



### Material Sustainability Issues

The Yamaha Group has defined material sustainability issues for contributing to sustainable social development and medium- to long-term improvements in corporate value based on the impact of its business activities on the environment and society as well as on stakeholder expectations and social demands. Initiatives for addressing these issues are currently underway.

### Material Issue Identification Process

Sustainability issues pertaining to the Yamaha Group's value chain have been identified with reference to the United Nations (UN) Sustainable Development Goals (SDGs) and others. The level of priority of these issues was then assessed based on input from customers, employees, and community members; ESG evaluation criteria; opinions and requests from NGOs; advice from external experts; our

corporate philosophy and management vision; and medium- to long-term management policies. In fiscal 2022, we revised our material sustainability issues to integrate these into the material issues used for overall corporate management.

In addition, we have formulated basic policies, priority themes, key performance indicators (KPIs), and targets based on these material issues under the new medium-term management plan (please see pages 28 and 36).

Furthermore, KPIs for gauging the progress of measures related to the identified material sustainability issues by the Sustainability Committee working groups and relative divisions was established along with related targets and action plans. The Sustainability Committee is responsible for monitoring the progress of initiatives pertaining to material issues.

### Major Sustainability KPIs and Targets of Make Waves 2.0

Category	Material Items	KPIs and Targets for Fiscal 2025 (Make Waves 2.0 Medium-Term Management Plan)
Environment	Response to climate change	Reduce CO <sub>2</sub> emissions by 5% through energy conservation (CO <sub>2</sub> emissions /production volume) <span style="float:right">Management target</span>
		Maintain inclusion on CDP Climate Change A List
		Improve logistics packing efficiency by 5%
Environment	Sustainable use of timber	Increase rate of sustainable timber use to 75% <span style="float:right">Management target</span>
		Cultivate and preserve three scarce tree species necessary for musical instrument production (Tone Forest activities)
Environment	Resource savings, reduction of waste and hazardous substances	Eliminate plastic packaging used for newly launching small products
		Install Listening Care function for reducing burden on ears by delivering high quality sound at low volumes into all new headphones and earphones
		Realize high-quality, natural remote communication (companies, schools, etc.)
Society	Contribution to an equal society and comfortable lives	Develop Daredemo Pianos (Auto-Accompanied Pianos) that can be enjoyed by anyone, including senior citizens and people with disabilities
		Respect for human rights in the value chain
Society	Respect for human rights in the value chain	Conduct on-site audits of suppliers (60 companies)
		Culture
Promote instrumental music education at schools in emerging countries (School Project); provide instrumental music education opportunities to aggregate total of 2.3 million children in 10 countries		
Human resources	Increase job satisfaction	Continue improving ratio of employees offering positive responses regarding motivation on employee engagement surveys <span style="float:right">Management target</span>
		Double human resources investment
	Respect for human rights and DE&I	Achieve global ratio of female managers of 19% <span style="float:right">Management target</span>
		Conduct cross-border positioning of 30 individuals
Human resources	Foster open organizational culture where people can proactively take on challenges	Continue improving ratio of employees offering positive responses regarding workplace comfort on employee engagement surveys <span style="float:right">Management target</span>

For more information on material sustainability issues, please refer to the following website.

<https://www.yamaha.com/en/csr/materiality/>



### Participation in Initiatives and Activities Related to the SDGs

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 participating in various other initiatives. The Group is also actively contributing to the accomplishment of the SDGs, which are a set of shared targets embraced by global society, through its business activities. Yamaha emphasizes the goals and targets of the SDGs in the development of products and services and in efforts to improve business processes. Specific examples of these efforts include advancing music promotion activities to contribute to Goal 4 "Quality education" and practicing sustainable

timber procurement to help achieve Goal 12 "Responsible consumption and production" and Goal 15 "Life on land."



## ENVIRONMENT

Recognizing the extreme importance of environmental issues, the Yamaha Group is committed to continuing its earnest contribution to the realization of a better global environment based on the Yamaha Group Environmental Policy. Yamaha is engaged in initiatives through its business activities, products, and services to respond to shared global issues, such as climate change, biodiversity, and the promotion of a circular society. At the same time, the Company is involved in environmental preservation activities, such as appropriate use of timber, forest preservation, and other activities that contribute to preserving the environment.



