Sustainability Management

Yamaha Group Sustainability Policy

Our aim is "Sharing Passion & Performance"

The Corporate Philosophy of the Yamaha Group is, "With our unique expertise and sensibilities, gained from our devotion to sound and music, we are committed to creating excitement and cultural inspiration together with people around the world."

Based on this philosophy, Yamaha conducts its sustainability activities according to the following guidelines, seeking to contribute to the sustainable development of society and to further strengthen the bond of trust with its stakeholders through sound, transparent management methods, and corporate activities that balance social and environmental concerns.

- 1. By creating new values through products and services focused on social and environmental issues, Yamaha contributes to the sustainable development of society.
- 2. Through business development and social contributions based in each region of the globe, Yamaha contributes to the promotion and popularization of music, and to the development of communities.
- 3. By understanding the significance of protecting the natural environment and maintaining biodiversity, and by promoting the reduction of environmental burden through measures such as sustainable procurement of timber and lowering greenhouse gas emissions, Yamaha works to maintain a healthy global environment.
- 4. Yamaha observes laws, ordinances, and social norms, and moreover, conducts business in a fair and impartial manner throughout the entire value chain, including activities such as socially responsible procurement carried out in cooperation with business partners.
- 5. Yamaha endeavors to prevent abuses of human rights, responding appropriately to the effect of its business activities as well as to any attendant risks to human rights, with the goal of achieving a society that safeguards the dignity of all.
- 6. Yamaha works to create an atmosphere that holds in high regard the employee diversity that is a source of the new values created within the company, and which allows each person to fully demonstrate their sensibilities and creativity through training and use, without regard to race, nationality, gender, or age.

Formulated in February 2010 and revised in July 2018

Yamaha Group Sustainability Policy

☐ Japanese / ☐ English / ☐ Chinese / ☐ Indonesian

Sustainability Management

Basic Policy

The mission of the Yamaha Group is to continue to create excitement and cultural inspiration together with people around the world by utilizing the assets, various resources, unique expertise, and sensibilities originating from sound and music. To put this philosophy into practice, Yamaha is working to understand the impact of its business activities on the environment and society and pursue dialogue with stakeholders while overcoming challenges toward the creation of a sustainable society.

 \gg Sustainability Issues in the Value Chain

> Engagement with Stakeholders

> Yamaha Group Sustainability Policy

Initiatives Related to Sustainable Development Goals

The Yamaha Group seeks to contribute to the accomplishment of the United Nations Sustainable Development Goals (SDGs), a set of shared goals embraced by the international society, through its business.

In addition to our efforts to contribute to Goal 4 (Quality Education) through our initiatives to spread music, we are also working to help accomplish Goal 12 (Responsible Consumption and Production) and Goal 15 (Life on Land) by means of efforts to procure timber from sustainable sources. In these and other manners, we are developing products and services and endeavoring to improve our business processes with an awareness of the goals and targets of the SDGs.



Society's sustainable development

Continuous growth of Yamaha

Promotion of Sustainability Priorities

The Yamaha Group has established sustainability priorities for the medium-to-long term based on the impact of its business activities on the environment and society as well as on stakeholder expectations and social demands.

Priority Identification Process

1. Identification of Sustainability Issues

Identification of sustainability issues within the Yamaha Group value chain based on ISO 26000 (an international guidance on social responsibility) and the SDGs

2. Evaluation of Importance of Issues from the Perspectives of Stakeholders

Evaluation of importance of identified issues out of consideration for feedback from customers, employees, and local communities; ESG evaluation items; opinions and requests from NGOs; and advice from outside experts

3. Evaluation of Importance within Yamaha

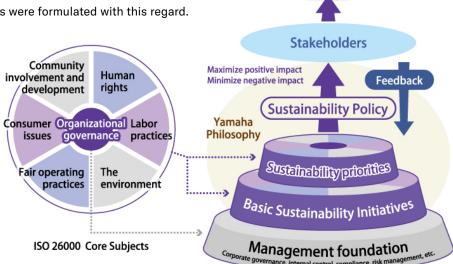
Evaluation of importance of identified issues out of consideration for Yamaha's management vision and medium- to long-term management policies

