



People

Air Filtration for Health

A Healthy Building = Healthier People

The Importance of Indoor Air Quality (IAQ)

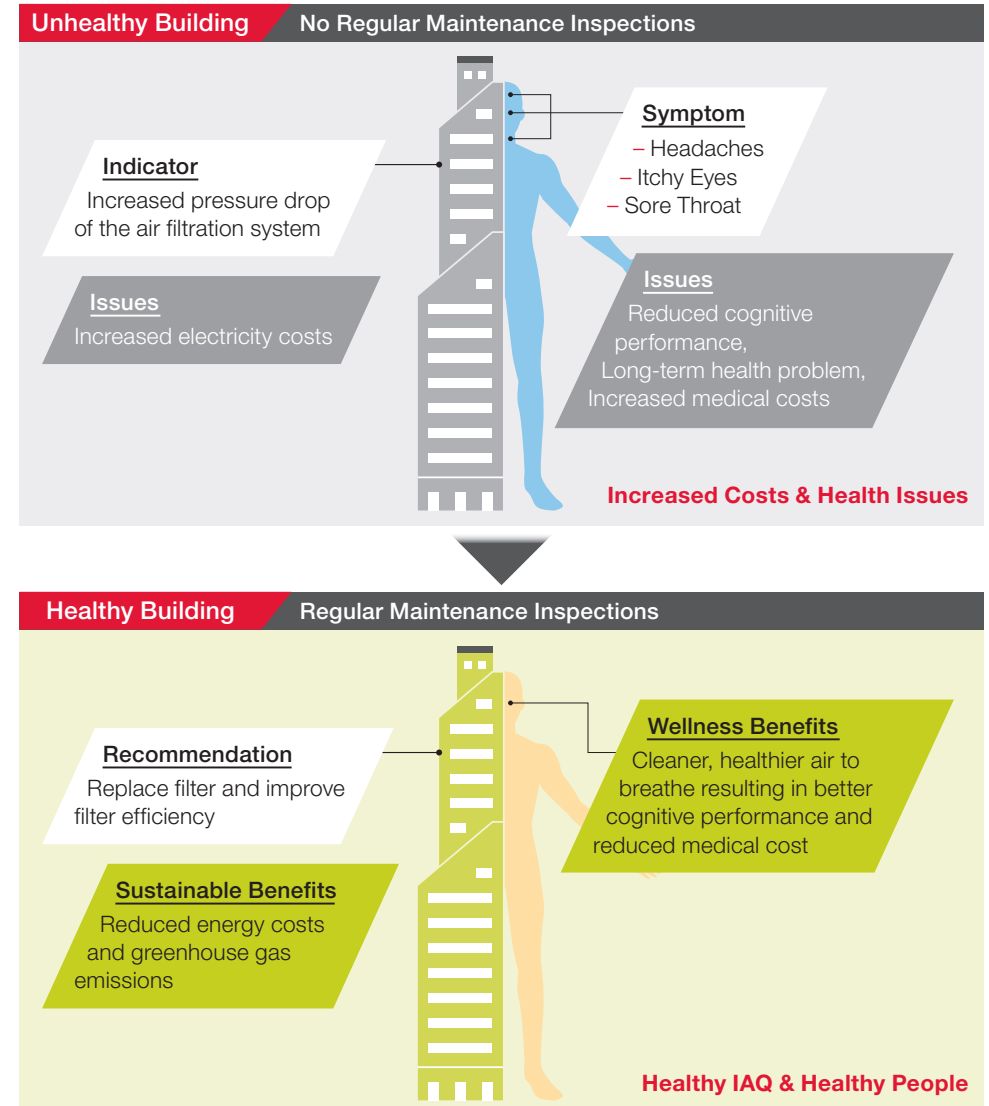
In today's world, where we spend the majority of our time indoors, indoor air quality (IAQ) plays a critical role in protecting our health. Studies show that indoor air can be three to five times more polluted than outdoor air, potentially affecting our long-term health. Indoor air can harbor hundreds of species of viruses, bacteria, fungi, and molds, which may enter the human body and cause a wide range of negative health effects.

