Yamaha Group Sustainability Policy
Our aim is “Sharing Passion & Performance”
Based on the Corporate Philosophy, Yamaha conducts its sustainability activities according to the following guidelines.

1. By creating new values through products and services, focused on social and environmental issues, Yamaha contributes 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.

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 strives 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 attention 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.

Promotion of Sustainability Priorities
The Yamaha Group has established and is promoting efforts to address sustainability priorities for the medium to long term, which are based on the impact of its business activities on the environment and society, as well as on stakeholder expectations and social demands (see page 68).

When determining these sustainability priorities, we took into consideration the feedback and requests we have received from each stakeholder as well as advice from outside experts. In addition, the importance of issues identified through this feedback and advice were evaluated based on our management vision and medium- to long-term policies, and the sustainability priorities were determined after discussion by our upper management. Under the medium-term management plan, each relevant division and the Sustainability Division have determined KPIs and action plans that evaluate targets and levels of progress toward the sustainability priorities we identified, and these KPIs and action plans have been approved by our upper 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.

Efforts toward the Sustainable Development Goals
The Yamaha Group intends to contribute to the achievement of the Sustainable Development Goals (SDGs), which were adopted as a list of shared goals for global society, through its business.

In addition to our efforts to contribute to Goal 4 through our initiatives to spread music, we are also working on Goal 12 and Goal 15 through efforts to procure sustainable sources for timber. We are currently developing products and services with an awareness of the goals and targets of each SDG, and endeavoring to improve our business processes.

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 10 Principles in the four areas of human rights, labor, environment, and anti-corruption. As a member of the Global Compact Network Japan, we also actively participate in subcommittees.

Examples of Specific Initiatives
Efforts to Combat Climate Change
We have been pursuing a broad range of efforts to reduce our greenhouse gas (GHG) emissions. These have included optimizing production methods and equipment configuration, thoroughly controlling energy use, building energy-efficient equipment and co-generation systems, and introducing fuel-changing initiatives and renewable energy.

In addition, we have established medium- to long-term targets for fiscal 2031 of reducing scope 1 + 2*1* emissions by 32% and reducing scope 3*2 emissions by 30% compared with fiscal 2018 levels. In June 2019, these targets were verified and approved by the Science Based Targets Initiative,*3 an international environmental organization. Furthermore, we have created an additional target for fiscal 2051 of reducing scope 1 + 2*3 emissions by 83%.

Also in June 2019, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD).*4 We control emission volumes in accordance with the GHG Protocol, a standard for the calculation and reporting of GHG. Additionally, scope 1, 2, and 3 emissions have been receiving third-party verification since fiscal 2017.

Efforts toward Sustainable Timber Procurement
The Yamaha Group has established a due diligence system to prevent procuring timber from illegal sources and is promoting a strict confirmation process for timber procurement legally through site visits and surveys of documents for procurement sources. We conducted a documentary investigation targeting all business partners from which timber was purchased in fiscal 2018, assessing the place of origin, the legality of harvesting, and the sustainability of relevant resources. Based on these results, we conducted stricter verification of legality for timber deemed to present a high risk. We also confirmed that 94% of timber volume in 2017 and 95% in 2018 was of illegal origin.

Furthermore, we are increasing our use of certified timber produced from sustainable forests. Under the new medium-term management plan, we have set the objective of achieving 50% certified timber use through the three years leading up to fiscal 2023, and we are actively procuring with the procurement of such timber. Additionally, if we can verify our forecast for timber purchases during fiscal 2020, we expect that certified timber will account for at least 29% (volume ratio) of timber purchases for the year.

In fiscal 2016, we began efforts to conserve seeds and realize sustainable procurement of African Blackwood, a type of wood for which the resource volume has been decreasing. These efforts are being promoted in collaboration with the United Republic of Tanzania, which is where we procure African Blackwood from. With the aim of constructing a business model that can sustainably use this wood variety as a material for musical instruments, we are promoting on-the-ground surveys as a BOP (Base of Pyramid) cooperation business with the Japan International Cooperation Agency (JICA), an independent administrative institution. Also, from fiscal 2018, we have been cooperating with local NGOs and local community members to begin tree planting activities for African Blackwood with the goal of securing a resource volume for the future.

Footnotes:
*1 Direct emissions from fuel use, etc., at Company facilities; Scope 2 (indirect emissions from the generation of purchased energy, such as electricity, steam, etc.)
*2 All indirect emissions occurring in the value chain of the Company that are included in Scope 3 (indirect emissions from suppliers, employees and consumers, marketing, transport, product usage, etc.)
*3 Verification of the validity of the GHG emissions; also assesses and approves such targets.
*4 The TCFD initiative promotes the establishment of a transparent reporting system for relevant greenhouse gas emissions; in order to achieve the targets of the Paris Agreement, there is currently an agreement to report the emissions of major countries. By ensuring that we disclose information about the financial impact of risks and opportunities related to climate change, the TCFD provides advice with the aim of encouraging real corporate decisions regarding climate change.