### Environmental Management Systems

The Yamaha Group has created a system for promoting global environmental preservation activities that is overseen by the managing executive officer responsible for environmental issues of the Yamaha Group. In addition, the Climate Change Working Group, the Resource Circulation Working Group, and the Procurement Working Group have been positioned under the Sustainability Committee, which is chaired by the president, to engage in discussions regarding important sustainability issues, such as addressing climate change and procuring timber in a sustainable manner. Based on Groupwide environmental rules and regulations, we have established an integrated environmental management system for all domestic business sites while overseas sites develop their own environmental management systems based on the regulatory frameworks of their respective country or region.

### Major Initiatives and Results under Make Waves 1.0 Furnish Responses to Climate Change

At the Yamaha Group, the Working Group for Climate Change seeks to contribute to the global movement to reduce greenhouse gas emissions. At the same time, we are preparing for the potential impact of climate change by identifying risks, formulating mitigation measures, and incorporating these into business strategies.



Endorsing the goals of Science Based Targets, an international initiative encouraging companies to formulate greenhouse gas emissions reduction targets in accordance with scenarios based on scientific evidence, the Yamaha Group has received certification from this initiative for reduction targets. Originally, the Group had targeted a 32% reduction in Scope 1 and Scope 2 emissions, but we later raised this target to 55% in light of the global community's push for carbon neutrality. This ambitious target has been certified by Science Based Targets as a target of helping limit the average rise in global temperatures to 1.5°C above pre-industrial levels. In addition, the Group declared its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and commenced initiatives for analyzing the impact of climate change on its finances and disclosing related information.

The Yamaha Group fully introduced an internal carbon pricing system in April 2022. This system motivates the Company to invest in renewable energy and in facilities with higher levels of energy efficiency and is expected to drive investment in solar power and other renewable energy generation equipment.

Furthermore, we have been introducing renewable energy at our business sites, and we were thereby able to transition to renewable

energy for 100% of the power purchased by the Company headquarters in April 2021. We then later switched to Shizuoka Green Electricity, a service that supplies electricity produced through hydro-electric power generation in Shizuoka Prefecture offered by Chubu Electric Power Miraiz Co., Inc., in September 2021. At overseas production sites, quantitative CO<sub>2</sub> emissions reduction targets are set on an individual-site basis, and proactive initiatives are being implemented toward the accomplishment of these targets.

### Sustainably Use Timber

The Yamaha Group has established a due diligence system to prevent the procurement of timber from illegal sources, and promotes a strict confirmation process for the legality of timber harvesting through site visits and surveys of documents for procurement sources.

The Group conducts surveys targeting all business partners from which timber was purchased to assess the place of origin, the legality of harvesting, and the sustainability of relevant resources. Based on the results, we perform stricter verification of legality for timber deemed to represent a high risk by undertaking further investigations including local site visits and assessments by a committee comprised of members of the timber procurement division and the sustainability division. We confirmed that 99.4% (volume ratio) of procured timber was low risk in fiscal 2022. The Group conducts such surveys each year with the cooperation of suppliers and is aiming to achieve a 100% rate of low-risk timber procurement. Additionally, we are actively adopting certified timber. Certified timber constituted 52% of timber purchase in fiscal 2022 (volume ratio). The Group was thereby able to realize the goal of achieving a 50% ratio of certified timber use over the three years leading up to fiscal 2022 set in the medium-term management plan announced in April 2019.

### Realize Resource Savings and Reduce Waste and Hazardous Substances

The Yamaha Group strives to use less resources in its products from a variety of standpoints, such as lowering product size and weight, integrating several products into one, reducing sizes, and cutting down on product packaging and cushioning. Furthermore, the Group is also engaged in efforts that will ultimately lead to less use of resources, such as extending the lifespans of its products and developing its piano renewal business.

In addition, the Yamaha Group is developing alternative materials that can be substituted for scarce timber and adopting sustainable materials, such as biomass-derived resins, as well as recycled plastics for use in its products.

For more information on environmental initiatives, please refer to the following website.

<https://www.yamaha.com/en/csr/environment/>



## Endorsement of the TCFD Recommendations

Rapid climate change poses a major threat to humanity and to all life-forms on earth. We recognize that helping combat this threat and contributing to the decarbonization of society are corporate responsibilities and important management issues.

In fiscal 2019, the Yamaha Group declared its endorsement of the recommendations of the TCFD and commenced initiatives for analyzing the risks and opportunities for its business created by climate change. This information is reflected in management strategies, and information on the financial impacts of these risks and opportunities is disclosed.