These microbial contaminants have been linked to symptoms such as rhinitis, coughing, breathing difficulties, as well as allergies and asthma. This is also accompanied by reduced cognitive performance. While there have been improvements over the years and a surge in awareness, particularly during the COVID-19 pandemic, unfortunately, society is gradually returning to its pre-pandemic IAQ habits.

IAQ and Preventive Management

Efficient IAQ management necessitates a proactive strategy. Regular inspections and management of a building, akin to routine health check-ups, can detect early signs of issues, leading to long-term benefits and cost savings. This method not only improves the well-being of both the building and its occupants but also enhances long-term value for owners and residents, while reducing facility operating costs. Ultimately, maintaining healthy buildings contributes to healthier people, fostering public health and sustainable living environments.

Impact of Preventive Measures on IAQ: Focusing on Air Filtration

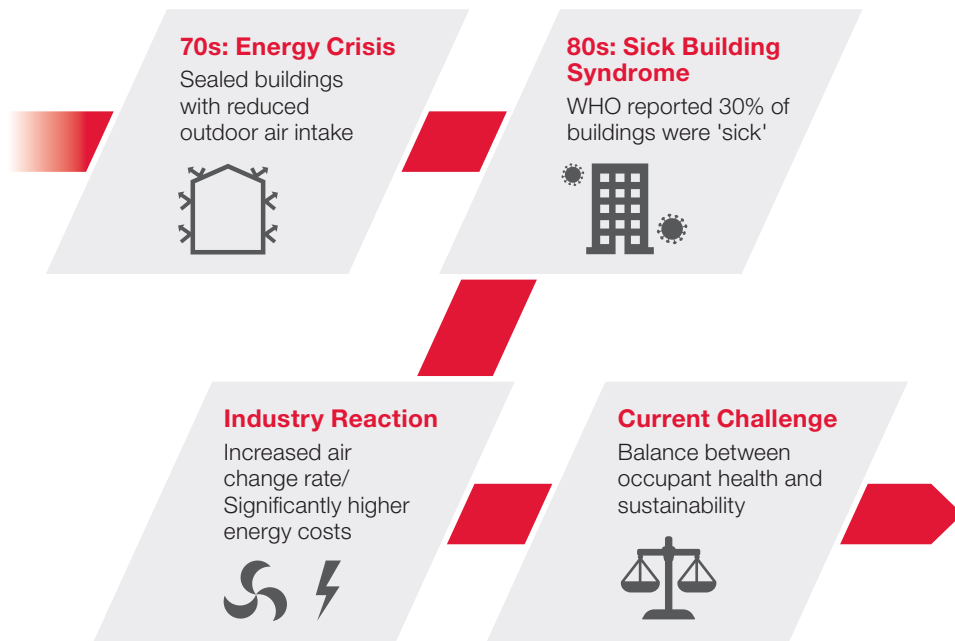


The Evolution of IAQ

During the energy crisis of the 1970s building designers tried to save energy by sealing buildings more tightly and reducing the amount of outdoor air brought indoors. This resulted in fewer air changes inside buildings. In the 1980s, the World Health Organization noted that about 30% of new and existing buildings were considered 'sick', giving rise to the term Sick Building Syndrome (SBS).

To address this, the industry increased outdoor air flow and air changes, but this raised energy costs significantly. Now, almost 50 years later, the challenge remains to strike a balance between protecting occupants' health and implementing sustainable practices.