*2
*3
*4

On the Realization of Targets
Sustainability Priorities and Progress

**Sustainability categories**
- Culture & Society
- Environment

**Focus areas of progress**
- Development of products and services with a focus on social/environmental issues
- Development of regional community-based business and social contribution activities
- Sustainable procurement of timber
- Lowering of greenhouse gas emissions
- Promotion of 3R in products
- Systeic initiatives for the respect of human rights

**Detailed progress**
- **Music Culture and Education**
  - Promote comprehensive music education solutions
  - Expand range of electronic musical instruments equipped with functions required by local music cultures
- **Universal Design**
  - Expand range of electronic musical instruments equipped with functions required by local music cultures
  - Universal Design
- **Systematic initiatives of timber**
  - Lowering of greenhouse gas emissions during production system for it
  - Implemented reduction targets (SBT) based on market-wide knowledge
  - Implemented energy reduction measures, such as introducing energy-saving equipment and improving facility operation
  - Conducted the semi-annual greenhouse gas emission verification
  - Developed waste heat power generation module which can utilize waste heat, and built a production system for it
- **Support for youth development / youth / Local communities**
  - Promoted the active involvement of youth in Gloucester / local communities
  - Established training program for repair technicians and held seminars in three countries in Latin America / provided a total of 50 certified repair technician
- **Community support**
  - Donated musical instruments and provided education support to approximately 8,300 students from 75 schools in six countries in Africa and the Middle East;
  - Donated musical instruments to migrant worker schools in China (support 15 schools in three-year project)
  - Provided opportunities to play musical instruments to a total of 1 million students from 3,000 schools in Latin America / Russia / Africa and other countries
  - Provided opportunities to study musical instruments to approximately 1,000 students from 75 schools in seven countries in Africa and the Middle East
- **Support for youth development / youth / Local communities**
  - Established standards on grading and development, and conducted trials
  - Established reduction targets (SBT) based on scientific principles and established training program for repair technicians and held seminars in three countries in Latin America / provided a total of 50 certified repair technician
- **Response to environmental issues**
  - Increased ratio of female managers within Yamaha Group to 14.9% (worldwide total)
  - Expanded work-life balance support system (established measures to provide more flexibly work arrangements, etc.)
  - Established standards on grading and development, and conducted trials
  - Increased ratio of female managers within Yamaha Group to 14.9% (worldwide total)
  - Enhanced supplier CSR assessment system
  - Held compliance seminars themed on preventing harassment
  - Provided opportunities to play musical instruments to a total of 1 million students from 3,000 schools in Latin America / Russia / Africa and other countries
  - Provided opportunities to study musical instruments to approximately 1,000 students from 75 schools in seven countries in Africa and the Middle East
  - Donated musical instruments to migrant worker schools in China (support 15 schools in three-year project)
- **Sustainable procurement of timber**
  - Reduced ratio of illegal timber / promote use of certified timber
  - Improved timber due diligence (DD) system
  - Conducted third-party greenhouse gas emission verification
  - Established standards on grading and development, and conducted trials
  - Increased ratio of female managers within Yamaha Group to 14.9% (worldwide total)
  - Expanded work-life balance support system (established measures to provide more flexibly work arrangements, etc.)
  - Established standards on grading and development, and conducted trials
- **Lowering of greenhouse gas emissions**
  - Implemented reduction targets (SBT) based on market-wide knowledge
  - Implemented energy reduction measures, such as introducing energy-saving equipment and improving facility operation
  - Conducted the semi-annual greenhouse gas emission verification
  - Developed waste heat power generation module which can utilize waste heat, and built a production system for it
- **Promotion of 3R in products**
  - Implemented recyclable packaging materials and reduced size of materials
  - Promoted the reuse of products (pianos), renewal business
  - Developed systematic approach for repairing electronic organs, with its capability to be used for further enhanced (never model)
  - Implemented waste heat power generation module which were fabricated in Korea
- **Systeic initiatives for the respect of human rights**
  - Developed training program for repair technicians and held seminars in three countries in Latin America / provided a total of 50 certified repair technician
  - Donated musical instruments and provided education support to approximately 8,300 students from 75 schools in six countries in Africa and the Middle East;
  - Donated musical instruments to migrant worker schools in China (support 15 schools in three-year project)
  - Provided opportunities to play musical instruments to a total of 1 million students from 3,000 schools in Latin America / Russia / Africa and other countries
  - Provided opportunities to study musical instruments to approximately 1,000 students from 75 schools in seven countries in Africa and the Middle East
  - Donated musical instruments to migrant worker schools in China (support 15 schools in three-year project)

**Future issues and targets**

**Music Culture and Education**
- Propose comprehensive music education solutions
- Expand range of electronic musical instruments equipped with functions required by local music cultures

**Universal Design**
- Expand range of electronic musical instruments equipped with functions required by local music cultures
- Universal Design