricity they use. If the electricity is generated by renewable sources, this impact can be close to zero. However, if it comes from power plants using fossil fuels, the impact is far higher. In any case, even when the electricity source is low emission, it is still important to be energy efficient and not waste energy. European Energy labels of DAIKIN Products range are A+++, A++, A+, A. There is no refrigerant which can meet the needs of every kind of application. This means that Daikin had to evaluate its options carefully, taking into account not only the GWP or amount of refrigerant used, but also aspects such as energy efficiency, safety and affordability. For example, selecting a refrigerant with a lower GWP but which uses more energy would not be a good choice, as it would be counterproductive for the total product's global warming impact.

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