



Introduction

About AAF

At AAF, our purpose is clear: to improve air quality and protect the planet, people, and processes. For over a century, we've been committed to providing clean air solutions that positively impact communities and industries around the world—creating healthier, more sustainable environments at every turn.

As a proud member of the Daikin Group, the world's largest air conditioning company with over 100 years of history, we are empowered by cutting-edge technology, deep expertise, and a shared vision to transform air quality globally. Headquartered in Osaka, Japan, Daikin is a global leader in air innovation, with over 100 production facilities and a presence in more than 170 countries. AAF has 27 production sites worldwide which allow us to serve the global community, with employees representing over 40 nationalities. This global presence aligns perfectly with Daikin's commitment to driving sustainable progress and enhancing air quality worldwide.

Our customers trust AAF for advanced air filtration solutions designed to meet the rigorous requirements of diverse industries—from educational institutions safeguarding future generations to life science facilities supporting groundbreaking discoveries. By focusing on quality, efficiency, and sustainability, we not only help our customers comply with regulatory standards but also enhance operational performance and reduce their environmental impact.

Together with Daikin, we proudly build on a combined legacy of over 200 years of innovation and progress. We remain committed to advancing sustainable practices that ensure cleaner, healthier environments—for our customers, communities, and the world at large.

AAF Key Figures

NET SALES (Million \$)

720+



NUMBER OF EMPLOYEES

5,100+



NUMBER OF MANUFACTURING SITES

27



NUMBER OF COUNTRIES USING AAF PRODUCTS

130+



YEARS OF FILTER EXPERTISE

100+



FACTORY GREENHOUSE GAS EMISSIONS BY 2030

Net 0



EMPLOYEE NATIONALITIES

40+



R&D CENTERS

6

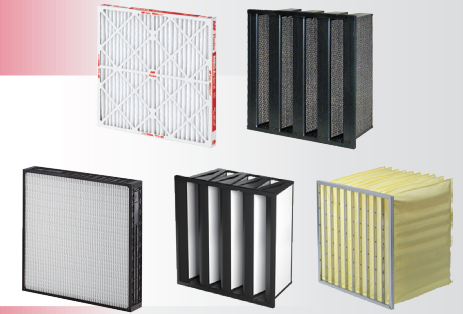


AAF offers advanced air filtration products which enhance air quality and safety across industries, providing tailored solutions for hospitals, commercial buildings, manufacturing, and more.

General Ventilation

Ensures clean, healthy air by removing dust, allergens, and pollutants within HVAC systems and indoor environments across various settings.

Industries Commercial & Public Buildings, Healthcare, Education, Government, Transportation, Logistics, Datacenters



High Purity Filtration

Provides ultra-clean air for sensitive environments to ensure product and process integrity, while also protecting people from airborne contaminants.

Industries Life Science, Microelectronics, Electric Vehicle, Food, Agriculture & Beverage, Healthcare



Industrial Filtration

Captures dust, particulate matter, and other pollutants in the energy and industrial sectors, ensuring safety for people and operational efficiency.

Industries Material Processing, Food, Agriculture & Beverage, Waste & Recycling, Offshore Oil & Gas, Power Generation, Automotive



Over 100 Years of AAF: Protecting our Planet, People and Processes



1920s

The Rise of Industrial Power

After World War I, factory expansion boosted efficiency but increased pollution. In response, Bill Reed invented a dust filter in 1921, laying the foundation for AAF.



1930s

Economic & Environmental Issues

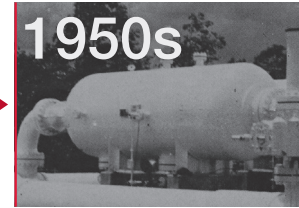
The Great Depression slowed industrial growth, but pollution persisted. As smog worsened, AAF expanded, adding two plants and introducing fiberglass filters.



1940s

Wartime Manufacturing Boom

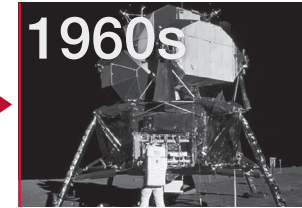
World War II boosted industrial production, causing round-the-clock factory operations and worsening air quality, increasing the need for better filtration in precision industries.



1950s

The Post-War Expansion

As industrialization and car use rose, urban smog worsened. Air filtration solutions evolved to protect products and improve workplaces, with AAF leading the demand for cleaner air.



1960s

Environmental Awareness Takes Root

Smog in cities like Los Angeles led to the Clean Air Act (1963) to regulate emissions. HEPA filters set new standards, while AAF advanced filtration and supported NASA's Apollo 11.



1970s

Energy Crises & Industrial Challenges

The oil crises highlighted the need for energy efficiency. Factories adopted advanced filtration to meet regulations, and AAF expanded with energy-efficient air solutions.



1980s

Globalization & Urban Growth

As industrial production grew in developing countries, pollution rose. Meanwhile, vehicles with catalytic converters reduced urban pollution in developed nations. AAF expanded globally.



1990s

Climate Change Awareness

Scientific consensus linked fossil fuels to global warming, while renewable energy remained niche. Meanwhile, air filtration advanced for cleanrooms in biotech and electronics, with AAF leading.