## Yamaha's Initiatives

### Governance

Climate change and other important sustainability issues are discussed at meetings of the Sustainability Committee, which is an advisory body to, and chaired by, the president that was established in January 2021, after which these matters are discussed and examined under the Sustainability Committee, and the results of these discussions are reported to the Sustainability Committee. The Sustainability Committee met 10 times in fiscal 2022.

Measures for responding to climate change-related risks and opportunities are discussed by the Working Group for Climate Change, a working group chaired by a managing executive officer positioned under the Sustainability Committee, and the results of these discussions are reported to the Sustainability Committee.

In fiscal 2022, Yamaha revised its sustainability priorities (materiality), the management issues with the potential to impact corporate value over the medium to long term, to include climate change among these issues. The new medium-term management plan "Make Waves 2.0" launched in April 2022 defines "set sustainability as a source of value" as one of its key policies, thereby positioning response to climate change as a central theme of the plan.

### Strategy

Scenario analyses have been performed to confirm the potential impacts of climate change on the Yamaha Group. The specific scenarios utilized were the Sustainable Development Scenario (global warming of less than 2°C above pre-industrial levels) and the NZE Scenario (net zero emissions by 2050 and global warming of 1.5°C above pre-industrial levels) based on the 2021 World Energy Outlook of the International Energy Agency (IEA) for transition risks and the Representative Concentration Pathway (RCP) 8.5 (global warming of 4°C above pre-industrial levels) scenario from the Fifth Assessment Report of the Intergovernmental Panel on Climate Change for physical risks. Applied to all businesses, these assessments were used to identify short-term, medium-term, and long-term risks and opportunities.\*

\* Risks and opportunities are classified as "short-term" if their impacts will be most strongly felt over the next several years, "medium-term" if their impacts will be felt leading up to 2030, and "long-term" if the impacts will appear in 2050.

### Major Climate Change-Related Risks and Opportunities

#### Transition Risks

##### □ Major Short-Term Risks

Major short-term risks include the risks of companies withdrawing from the timber business due to decarbonization trends, resulting in difficulties procuring timber.

The Yamaha Group has proceeded to raise the rate at which it uses certified timber, which can be procured reliably, from the perspective of the sustainability of forest resources, and our ratio of certified timber use was 52% on March 31, 2022. In addition, with our dedicated timber-related technology and procurement divisions, we have accumulated the expertise necessary to quickly switch to an alternative source should it become difficult to procure timber from a specific location.

##### □ Major Medium-Term Risks

Major medium-term risks include the potential for the institution of various measures aimed at the realization of a decarbonized society to lead to higher energy prices and additional costs resulting from carbon pricing systems.

To combat these risks, we altered our prior greenhouse gas emissions reduction target, which had been certified by Science Based Targets as a target for limiting global warming to 2°C above pre-industrial levels, and received certification for the new target in September 2021, indicating it as being viable for limiting global warming to 1.5°C above pre-industrial levels. Initiatives in pursuit of this target include advancing Companywide energy conservation activities, utilizing renewable energy, developing energy-efficient products, streamlining logistics processes, and bolstering engagement with suppliers. In addition, we have fully introduced an internal carbon pricing scheme for the purpose of facilitating investment in low-emissions equipment and installed emissions-reducing provisions into new Company buildings. By accelerating initiatives to achieve this more ambitious target, we aim to mitigate various transition risks.

#### Physical Risks

##### □ Major Long-Term Risks

Global warming threatens to change the environments in which the timber we procure is produced, which in turn would impede our ability to produce certain musical instruments. The Yamaha Group undertook an investigation that looked at scarce and difficult-to-substitute tree species from which it procures timber and was based on an academic thesis. This investigation indicated a possibility that the environments in which several of these tree species are cultivated might shrink as a result of global warming. Should it become difficult to procure timber from these tree species, resulting in increases in raw material prices, it would constitute a business risk. For this reason, we will carefully monitor circumstances related to the production of these tree species in the future and make preparations so that, should it be deemed that our operations might be impacted by these circumstances, we will be able to quickly shift to alternative tree species.

Furthermore, the Group exercises due diligence in verifying the legality of tree harvesting methods to ensure that it does not purchase illegally harvested timber and thereby safeguard its ability to continue procuring timber in a sustainable manner. We are also pursuing ongoing improvements to our business resilience through multi-faceted initiatives. One such initiative is the Tone Forest activities we engaged in with timber-producing communities to foster high-quality resources used for manufacturing musical instruments with regard to scarce timber that may become more difficult to secure due to climate change.