Timeline of IAQ Evolution



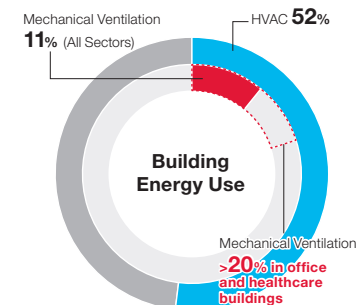
New Standards and Guidelines

Fortunately, to address these ongoing challenges, many standards and guidelines have been developed over time. Notable ones include ASHRAE 62.1 and 62.2, and the newer ASHRAE 241. These frameworks establish minimum ventilation rates and other requirements to ensure acceptable indoor air quality (IAQ) while minimizing adverse health effects. ASHRAE 241 guides us on improving ventilation and filtration during flu seasons or pandemic-like situations. Eurovent Recommendation 4/23 establishes a guideline with which particle filters the desired IAQ level can be achieved under the respective ambient conditions.

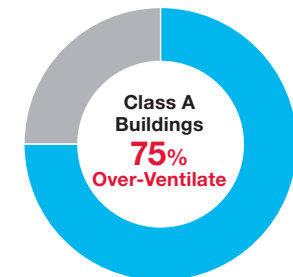
Interestingly, HVAC systems, which include mechanical ventilation, account for a significant portion of a building's energy consumption—around 40-60%. Ventilation alone contributes to about 11% of total energy usage, and in office and healthcare buildings, this figure can exceed 20%. Remarkably, studies show that 75% of buildings are ventilated more than necessary, presenting a clear opportunity for optimization.

Today, AAF's technology allows building owners to optimize their indoor air quality while monitoring the performance of their ventilation systems, allowing them to save energy without compromising the health of the occupants.

Commercial Building Energy Consumption



Class A Building Over-Ventilation Ratio



*Class A buildings are a top-tier property classification in the US, characterized by new or well-maintained structures in prime locations with superior construction and modern infrastructure.

AAF's Utilization of Technology for IAQ Improvement

Learn more about how AAF's technology improves IAQ through our case study described below.

Case Study AAF Air Purifiers Transform IAQ in Slovakian School

Overview Children spend a significant amount of their time indoors during their school years, making IAQ essential for their health and well-being. In Bratislava, Slovakia, an initial assessment was conducted to determine the level of microbial contamination in school and preschool facilities. This evaluation highlighted the presence of bacteria, fungi, and molds, which could potentially trigger respiratory issues and allergies, underscoring the need for effective air purification.



Problem Initial analysis revealed high levels of bacteria and mold, some surpassing acceptable thresholds. Some bacteria species can occasionally turn harmful in the right conditions, such as when immunity is weakened. Mold spores, on the other hand, could penetrate deep into the respiratory system, increasing allergenic potential.

Solution AAF's high-performance air purifiers were deployed in classrooms, dining halls, and gymnasiums, actively filtering and improving air quality. Throughout the six-month trial these purifiers reduced microbial presence, achieving noticeable decontamination. Regular sampling verified decreased levels of harmful microorganisms, confirming the purifiers' effectiveness in maintaining healthier school environments.



AstroPure 2000



Bacteria and Mold Samples

AAF's Product Solutions for Enhancing Industrial IAQ

Improving IAQ in industrial settings is critically important today. The initial focus on preventing air pollution has evolved with dust collection advancements that enhance product quality. AAF goes beyond regulations to improve the workplace environment itself. Creating a healthy air environment not only ensures worker health and product integrity but also tackles recruitment challenges by improving employee retention. AAF's innovative solutions are showcased in the following two case studies.

Case Study Air Quality Improvement in a Food Manufacturing Plant

Overview A leading food manufacturing company in Mexico was experiencing poor air quality in their fry coating mixing area due to chili dust. The existing system failed due to inadequate engineering design, resulting in discomfort among workers. The company chose AAF's turnkey solution to solve this issue.

Problem The existing ineffective air filtration system created an uncomfortable and unhealthy work setting, with continuous exposure to chili dust leading to respiratory challenges for employees.