4. Identification of Sustainability Priorities

Selection of issues warrants a strong approach based on results of important evaluations followed by identification of sustainability priorities through discussion among senior management

After the sustainability priorities were identified, targets and key performance indicators (KPIs) for evaluating progress toward the sustainability priorities were set by relevant divisions and for the Sustainability Division, and action plans were formulated with this regard.

The targets, KPIs, and action plans have been approved by senior management. Through progress monitoring by the Sustainability Division and annual reviews by the Managing Council, which is chaired by the president, we are promoting efforts to address our sustainability priorities.



Sustainability priorities	Major initiatives	Classification under the new medium-term management plan, Make Waves 1.0	Fiscal 2020 progress and results	Future issues and medium-term management plan targets	Related SDGs
Development of products and services with a focus on social/environmental issues	Response to societal issues	Culture/Society	 Music Culture and Education Developed music instruments for performing traditional music, released regional models for Indian market, conducted local surveys in Indonesia and the Middle East Universal Design Released multilingual simultaneous interpretation guide feature for SoundUD™ Achieved SoundUD Consortium membership of 322 companies and organizations Received Grand Award of IAUD International Design Awards 2019 for SoundUD Consortium, etc. Conducted verification tests of new Remote Cheerer powered by SoundUD remote cheering system that transmits vocal encouragement from homes to stadiums Raised ratio of touch screenequipped electronic musical instruments with voice readout functionality to 75% Health and Safety Solutions Launched five new headphones and earphones equipped with Listening Care function for reducing burden on ears Workplace Communicated telework examples and promoted understanding regarding remote communication and teleworking Remote Solutions Unveiled SYNCROOM online remote ensemble performance service allowing users to enjoy performing in ensembles remotely 	Music Culture and Education Expand range of electronic instruments with functions necessary for performing traditional music in emerging countries Universal Design Promote SoundUD through government project, distribute development kits for applications for inbound tourists, and began offering translation services Expand range of electronic musical instruments equipped with voice readout functionality Health and Safety Solutions Equip over 70% of headphones and earphones with functions for reducing burden on ears Workplace Provide approximately 200,000 teleworking opportunities (people/places) over three years and implement workstyle reforms Remote Solutions Propose solutions Propose solutions matched to new lifestyle patterns	3 continues of the continue of
	Response to environmental issues	Environment	Certified 46 models of Yamaha Eco-Products (aggregate total of 425 models, 18% of sales) Commenced joint assessments with automobile manufacturers of thermoelectric power generation module that can utilize waste heat Promoted development of organic solvent-free coating technology Promoted development of alternatives for scarce timber resources	Certify 40 models as Yamaha Eco-Products a year Introduce waste heat power generation module into the automotive market Develop organic solvent-free coating technology Develop sustainable materials surpassing scarce timber resources	9 minute metrics 12 minute metrics 13 minute 15 minute 16 metrics 16 metrics 17 minute 18 minute 19 minute metrics 19 minute metrics 10 minute 11 minute 12 minute 13 minute 14 minute 15 minute 16 metrics 17 minute 18 minute 19 minute 19 minute 10 minute 11 minute 11 minute 12 minute 13 minute 14 minute 15 minute 16 metrics 17 minute 18 minute 19 minute 19 minute 10 minute 10 minute 10 minute 11 minute 11 minute 12 minute 13 minute 14 minute 15 minute 16 minute 17 minute 18 minute 19 minute 19 minute 10 minute