With regard to floods and other risks, we completed establishment of business continuity plans (BCPs) for all Yamaha business sites around the world. We have also taken precautionary measures such as installing drainage equipment to safeguard against damages from typhoons, floods, and other natural disasters projected on an individual business site basis. In addition, we have implemented measures such as revising the locations and structure of Company business sites and even external warehouses.

Furthermore, based on scenarios assuming global warming of 4°C above pre-industrial levels and once-in-a-century flooding in 2050, flooding risks and the effectiveness of flooding countermeasures were assessed for Yamaha Group bases, major distribution bases, and suppliers located in river-adjacent and coastal areas susceptible to floods around the world. These assessments found that no sites were at particularly high risk of flooding.

#### Opportunities

##### □ Major Medium-Term Opportunities

Major medium-term opportunities for Yamaha include the potential for increased demand for its products as people limit movement to help combat climate change. Specifically, it is possible that demand will grow for communication equipment. In addition, the trend toward decarbonization could drive the popularization of EVs, creating the potential for the Yamaha Group to engage in new businesses through which it produces comprehensive sound atmospheres within vehicles as well as the opportunity to win additional support for customers for its audio technologies, which deliver high sound quality from lightweight equipment.

##### □ Major Long-Term Opportunities

Major long-term opportunities include the possibility that demand for our products will increase as factors like global warming place limitations on outdoor activities. These factors are anticipated to drive growth in demand for a variety of musical instruments as well as for communication equipment. Moreover, by developing alternative materials with characteristics that are even more beneficial than those of the materials currently used, we aim to prepare for the potential depletion of the habits in which the timber suited to musical instrument production is grown. These provisions will allow us to provide value and take advantage of an even wider range of business opportunities.

## Risk Management

The Risk Management Committee has been established as an advisory body to the president. This committee meets to discuss risk management-related themes from a Companywide perspective, and the findings of these discussions are reported to the president.

The committee also assesses and categorizes a variety of climate change and other risks based on the potential damages and frequency. In addition, risk control levels are evaluated to identify serious risks requiring priority attention, to designate the divisions responsible for managing these risks, and to thereby improve the overall level of risk management.

In addition, the Working Group for BCP and Disaster Prevention Management has been set up under the Risk Management Committee to establish BCPs and implement other business continuity management initiatives to address the physical risks associated with natural disasters.

Relevant executive officers report on these activities to the Board of Directors, which carries out confirmation and oversight of the effectiveness and progress of risk management frameworks.

For more information on risk management, please refer to page 98.

## Metrics and Targets

Reductions to CO<sub>2</sub> emissions are managed in a comprehensive manner encompassing the entire Yamaha Group and its supply chains. To facilitate these efforts, the Greenhouse Gas Protocol is used as the standard for calculating total greenhouse gas emissions (Scope 1, Scope 2, and Scope 3 emissions), and third-party verification is received for these calculations.

Yamaha has set the medium-term targets of reducing total Scope 1 and Scope 2 greenhouse gas emissions by 55% (a target certified by Science Based Targets as sufficient for helping limit average global warming to below 1.5°C) and total Scope 3 greenhouse gas emissions by 30% from fiscal 2018 levels by fiscal 2031. In addition, we have set a long-term target for Scope 1 and Scope 2 emissions of achieving carbon neutrality by fiscal 2051.

Scope 1, Scope 2, and Scope 3 emissions

[https://www.yamaha.com/en/csr/environment/global\\_warming/#02](https://www.yamaha.com/en/csr/environment/global_warming/#02)



In addition, we have set the goal of achieving a ratio of certified timber use of 50% by fiscal 2022 in order to help preserve forest resources and protect biodiversity. This goal was successfully accomplished in fiscal 2022 with a ratio of 52%. Going forward, we plan to establish internal standards to guide wider-ranging management of timber sustainability. At the moment, we are targeting a ratio of sustainable timber use, as defined based on our internal standards, of 75% by fiscal 2025. Ongoing initiatives will be advanced toward this goal.