Solution AAF delivered a comprehensive solution by implementing engineering improvements, supplying essential equipment like ducts, dust collectors, and ATEX*-compatible devices, along with a system start-up. The installation of WONDAIR™ successfully improved air quality, making the mixing area safe and a comfortable working place for employees.

*A European standard for explosive environments

Customer
“Now that the AAF system is installed, several people [...] are now requesting to be moved to the mixing area since there is now quality air in the area.”

WONDAIR™ at Customer's Plant



Case Study Oil Mist Filtration in a Thai Manufacturing Plant

Overview An advanced manufacturing company in Thailand faced challenges with oil mist produced by multiple CNC machines. In response, AAF's oil mist collector was adopted to address these issues.

Problem Traditional centrifugal oil mist collectors were inadequate for capturing fine oil droplets, resulting in higher maintenance needs and production downtime. In addition, the customer was looking for a solution to improve the working environment for employees. Oil droplets, 20 microns or smaller, pose health and safety risks, including skin irritation, respiratory problems, and slippery floors that increase the likelihood of falls.

Solution AAF introduced the Oil Hunter™, featuring multi-stage filtration to target oil mist contaminants effectively. After testing two units, the oil mist levels dropped from 999 µg/m³ to just 1 µg/m³, leading to customer satisfaction and the installation of an additional 107 units.

Oil Hunter™ at Customer's Plant



AAF's Healthcare IAQ Solutions

Maintaining high indoor air quality in healthcare environments is critical to safeguarding patient health, supporting recovery, and ensuring safe working conditions for medical staff. This requires well-designed, efficient filtration systems that deliver reliable performance—expertise demonstrated by AAF in the following case studies.

Case Study Enhanced HVAC Filtration Efficiency in a Healthcare Facility

Overview AAF partnered with a leading healthcare provider in the United States to enhance indoor air quality and improve HVAC system performance, with a focus on reducing total cost of ownership (TCO) while maintaining the high air quality standards required in healthcare settings.

Problem The facility relied on an existing service provider associated with high operational costs and inefficient filtration practices. Frequent filter replacements and suboptimal system performance increased maintenance demands and elevated annual expenses, while limiting the system's ability to consistently maintain stable indoor air quality conditions.

Solution AAF conducted a comprehensive on-site audit of the HVAC system and implemented an optimized filtration strategy, replacing existing pre-filters with MEGApleat® filters and introducing VariCel® VXL RC filters. This approach improved system efficiency, reduced replacement frequency, and extended filter life cycles. It delivered a 30% reduction in total cost of ownership, along with energy savings of 7,215 kWh and a reduction of approximately 64.9 t-CO₂. By improving filtration performance and reducing variability in system operation, the solution supports consistent indoor air quality.

30%
Lower Total Cost of
Ownership

64.9 t-CO₂
Emissions Avoided

Case Study Filtration Design Optimization in Cancer Care

Overview AAF supported the development of a new cancer treatment facility in Canada by enhancing the design of its air handling and filtration system. The project focused on improving safety, airflow performance, and overall system efficiency in a highly sensitive healthcare environment.

Problem The initial basis of design specified a containment (BIBO) filtration system integrated within an air handling unit to support a heat recovery process. However, the configuration presented potential contamination and safety risks, as the containment system was not properly isolated. In addition, the design limited airflow capacity, reducing the effectiveness of heat recovery and increasing overall operational costs.

Solution AAF proposed an alternative system design using MEGAcel® I HEPA filtration, reducing pressure drop by approximately 42%. This enabled higher airflow, improved energy efficiency, and lowered operating costs compared to the original design. At the same time, the solution ensured compliance with required operational standards, including routine scan testing. By addressing isolation deficiencies and associated contamination risks, the optimized design supports a safe and well-controlled operating environment.