Sustainability priorities	Major initiatives	Classification under the new medium-term management plan, Make Waves 1.0	Fiscal 2020 progress and results	Future issues and medium-term management plan targets	Related SDGs
Development of regional community-based business and social contribution activities	Support for spread of instrumental music education	Culture/Society	 Delivered musical instrument performance experiences to aggregate total of 390,000 people in 1,500 schools in five countries through School Project Provided aggregate total of approximately 7,500 students from 77 schools in seven countries in Africa and the Middle East with the opportunity to play musical instruments Donated musical instruments and provided education support to five migrant worker schools in five cities in China (aggregate total of 60 schools) 	Provide musical instrument performance experiences to aggregate total of 1,000,000 people in 3,000 schools in seven countries through School Project Provided aggregate total of approximately 8,300 students from 75 schools in seven countries in Africa and the Middle East with the opportunity to play musical instruments Donate musical instruments to migrant worker schools in China (support 18 schools in three years)	4 SOUTH SECTION AND ADDRESS OF THE PARTY OF
	Support for youth development orchestra/band		 Held musical instrument maintenance seminars for 36 organizations in six countries in Latin America (total of 40 seminars) and held seminars for cultivating repair technicians for 27 individuals in six countries Commenced trial initiatives in two new candidate countries for support activities 	Continue to provide musical instrument maintenance seminars and repair technician training in Latin America and expand efforts to new countries and organizations Expand scope of supported countries (two countries in three years) Support the spread of wind instrument bands and orchestras best suited to specific countries and regions around the world	
	Community support		 Conducted seven new support initiatives as part of a project to build communities through music (Oto-Machi) 	 Provide additional types of support within the Oto-Machi project (10 new projects in three years) 	
Lowering of greenhouse gas emissions	Reduction of greenhouse gas emissions during business activities	Environment	Acquired certification for medium- to long-term emissions reduction targets from the Science-Based Targets initiative (SBTi) and announced targets* * Scope 1, 2: fiscal 2031 -32% (fiscal 2051 -83%) Scope 3: fiscal 2031 -30% (all figures compared with fiscal 2018) Began sourcing power from renewable energy (sourced approximately one-third of head office power and 1% of total Group power) Upgraded to high-efficiency air-conditioning equipment and switched to LED lighting Advanced logistics downsizing initiatives Received third-party greenhouse gas emission verification	Advance emissions reduction initiatives to achieve targets based on Science-Based Targets (SBT) Gradually expand the ratio of renewable energy used (fiscal 2022 target 3%) Continue to receive third-party greenhouse gas emission verification	7 suppose on the control of the cont

Sustainability priorities	Major initiatives	Classification under the new medium-term management plan, Make Waves 1.0	Fiscal 2020 progress and results	Future issues and medium-term management plan targets	Related SDGs
Lowering of greenhouse gas emissions	Response to climate change	Environment	Declared endorsement of Task Force on Climate-related Financial Disclosures (TCFD) recommendations and began disclosing information based on recommendations	Identify risks and opportunities and ramp up analyses and disclosure pertaining to material items	7 Afficiant of class rest
Sustainable procurement of timber	Prevention of use of illegally lumbered timber; expansion of use of certified timber	Environment	 Improved timber due diligence (DD) system Conducted DD on all timber purchased and judged 98.8% of purchases as low risk (excluding OEM/ODM products and non-Yamaha brand products) Increased forecast for ratio of certified timber in fiscal 2021 to 46% (28% in fiscal 2020) based on surveys and negotiations Examined possibility of switching to lower-risk timber 	Improve DD (improve inspection accuracy) and accomplish 100% rate of purchases at low risk Increase ratio of certified timber (fiscal 2022 target 50%) Develop musical instruments (such as for the cabinet material of pianos) that use timber with a lower risk	12 EFFORMS of Francisco 13 dates 15 true 17 francisco 17 francisco 17 francisco 18 dates
	Procurement of timber with an awareness of cycle-based forest preservation		 Began procuring African blackwood from supported areas in Tanzania and advanced tree-planting projects in this country (total of 5,500 trees planted over 3 ha area) Conducted investigation of link between site environment and tree growth (in collaboration with Kyoto University) Assessed social impact of initiatives on target areas (JICA base of the pyramid (BOP) cooperative business) 	Provide technical support to produce high-quality timber from African blackwood and promote tree-planting projects Promote joint research with academic institutions (such as Kyoto University) to develop forest resources and optimize usage efficiency	
Promotion of 3R in products	Packing and packaging material measures	Environment	 Downsized packaging and examined possibility of adopting low-environment impact packaging/cushioning materials Investigated measures for reducing and eliminating use of plastic shopping bags 	 Promote streamlining of packaging (introduce packaging/cushioning material with a low environmental impact and advance downsizing efforts) Implement measures for shopping bags and other single-use packing materials (stop using plastic, etc.) 	12 EFFORMS WITH THE PROPERTY OF THE PROPERTY
	Product measures		 Set long-term roadmap for product 3R initiatives Began offering piano retrofitting services (installation of silent functions and upgrades to higher-grade or newer Disklavier models) 	Promote 3Rs in relation to products based on long-term vision Enhance services to allow customers to continue to use the musical instruments they cherish (piano retrofitting, etc.)	

