



The Yamaha Group is guided by its corporate philosophy: "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." To put this philosophy into practice, Yamaha is working to understand the impact of its business activities on the environment and society and to pursue dialogue with stakeholders, while solving challenges to help create a sustainable society.

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, 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

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 attainment of the Sustainable Development Goals (SDGs), which were adopted as a set 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* emissions by 32% and reducing scope 3** emissions by 30% compared with fiscal 2018 levels. In June 2019, these targets were verified and approved by the Science Based Targets (SBT) Initiative,** an international environmental organization. Furthermore, we have created an additional target for fiscal 2051 of reducing scope 1 + 2 emissions by 83%.

Also in June 2019, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD).**

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.



- *1. Direct emissions from fuel use, etc., at Company facilities; Scope 2: Indirect emissions from the generation of purchased energy, such as electric, steam, etc.
- *2. All indirect emissions that occur in the value chain of the Company (not included in scope 1 and scope 2), including both upstream and downstream emissions (e.g. raw materials, parts procurement, transportation, product usage, etc.)
- *3. The SBT Initiative promotes the setting of science-based targets for reducing greenhouse gas emissions in order to achieve the targets of the Paris Agreement, and also assesses and approves such targets.
- *4. The TCFD was established by the Financial Stability Board (FSB), whose members consist of central bank governors and finance ministers of major countries. By assessing and disclosing information about the financial impact of risks and opportunities related to climate change, the TCFD provides advice with the aim of encouraging appropriate investment decision-making by investors.

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 legality 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% (volume ratio) of procured timber was low risk. We conduct this survey annually with the cooperation of suppliers under the aim of realizing a 100% rate of low-risk timber procurement.

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 2022, and we are actively proceeding with the procurement of such timber. Additionally, if we convert 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.



On-site investigation of supplier

Sustainability Priorities and Progress

Sustainability priorities	Major initiatives	Classification under the new medium-term management plan, Make Waves 1.0	Fiscal 2019 progress and results
Development of products and services with a focus on social / environmental issues	Response to societal issues	Culture / Society	Music Culture and Education <ul style="list-style-type: none"> Released new digital materials to support music education (chorus and recorder lessons) Universal Design <ul style="list-style-type: none"> Released new multilingual simultaneous interpretation guide feature for SoundUD™, and launched a subtitle support project for those with visual or hearing impairment Health / Safety Solutions <ul style="list-style-type: none"> Began supplying market with in-vehicle communication modules for emergency call systems Workplace <ul style="list-style-type: none"> Launched trial shared office project utilizing soundproof rooms and conference systems
	Response to environmental issues	Environment	<ul style="list-style-type: none"> Certified 53 models of Yamaha Eco-Products (379 models total, 18% of sales) Developed a thermoelectric power generation module which can utilize waste heat, and built a production system for it
Development of regional community-based business and social contribution activities	Spread instrumental music education to schools	Culture / Society	<ul style="list-style-type: none"> Provided a total of 260,000 students from 1,300 schools in five countries in Southeast Asia and elsewhere with the opportunity to play musical instruments Provided approximately 5,100 students from 63 schools in six 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 (total of 55 schools)
	Support for youth development orchestra / band	Culture / Society	<ul style="list-style-type: none"> Held musical instrument maintenance seminars for seven organizations in three countries in Latin America (total of 29 organizations in five countries) Established training program for repair technicians and held seminars in three countries in Latin America, produced a total of 19 certified repair technicians
	Community support		<ul style="list-style-type: none"> Worked with the Reconstruction Agency as part of a project to build communities through music (Oto-Machi)
Lowering of greenhouse gas emissions	Reduction of greenhouse gas emissions during business activities	Environment	<ul style="list-style-type: none"> Established reduction targets (SBTs) based on scientific knowledge Implemented energy reduction measures, such as actively introducing energy-saving equipment and improving facility operations Conducted third-party greenhouse gas emission verification
	Response to climate change		<ul style="list-style-type: none"> Formulated BCP in preparation for natural disasters, etc.
Sustainable procurement of timber	Avoid use of illegally lumbered timber; promote use of certified timber	Environment	<ul style="list-style-type: none"> Improved timber due diligence (DD) system Conducted DD (including on-site inspections) on all timber purchased and judged 94% of purchases as low risk Improved ratio of certified timber (29% of all purchased timber)
	Promote the procurement of timber with an awareness of cycle-based forest conservation		<ul style="list-style-type: none"> Conducted surveys to produce high-quality timber from African blackwood in Tanzania, and launched a tree-planting pilot project Entered into an agreement to conduct comprehensive joint research with academia (Kyoto University)
Promotion of 3R in products	Packing and packaging material	Environment	<ul style="list-style-type: none"> Implemented returnable packaging materials and reduced size of materials
	Products		<ul style="list-style-type: none"> Promoted the reuse of products (piano renewal business) Introduced system for replacing electric organ units (to upgrade to more advanced / newer models) Implemented recycling of electric organs that were traded in (some models)
Systematic initiatives for the respect of human rights	Develop system / structure	Society	<ul style="list-style-type: none"> Added human rights management items to Yamaha Group Policies and Rules and related guidelines Held compliance seminars themed on preventing harassment
	Promotion of supply chain management		<ul style="list-style-type: none"> Enhanced supplier CSR assessment system Conducted assessments when beginning transactions (104 companies) Held seminars for procurement personnel and suppliers
Promotion of diversity and human resources development	Global human resources management		<ul style="list-style-type: none"> Established Yamaha Group standards on grading and development, and conducted trials
	Promotion of the active role of female workers, response to diverse workstyles	Society	<ul style="list-style-type: none"> Expanded work-life balance support system (established measures to provide more flexible working conditions, etc.) Promoted the female manager development program Increased ratio of female managers within Yamaha Group to 14.9% (worldwide total)
	LGBT awareness and efforts to promote respect and support		<ul style="list-style-type: none"> Implemented internal study sessions for HR personnel, etc. (two sessions with a total of 90 participants)