Diversity, Equity and Inclusion

Basic Principles

At AAF, we believe our competitive strength lies in our people. We recognize the importance of a diverse team that shares mutual values, enhances organizational strength, and pursues ambitious goals. Guided by the Daikin Group Human Rights Policy, we are dedicated to "Diversity and Inclusion", prohibiting discrimination and harassment. The Daikin Group Conduct Guidelines inspire us to embrace differences, collaborate, combine strengths, and work with passion while sharing our dreams. AAF promotes this spirit, valuing talent regardless of nationality, age, gender, sexual orientation, disability, or career background.

Operating in over 170 countries with 100,000 employees, the Daikin Group's greatest strength lies in its ability to excel globally by effectively managing its growing workforce diversity and leveraging individual strengths. AAF, as part of this network, empowers over 5,000 employees across 30 operating countries to transform personal strengths into organizational success, driving growth and innovation.



Promotion and Development of Diverse Talent

Diverse Leadership Allocation

At AAF, we drive growth by appointing diverse talent from the Daikin Group to leadership roles, fostering collaboration and development. Daikin managers also join AAF boards, enhancing unity and accelerating global growth.

Talent Development

The Daikin Executive Program (D-EP) is part of the Daikin Group's leadership strategy, developing senior management around the world. AAF executives join D-EP and advance diversity management suited to their regions.

Commitment in the Recruitment Process

In line with the Daikin Group Conduct Guidelines, AAF upholds individual human rights and prohibits discrimination based on nationality, race, ethnicity, religion, skin color, age, gender, sexual orientation, or disability. Our recruitment process respects diversity and includes measures to prevent discrimination worldwide.



Daikin Group's Approach to its People

Daikin Group Basic Policy and PCM (People-Centered Management) Behaviors

As AAF is a part of Daikin Group, our employees are aligned with the Daikin Group Philosophy and practice PCM Behaviors.

Daikin Group Philosophy states, "Practice 'People-Centered Management (PCM)' and Provide Challenging Opportunities." People-Centered Management is a philosophy that has been used since the company's founding, based on the belief that "Each individual possesses infinite potential" and "The cumulative growth of all employees is the foundation for the Company's development." That is why, through the ways in which we aim to create job satisfaction for our employees and to embody our spirit and technical fortitude at the frontlines of the organization, recognizing the inherent goodness of people, Daikin is fully committed to continuing its long-term efforts to ensure the growth of its employees and the company.

In May 2024, to mark the 100th anniversary of its founding, Daikin revised its Daikin Group Philosophy and formulated PCM Behaviors, as a way of making more explicit what it means by People-Centered Management.

PCM Behaviors is a set of the behaviors and attitudes expected of each employee. As our business environment grows more complex and our organization grows larger, PCM Behaviors is to further strengthen the understanding and practice of the values that form the basis of the Group's unifying core and sense of unity, and to unite the entire Group as "one team" as we have consistently followed over the years, as the group traditions, group pride, group challenge, and group principles, throughout the entire Group globally in this era of rapid change.

PCM Behaviors

Take Bold Action and Seek Growth - Innovation & Growth

People who strive to grow, challenge established norms, and lead innovation

- 1 Boldly take on challenging situations with full conviction of your potential
- 2 Refine and enhance your strengths and expertise until you excel in your field of expertise
- 3 Learn humbly

Build Genuine Trustworthy Relationships and Teamwork - Trust & Teamwork

People who share the Daikin Group's dreams and value dialogue and teamwork

- 4 Participate with a sense of ownership by sharing information and opinions through full and sincere discussions ("First and foremost dialogue")
- 5 Accept your role and responsibilities, and work together towards achieving goals
- 6 Respect each person, unleash your infinite potential, and embrace healthy competition

Strive for Results - Winning & Achievement

People who aspire to achieve great results with passion, strong will, perseverance, and confidence

- 7 Envision your goal and take creative action while being proud by past successes
- 8 Leverage Daikin's strengths, and pursue uniqueness and differentiation
- 9 Set challenging goals and achieve them with passion and perseverance by continuously taking action

Occupational Health and Safety

Basic Principles

AAF is committed to upholding the Daikin Group Human Rights Policy, aligning with international standards like the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Furthermore, we aim to create a safe workplace for all. Following the Daikin Group Conduct Guidelines, every AAF officer and employee ensures operational safety through careful and responsible actions. We adhere to local and international labor safety and health regulations, striving for a zero incident workplace to protect our employees, contractors, and community.