Results of Scenario Analyses

Category	Impact Level	Risks and Opportunities	Reason, Impact, and Response	Impact on Business (Potential)
Transition risks (Global warming of 1.5°C)	Procurement	Short-term risks Risk of difficulties in procuring timber because of companies withdrawing from the timber business due to decarbonization trends	<ul style="list-style-type: none"> <li>The number of companies targeting net zero emissions is increasing, a trend that is expected to stimulate a rise in demand for forest-associated carbon credits, which is in turn prompting forest owners to withdraw from timber businesses. The impacts of such withdrawals have been felt in certain timber-producing regions, but we are taking steps to mitigate the associated risks by utilizing alternative timber produced in different regions.</li> <li>Should a supplier of timber to Yamaha withdraw from the timber business, there is a risk that the Company may face difficulty securing the timber it needs to manufacture its products. However, with our dedicated timber-related technology and procurement divisions, we are able to quickly switch to an alternative source or develop alternative materials.</li> <li>The Company is progressively transitioning to certified timber from forests managed in a sustainable manner in its procurement of timber resources.</li> </ul>	- -
	Direct operations	Medium-term risks Risk of additional costs due to institution or increase of carbon prices	<ul style="list-style-type: none"> <li>The IEAs NZE Scenario (net zero emissions by 2050) projects carbon prices of U.S.\$130 per t-CO<sub>2</sub> (approx. ¥15,000 per t-CO<sub>2</sub>) in Japan, U.S.\$90 per t-CO<sub>2</sub> (approx. ¥10,000 per t-CO<sub>2</sub>) in China, and U.S.\$15 per t-CO<sub>2</sub> (approx. ¥1,700 per t-CO<sub>2</sub>) in Indonesia. These carbon prices will result in a rise in costs of approximately ¥1.6 billion in 2030. However, by accomplishing the greenhouse gas emissions reduction targets Yamaha put forth based on scenarios projecting global warming of 1.5°C, it should be possible to limit this rise in costs to ¥0.6 billion (yen amounts translated at a rate of ¥115 to U.S.\$1).</li> <li>An internal carbon price of ¥14,000 per t-CO<sub>2</sub> has been set for the purpose of accomplishing this target, which is being pursued by promoting investment in low-emissions equipment, increasing the energy efficiency of production divisions, and utilizing renewable energy.</li> </ul>	- -
		Medium-term risks Risk of additional costs due to increased procurement of renewable energy	<ul style="list-style-type: none"> <li>The procurement of renewable energy is imperative to achieving significant reductions in emissions.</li> <li>A large portion of Yamaha's Scope 1 and Scope 2 emissions are associated with electricity, meaning that increased use of renewable energy will be crucial to reducing emissions (electricity purchased in fiscal 2022 amounted to approximately ¥3.0 billion).</li> <li>Reductions to CO<sub>2</sub> emissions will be pursued by conserving energy, generating renewable energy in-house, and purchasing renewable energy.</li> </ul>	-
	Product demand	Medium-term opportunities Opportunities created by increased product demand as people limit movement to combat climate change	<ul style="list-style-type: none"> <li>There has been a trend toward people limiting their movement (via airplanes, etc.) to combat climate change, and it is possible that this trend may continue or expand going forward.</li> <li>This transition from outdoor to indoor activity may create opportunities by increasing demand for Yamaha's communication equipment (speakerphones, routers, etc.).</li> <li>The trend toward decarbonization is expected to drive the popularization of electrified vehicles. The IEAs NZE Scenario (net zero emissions by 2050) projects that sales of EVs will represent 64% of total automobile sales in 2030 and 100% in 2050. This accelerated spread of EVs has the potential to help win stronger customer support for Yamaha and its technologies for creating lightweight equipment that produces high-quality audio. We also see potential for engaging in new businesses through which we branch out from audio equipment to produce comprehensive sound atmospheres within vehicles.</li> <li>Reductions to waste and more effective use of resources is being promoted as a means of combating climate change. Against this backdrop, Yamaha has the potential to become a brand that guides the direction of the entire industry. Efforts to secure this position should include the development technologies and business model reforms for providing products as services aimed at reducing raw material use, utilizing recycled and renewable materials, encouraging customers to use products for longer by upgrading or purchasing more durable items, and eliminating the use of plastics in packaging.</li> </ul>	+ +