Future issues and targets	Related SDGs
Music Culture and Education <ul style="list-style-type: none"> Propose comprehensive music education solutions Expand range of electronic musical instruments equipped with functions required by local music cultures Universal Design <ul style="list-style-type: none"> Expand range of electronic musical instruments equipped with voice readout functionality Health and Safety Solutions <ul style="list-style-type: none"> Expand sales and use of in-vehicle communication modules Workplace <ul style="list-style-type: none"> Propose acoustic environment solutions for workplaces (make use of speech privacy systems to keep information private during conversations) 	
<ul style="list-style-type: none"> Yamaha Eco-Products certification: 40 models / year Introduce waste heat power generation module into the automotive market Develop non-organic solvent coating technology Develop sustainable materials capable of replacing rare timber 	
<ul style="list-style-type: none"> Provide opportunities to play musical instruments to a total of 1 million students from 3,000 schools in seven countries in Southeast Asia and other locations Provide opportunities to study musical instruments to approximately 8,300 students from 75 schools in seven countries in Africa and the Middle East Donate musical instruments to migrant worker schools in China (support 18 schools in three years) 	
<ul style="list-style-type: none"> Continue to provide musical instrument maintenance seminars and repair technician training in five countries in Latin America, and expand efforts to new areas and organizations Provide support to additional countries in Latin America (two countries in three years) Support the spread of wind instrument bands and orchestras best suited to each country and region around the world Provide additional types of support within the Oto-Machi project (ten new projects in three years) 	
<ul style="list-style-type: none"> Promote reduction efforts toward achieving targets* certified by SBT *Scope 1, 2: fiscal 2021 -32% (fiscal 2051 -83%) Scope 3: fiscal 2021 -30% (all figures compared with fiscal 2018) Gradually expand the ratio of renewable energy used (fiscal 2022 target 3%) Continue to conduct third-party greenhouse gas emission verification Analyze and disclose financial effect of climate change according to proposal by TCFD 	
<ul style="list-style-type: none"> Improve DD (improve inspection accuracy) and accomplish 100% of purchases as low risk Expand ratio of certified timber (fiscal 2022 target 50%) Develop musical instruments that use timber with a lower risk (such as for the cabinet material of pianos) 	
<ul style="list-style-type: none"> Provide technical support to produce high-quality timber from African blackwood, promote the tree-planting project, and begin procurement Promote joint research with academia (such as Kyoto University) to develop forest resources and optimize usage efficiency 	
<ul style="list-style-type: none"> Promote streamlining of packaging (introduce packaging / cushioning material with a low environmental burden, and step up efforts to reduce size) Implement measures for shopping bags and other single-use packing materials (stop using plastic, etc.) 	
<ul style="list-style-type: none"> Formulate long-term vision and promotion plan for product 3R Enhance services to allow customers to continue to use the musical instruments they cherish (piano retrofitting, etc.) 	
<ul style="list-style-type: none"> Establish human rights monitoring systems Conduct internal training and promote awareness of human rights 	
<ul style="list-style-type: none"> Conduct simultaneous surveys on supplier CSR assessments (every three years) Conduct assessments when beginning transactions Held seminars for procurement personnel and suppliers 	
<ul style="list-style-type: none"> Promote HR management based on the Yamaha Group standards grading and development system 	
<ul style="list-style-type: none"> Expand work-life balance support system (open on-site childcare facility, establish measures such as telecommuting to provide more flexible working conditions, etc.) Consider measures to develop female employees for the Yamaha Group, and implement program to support staff taking temporary childcare leave Improve ratio of female managers, target of 17% throughout Yamaha Group at fiscal 2022 Establish internal systems (establish help desk, improve systems, etc.) Hold internal lectures to promote understanding / hold study sessions in industry organizations Promote understanding in workplaces through such means as distributing Yamaha LGBT Ally logo stickers and creating an LGBT handbook 	