Management Structure

AAF holds monthly safety committee meetings and participates in the Daikin Group's regional safety meetings to continuously improve practices. Results are reported at global safety meetings chaired by Daikin's safety officer, where site-specific issues and global safety strategies are discussed.

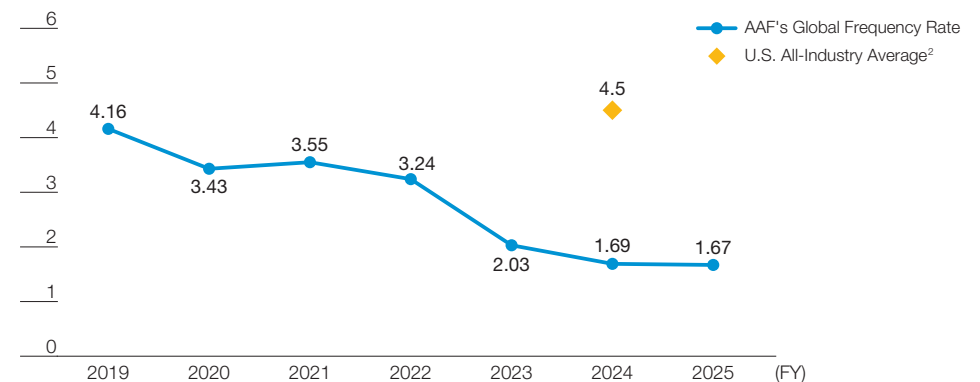
Risk Assessment

To prevent accidents, AAF conducts risk assessments at each site, identifying high-risk equipment and implementing safety measures. Monthly reports on incidents, causes, and countermeasures are submitted to Daikin's safety officer and discussed at global safety meetings. Recent accident trends include entanglement, cuts and material handling. We share these details and countermeasures, conducting risk reduction activities focused on "people," "people and equipment," and "equipment." We also provide protective gear, translate manuals, inspect equipment regularly, and use clear signage to enhance safety.

Goals and Performance

AAF aims for zero incidents as per the Daikin Group's policy, using lost-time incident frequency rates to measure safety. In fiscal year 2024, AAF achieved a frequency rate of 1.69, outperforming the U.S. all-industry average of 4.5. AAF has also made significant progress in reducing its frequency rate, from 4.16 in 2019 to 1.67 in 2025, representing a 60% decrease.

Lost Time Incident Frequency Rate¹



¹ This shows the frequency of occupational accidents resulting in lost work time, expressed in number of casualties per 1,000,000 working hours. Frequency rate = Number of fatalities or injuries caused by occupational accidents resulting in lost work time / Total actual working hours x 1,000,000

² Calculated based on information from U.S. Bureau of Labor Statistics (November 2025)
No data was released for the U.S. in fiscal 2025. (As of the end of August 2026)



Occupational Health and Safety Management System

With production sites around the world, AAF has established health and safety management systems at each global production site to ensure safe operations and employee safety. We conduct ongoing risk assessments, develop and execute action plans, track progress, and ensure compliance with relevant laws and regulations. We also perform annual internal and external audits, and conduct safety training and patrols to achieve zero workplace accidents.

Employee Education and Training

AAF offers various educational programs and training related to occupational health and safety for all individuals working at AAF, including employees, temporary staff, business partners, contractors, and subcontractors. We conduct experiential training to raise safety awareness by simulating hazards like entrapment and pinch points, combining hands-on experience with knowledge-based training. We also develop skills through training sessions in Japan and ongoing safety education and patrols, aiming for zero workplace accidents.