2000s

Green Technologies & Renewables

Renewable energy advanced, and industries and transportation adopted cleaner technologies, supported by improved air filtration. AAF innovated with eco-friendly products, aiding global sustainability.



2010s

Sustainability Becomes Mainstream

Global agreements like the Paris Agreement pushed for carbon emission cuts, while electric vehicles reduced pollution. AAF pioneered smart filtration systems for energy efficiency.



2020s

Innovations for a Cleaner Future

Air filtration combats industrial and urban pollution. Smart systems using sensors and AI optimize air quality. As sustainability grows, AAF leads in innovations that protect the planet, people and processes.



2030s

Technology Drives Sustainability

Technology will drive breakthroughs in how consumers perceive and measure air quality. Real-time data on HVAC systems' sustainability and impact will show consumers the value of their purchases.

The Current Green Glossary

The field of sustainability, particularly within our industry and the sectors we serve, is evolving rapidly, with new specialized terms emerging frequently. To assist both our internal and external stakeholders in understanding and navigating this complex landscape, we have compiled a comprehensive glossary of terms. We hope this glossary will serve as a valuable resource to enhance your understanding of key concepts, including but not limited to, environmental management, economic viability, and social well-being. Detailed explanations for each term are provided on pages 40 to 46.

Standards

ASHRAE 62.1-2022	ASHRAE 241-2023	ISO 14001:2015-09	ISO 14040:2021-02	ISO 14067:2019-02	EN 15804:2022-03
ASHRAE 62.2-2022	ISO 9001:2015	ISO 14025:2011-10	ISO 14044:2006	ISO 14072:2014	ISO 26000

Terms

A <u>ACT</u> : Accelerate Climate Transition®	<u>ESG</u> : Environmental, Social, Governance	<u>Life Cycle Stages</u>
B <u>BREEAM</u> : Building Research Establishment Environmental Assessment Method	<u>ESPR</u> : Ecodesign for Sustainable Products Regulation	P <u>Paris Agreement</u>
C <u>CASBEE</u> : Comprehensive Assessment System for Built Environment Efficiency	<u>ESRS</u> : European Sustainability Reporting Standards	<u>Passivhaus Certification</u>
<u>CBAM</u> : Carbon Border Adjustment Mechanism	<u>EU Taxonomy</u>	<u>PCR</u> : Product Category Rules
<u>cPCR</u> : Complementary Product Category Rules	F <u>Fitwel Certification Program</u>	<u>Pearl Certification</u>
<u>CSDDD</u> : Corporate Sustainability Due Diligence Directive	G <u>GHG</u> : Green House Gas Emissions	<u>PPWR</u> : Packaging and Packaging Waste Regulation
<u>CSRD</u> : Corporate Sustainability Reporting Directive	<u>Green Globes Certification</u>	R <u>RESET Certification</u>
D <u>DGNB</u> : German Sustainable Building Council	<u>Green Mark Certification</u>	S <u>SBTi</u> : Science Based Targets Initiative
<u>DPP</u> : Digital Product Passport	<u>Green Star Certification Program</u>	<u>SDGs</u> : Sustainable Development Goals
E <u>EcoVadis SAS</u>	<u>GRI</u> : Global Reporting Initiative	T <u>TCO</u> : Total Cost of Ownership
<u>EGD</u> : European Green Deal	H <u>HQE</u> : High Environmental Quality Certification Program	<u>Three-Star Program</u>
<u>Enterprise Green Communities Certification</u>	<u>HVAC</u> : Heating, Ventilation, and Air Conditioning	U <u>UL Verified Healthy Building Certification Program</u>
<u>Environmental Impact Categories</u>	I <u>IAQ</u> : Indoor Air Quality	<u>UNFCCC</u> : United Nations Framework Convention on Climate Change
<u>EPD</u> : Environmental Product Declaration	<u>IEQ</u> : Indoor Environmental Quality	W <u>WELL Building Standard</u>
<u>EPD International AB</u>	L <u>LBC</u> : Living Building Challenge	
	<u>LCA</u> : Life Cycle Assessment	
	<u>LEED</u> : Leadership in Energy and Environmental Design	

AAF's Sustainability Mindset

AAF's sustainability mindset is built on the 'three Ps'.

AAF's Contribution and Related SDGs

- Improve environmental performance of our products.
- Optimize resources and reduce waste throughout the full product lifecycle.



AAF's Contribution and Related SDGs

- Implement advanced air filtration technologies to optimize energy consumption while maintaining safety and efficiency.
- Focus on consumer feedback to prioritize process protection, while embedding sustainability into every solution.



AAF's Contribution and Related SDGs:

- Reduce harmful contaminants and improve comfort in indoor environments through AAF products and services.
- Educate and collaborate with stakeholders to establish global standards for indoor air quality, ensuring healthy and cost-effective clean environments.
- Foster human development and community strength through inclusive and sustainable initiatives.



Key Foundations

Daikin Group Conduct Guidelines | Anti-Bribery and Anti-Corruption | Respect for Human Rights
Responsible Procurement | Information Security