Sustainability priorities	Major initiatives	Classification under the new medium-term management plan, Make Waves 1.0	Fiscal 2020 progress and results	Future issues and medium-term management plan targets	Related SDGs
Systematic initiatives for the respect of human rights	System/ framework development	Society	 Completed addition of human rights management items to Yamaha Group Policies and Rules and related guidelines Published human rights education booklets and conducted human rights meetings on an individual workplace basis Held power harassment prevention seminars 	Introduce human rights management items into Yamaha Group Policies and Rules and perform monitoring in accordance with policies and rules Entrench internal training and initiatives to promote awareness of human rights	8 miles and and 10 miles and 10
	Supply chain CSR management		 Performed simultaneous assessments of 3,748 suppliers (98.6% response rate, corrective measures completed at five of 11 applicable companies) Conducted assessments of 117 new suppliers Held seminars for suppliers 	Conduct simultaneous supplier assessments (every three years) Perform assessments when beginning transactions Carry out education and awareness-raising activities targeting procurement personnel and suppliers	
Promotion of diversity and human resources development	Global human resources management	Society	 Established core positions and globally uniform grading standards 	Promote human resources management based on the Group- standard grading and development systems	S moon some some some some some some some some
	Empowerment of female employees and accommodation of diverse workstyles		 Introduced teleworking systems for childcare or nursing care purposes and established childcare facilities at business sites Converted shortened workhour systems for childcare or nursing care purposes to flextime systems Increased ratio of female managers within Yamaha Group to 16.3% (worldwide total) 	Expand work-life balance support systems Implement programs for supporting development of employees on or returning from childcare leave Improve ratio of female managers (target of 17% on Groupwide basis for fiscal 2022)	
	Efforts to promote understanding and support of the LGBT community		 Established helplines and revised rules pertaining to work regulations, etc. Conducted Companywide seminars, prepared handbooks, and distributed Yamaha LGBT Ally logo stickers Awarded with the highest rating of gold in the PRIDE INDEX recognizing initiatives for supporting sexual minorities 	 Establish internal systems Conduct awareness-raising activities to promote understanding inside and outside of the Group 	

The Make Waves 1.0 medium-term management plan, launched in April 2019, defines social contribution through our business as an important strategy and sets KPI targets as non-financial management goals related to our sustainability priorities of spreading instrumental music education within emerging countries and of procuring sustainable timber.

Sustainability Awareness Raising

The Yamaha Group aims to promote sustainability throughout the roles and duties of all members, from managers to new recruits. To this end, we conduct training and seminars and make use of resources such as our intranet site to educate employees and raise awareness on sustainability. Since fiscal 2018, we have been promoting deeper understanding of the SDGs through posters, Company newsletters, and internal events in order to help all Group employees realize the connection between their work and the SDGs.