Every July, during Japan's National Safety Week, Daikin's President and COO sends a message highlighting key safety initiatives to the entire group. Daikin's executive leadership, safety officers, and safety department visit sites to provide safety guidance annually. The safety department compiles and shares monthly accident reports with safety officers at each site to continuously promote safety awareness.



Workplace Safety Training at Our Malaysia Factory

Empowering Action for Sustainability

Our employees are key to our sustainable strategies. We aim to improve the effectiveness of our sustainability initiatives by creating an environment where employees can actively engage in sustainable practices, supported by education and awareness activities. Below, we highlight some of these initiatives.

Promoting Workplace Sustainability

Our Bicycle Scheme for Employees is an active initiative in Finland, Sweden, Germany, the UK, and the Netherlands. This program allows employees to receive either a standard or electric bicycle on favorable terms. Cycling to work not only offers excellent exercise but also serves as an eco-friendly mode of transportation. Employees can use the bicycles for commuting, work-related tasks, and personal leisure activities.

This initiative makes a significant contribution to our sustainability goals by reducing our carbon footprint, improving employee productivity and well-being, and encouraging sustainable mobility.



Electric Bicycle Scheme

In India, environmental sustainability awareness sessions were held during the Sales Boot Camp event, with 50 participants, to promote environmental sustainability. Additionally, similar sessions were conducted for all factory employees, engaging 118 participants, to reinforce sustainability practices.

Environment Day is celebrated annually in India and Saudi Arabia, with plants distributed to all employees to encourage home planting initiatives. Additionally, tree-planting initiatives were carried out around plant sites to further support environmental sustainability.



Environment Day Celebration



Environmental Awareness Session

Protecting Ecosystems and Biodiversity

In Malaysia, we collaborate annually with the Centre for Marine and Coastal Studies (CEMACS) to conduct beach cleanup activities that support marine conservation and environmental awareness.

In 2025, the AAF Beach Cleanup Volunteering Activity was held at Batu Ferringhi Beach, Penang. 30 employees joined the activity, collecting approximately 33.6 kilograms of waste, including plastics, metals, glass, ropes, and other debris, contributing to improved beach cleanliness and reduced marine pollution.

Beyond waste removal, the initiative provided employees with practical insights into the impacts of marine pollution and the importance of protecting coastal ecosystems.



Beach Cleanup Campaign

Again in Malaysia, as part of its CSR Day activities, AAF conducted a butterfly conservation initiative to support environmental sustainability and ecosystem preservation. The activity was carried out in collaboration with the Melaka Butterfly & Reptile Sanctuary Park, Ayer Keroh, Melaka. 35 employees participated in the initiative, which included the planting of butterfly host plants and the release of approximately 50 butterflies into the Sanctuary Park. This initiative aimed to enhance biodiversity, promote pollination, and support ecological balance, while strengthening employee awareness of ecosystem conservation.



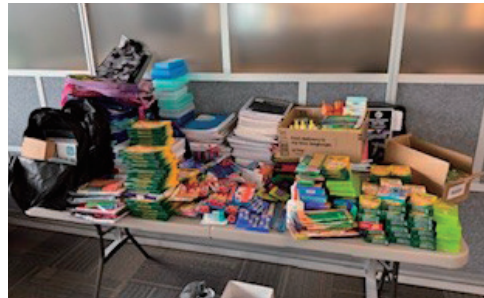
Butterfly CSR Day

Community Connections

Community Engagement in Education

Supporting education and local students is a key part of our sustainability efforts. Through various initiatives, we have contributed to enhancing educational opportunities for those in need.