Sustainability information site on Company intranet

Posters and Company newsletters introducing the SDGs



Sustainability education course as part of new recruit training



Lecture explaining the SDGs to lower- and upper-level managers



SDGs exhibition at Company event

Participation in Initiatives

With a commitment to cooperating and forming ties with global society as we work toward building a sustainable society, Yamaha signed the UN Global Compact in June 2011 and is working to adhere to the Ten Principles. In addition, we actively participate in subcommittees* of Global Compact Network Japan as a member.

* Fiscal 2020 subcommittee participation: Environmental Management, Kansai, Human Rights Due Diligence, Human Rights Education, Disaster Prevention/Mitigation, ESG, SDGs, and Reporting

> UN Global Compact

Engagement with Stakeholders

Basic Policy

In conducting its corporate activities, the Yamaha Group engages with individuals of a variety of interests in the Group.

The major stakeholders of the Yamaha Group are customers, to whom we provide products and services; shareholders and investors; the employees with whom we work; our business partners, including suppliers, clients, and subcontractors; and the communities in which we do business. We also focus on the environment, on which our business activities can have both positive and negative impacts.

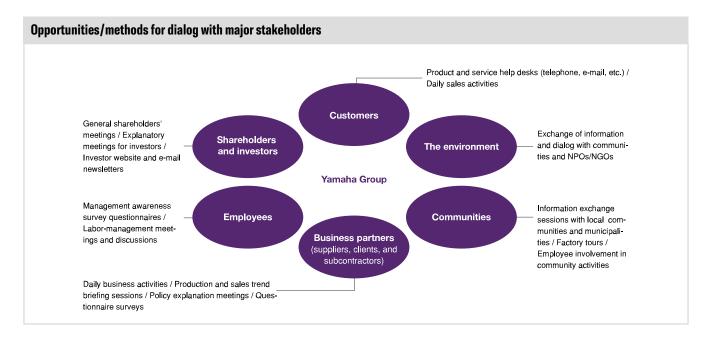
As promises to our stakeholders, we pursue "customer-oriented and quality-conscious management," "transparent and sound management," and the policies of "valuing people" and "harmony with society." In order to realize our goal of

"sharing passion and performance," we take opportunities to engage in dialogue with our stakeholders to learn of their opinions and desires and then reflect this input into our corporate activities.

We also solicit opinions on our sustainability activities from NPOs, NGOs, and outside experts and make improvements based on their feedback. In fiscal 2020, we participated in the Stakeholder Engagement Program of Caux Round Table Japan, which saw us taking part in identifying important, industry-specific human rights issues through discussions with 13 organizations, including NPOs and NGOs. This program also served as an opportunity to identify important human rights issues pertaining to the Company.

>> Promotion of Human Rights Due Diligence

> Caux Round Table Japan: Stakeholder Engagement Program



Customers

We aim to inspire our customers and satisfy their hearts and minds through providing products and services.

Major responsibilities

Provide valuable products and services that are safe and offer peace of mind / Promote universal design / Provide appropriate product information / Provide customers with appropriate service and support / Store customer information appropriately

Daily means of communication

Product and service help desks (telephone, e-mail, etc.) / Daily sales activities

Examples of communication > Improvement of Customer Satisfaction

> Customer Response and Support Improvement

Shareholders and Investors

We actively disclose management information and engage in continuous communication with the shareholders and investors who provide financial support for our corporate activities.

Major responsibilities

Disclose accurate management information in a timely manner / Distribute profit appropriately / Maintain and improve corporate value

Daily means of communication

General shareholders' meetings / Explanatory meetings for investors / Investor website and e-mail newsletters

Examples of communication Information Disclosure (Communication with Shareholders and Investors)

Employees

We respect the independence and sensitivity of each and every employee working for Yamaha. We strive to create environments in which each individual can fully realize his creativity, and aim to create a corporate culture that allows us to provide even better products and services.