In the United States, employees in Louisville organized a school supply drive alongside a community potluck event in preparation for the new academic year. Team members were encouraged to nominate local schools in need, ensuring that support was directed where it would have the greatest impact. Essential supplies—including notebooks, pencils, and backpacks—were collected and distributed to underserved schools across the region. In addition, we provided a \$500 donation to the duPont Manual High School Varsity Crimsons Cheer Team. This contribution supported the purchase of uniforms and related expenses, enabling greater student participation in extracurricular activities and fostering school engagement.



School Support Initiative

In Bengaluru, India, employees organized a charitable food stall to raise funds in support of a local school. The funds collected were used to purchase a water purifier and sports equipment, contributing to a healthier learning environment and supporting students' physical development alongside their educational needs.



School Supplies for Local Students

Food Support

Addressing food insecurity is an important part of our community engagement efforts.

In the United States, employees partnered with Dare to Care Food Bank, a local organization addressing food insecurity within the community. A total of 25 employees participated, supporting warehouse operations and the preparation of food supplies for distribution. As part of this effort, employees contributed to the preparation of approximately 900 food boxes for elderly individuals in need.



Food Bank Volunteers

In Malaysia, a food donation program was conducted in collaboration with the Kechara Soup Kitchen Society to support community well-being and short-term food security. The initiative benefited 15 underprivileged families through the provision of essential food supplies, with total donations amounting to RM1,800 (approximately \$455).

In the United Kingdom, employees supported Cramlington Foodbank through an annual Christmas food donation initiative aimed at addressing food insecurity within the local community. The initiative supports the preparation of essential food parcels for families in need and helps vulnerable households during the Christmas period, with a total contribution of 155 kg of food donations.

Children and Families in Need

In the United States, employees participated in the Salvation Army Angel Tree program, supporting children from vulnerable families during the holiday season. The initiative provides gifts to children who may not otherwise receive them. Employees allocated \$250 per child, fulfilling wishlist requests, and through additional employee contributions, were able to support three children in total, extending the initiative's impact.

Employees also supported Home of the Innocents, an organization that provides housing, care, and educational support for families with children with disabilities. As part of the initiative, employees donated \$500 worth of flowers and gardening tools to enhance the facility environment. Volunteer activities are regularly organized, with 20 employees per visit. During the year, employees contribute time to improving the organization's outdoor spaces, supporting a safe and welcoming environment for residents.



Facility Enhancement Activity

Animal Welfare Support

Support was also provided to local animal welfare initiatives addressing vulnerable pet and stray animal care. Contributions were made to My Dog Eats First, a local charity that helps individuals experiencing homelessness care for their pets, and to Alley Cat Advocates, which focuses on improving the lives of stray cats through trap-neuter-return programs to reduce stray populations. A combined \$1,000 donation supported these initiatives.



Pet Food Donations

Disaster Relief Support

In the United States, support was extended to communities affected by environmental and industrial incidents impacting air quality and public health. Following the California wildfires, efforts focused on assisting vulnerable populations most at risk from deteriorating air conditions. With a total estimated contribution value of approximately \$7,000, eight AstroPure air purification units were donated to the Pasadena Senior Center, complemented by the distribution of air filters to approximately 200 elderly residents in the surrounding community. This initiative aimed to improve indoor air quality and reduce exposure to harmful wildfire-related pollutants and particulate matter. The impact of the intervention was immediate, with the Director of the Senior Center reporting a noticeable improvement in indoor air conditions.

In addition to these donations, community engagement activities were organized to raise awareness of indoor air quality management during wildfire events and periods of elevated pollution. These sessions focused on practical actions individuals can take to minimize exposure to airborne contaminants and strengthen community resilience.



AstroPure Filters Supporting Local Community

Support was also provided to residents in Louisville following a UPS plane crash that resulted in elevated levels of airborne particulates within a 2–3 mile radius of the site. NaturalAire filters were distributed to local households to help mitigate air quality concerns and safeguard community health.



Community Air Quality Awareness Event