Major responsibilities

Evaluate and treat people fairly / Respect human rights and diversity / Utilize and train personnel / Support a wide range of working styles / Ensure health and safety

Daily means of communication

Management awareness survey questionnaires / Labor-management meetings and discussions

Examples of communication > Communication with Employees

Business Partners (suppliers, clients, and subcontractors)

We see our business partners as partners traveling with us together on the road toward realizing our Company philosophy. We strive to deepen mutual understanding and to maintain and build positive relationships of trust, based on fair and transparent transactions.

Major responsibilities

Select business partners based on fair and rational standards / Engage in fair transactions / Eliminate dubious business relationships / Prohibit abuses of power

Daily means of communication

Daily business activities / Production and sales trend briefing sessions / Policy explanation meetings / Questionnaire surveys

Examples of communication >> Promotion of Social Responsibility in the Value Chain

Communities

When engaging in business activities in each country or region, we comply with related laws, regulations, and international standards, while also giving sufficient attention to environmental preservation and respect for human rights. We also actively participate in various activities contributing to the development of local communities and cultures, and help to build positive communities as a good "corporate citizen."

Major responsibilities

Coexist with communities and contribute to their development (including promoting culture, training the next generation, promoting welfare, creating employment, and developing skills and technology)

Daily means of communication

Information exchange sessions with local communities and municipalities / Factory tours / Employee involvement in community activities

Examples of communication > Connections with Local Communities

Contribution to Regional Community Development

The Environment

The environment serves as the foundation for sustainable societies, and we understand the significance of preserving the environment and maintaining biodiversity. In addition to reducing our environmental burden when conducting business activities or providing products or services, we also participate in activities to contribute to the environment.

Major responsibilities

Prevention of pollution / Climate change mitigation / Preserve natural resources / Manage and reduce the use of chemical substances / Protection of biodiversity

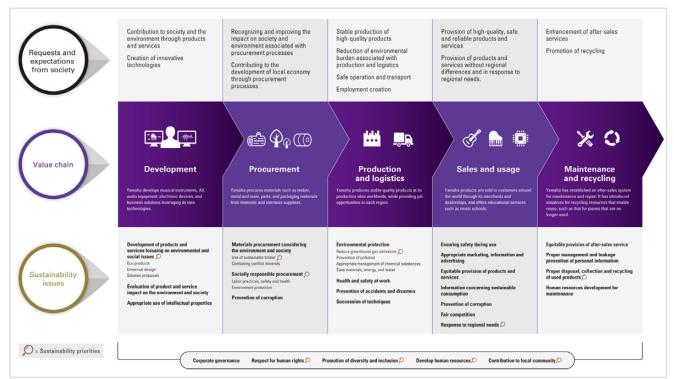
Daily means of communication

Exchange of information and dialog with communities and NPOs/NGOs

Sustainability Issues in the Value Chain

The Yamaha Group provides various products and services, including musical instruments.

Yamaha is fulfilling its social responsibilities by addressing issues related to the value chain by focusing on the impact of its products, services, and production processes on society and the environment.





UN Global Compact

The United Nations (UN) Global Compact was proposed by the Secretary General of the UN in 1999 and consists of 10 universally accepted principles in the areas of human rights, labor, the environment, and anti-corruption. The top management of companies that become signatories to the Global Compact pledge their commitment and, within the scope of their enterprises, promise to work consistently to achieve the objectives espoused under the 10 principles. Since signing the Global Compact in June 2011, Yamaha has actively worked to cooperate with the Global Compact Network Japan in conducting subcommittees.



The 10 Principles of the United Nations Global Compact

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: make sure that they are not complicit in human rights abuses.
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: the elimination of all forms of forced and compulsory labor;
	Principle 5: the effective abolition of child labor; and
	Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: undertake initiatives to promote greater environmental responsibility; and
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti- Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.