Category	Impact Level	Risks and Opportunities	Reason, Impact, and Response	Impact on Business (Potential)
Physical risks (Global warming of 4°C)	Procurement	Long-term risks Risk of difficulties in procuring timber due to changes in production region environments	<ul style="list-style-type: none"> <li>Global warming may change the environments in the regions from which Yamaha procures timber.</li> <li>The Company undertook an investigation that looked at scarce and difficult-to-substitute tree species from which it procures timber and was based on an academic thesis. This investigation indicated a possibility that the environments in which several of these tree species are cultivated might shrink. It has therefore been determined that we face the risk of it becoming difficult to procure timber from these tree species, resulting in increases in raw material prices.</li> <li>Through the advancement of Tone Forest for developing forests capable of sustainably producing timber suited to musical instrument production together with the community, we aim to secure stable supplies of high-quality timber over the long term.</li> </ul>	- -
	Direct operations	Long-term risks Risk of halts to operations and lost profits due to heavy rains, floods, or other natural disasters impacting operating bases (factories)	<ul style="list-style-type: none"> <li>Global warming is projected to cause increases in the damages from heavy rains, floods, and other natural disasters. It is therefore possible that profits may be lost should operations be halted at an operating base (factory) as a result of flooding.</li> <li>However, even when using analyses based on a scenario projecting global warming of 4°C above pre-industrial levels in 2050, the Company's investigations have found no risks flooding of more than one meter above floor level at the approximately 100 major Yamaha Group bases, distribution bases, and suppliers investigated.</li> </ul>	-
	Product demand	Long-term opportunities Opportunities created by increased product demand as people refrain from leaving homes during summer as a result of rising temperatures	<ul style="list-style-type: none"> <li>There has been a trend toward people refraining from leaving their homes during the summer as a result of rising temperatures (risks of heatstroke, etc.), and it is possible that this trend may continue or expand going forward.</li> <li>This transition from outdoor to indoor activity may create opportunities in the form of increased demand for Yamaha's communication equipment (revenue of ¥14.5 billion from ICT equipment in fiscal 2022) and for guitars and other types of musical instruments (revenue of ¥276.2 billion from musical instruments in fiscal 2022).</li> <li>To prepare for the potential depletion of the habitats in which timber suited for musical instrument production is grown, we are developing alternative materials with characteristics that are even more beneficial than those of the materials currently used. We thereby aim to contribute to the development of music culture and to capitalize on a wider range of business activities.</li> </ul>	+ +

Note: Certain risks and opportunities have been omitted in reflection of their likelihood of occurrence or potential impact on business.

Potential Changes in Timber Procurement Region Environments from Base Year

None (100% or more) Minor (95-100%) Moderate (80-95%) Large (80% or less)

Tree Species	Region	Rise in Average Global Temperature from Pre-Industrial Levels (°C) and Potential Change in Procurement Region Environments (%)									
		0.6°C*	1.0°C	1.5°C	2.0°C	2.5°C	3.0°C	3.5°C	4.0°C	4.5°C or more	
Conifer species A	North America A	100	100	99	98	96	94	92	90	Less than 90	
Conifer species B	Europe A	100	101	84	74	62	47	31	11	Less than 11	
Broadleaf tree species A	Asia A	100	101	105	107	109	111	113	115	More than 115	
Broadleaf tree species B	Asia B	100	101	103	104	104	104	103	101	Less than 101	
Broadleaf tree species C	Europe B	100	102	96	86	72	55	37	14	Less than 14	
	Europe C	100	100	100	99	98	96	94	92	Less than 92	
		2°C scenario					4°C scenario				
RCP 8.5 (4°C scenario)		Today*		2040s		2060s		2080s		2090s	
RCP 2.6 (2°C scenario)		Today*		2040-2090s							

\* "Today" represents the average between 1986 and 2005.  
Source: Yamaha Corporation

# HUMAN RIGHTS

To help realize a society in which everyone's human rights are respected, the Yamaha Group remains keenly aware of its responsibility with this regard and promotes respect for the human rights of all stakeholders touched by its business activities and value chain.



## Basic Policy

Based on the UN Guiding Principles on Business and Human Rights, the Yamaha Group has established the Yamaha Group Human Rights Policy. This policy guides the Group as it strives to comply with international norms pertaining to human rights, including those described in the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact.

In addition, the Working Group for Human Rights, DE&I has been established as part of the Sustainability Committee, which is chaired by the president. This working group is responsible for monitoring human rights due diligence, education, and awareness-raising activities. The Board of Directors, meanwhile, oversees Groupwide human rights due diligence activities based on reports from executive officers.

For more information on the Yamaha Group Human Rights Policy, please refer to the following website.

[https://www.yamaha.com/en/csr/human\\_rights\\_policy/](https://www.yamaha.com/en/csr/human_rights_policy/)



## Promotion of Human Rights Due Diligence

The Yamaha Group is committed to responsibly addressing the potential impacts of its business activities on human rights. To this end, we assess our activities based on international norms on human rights and on the self-assessment items of the UN Global Compact and actively engage in dialogue with stakeholders and experts. Through this process, we identify and specify the human rights risks apparent in our business. The Group works to identify the material human rights issues faced in different industries through participation in the Stakeholder Engagement Program of Caux Round Table Japan. Also, we began in 2022 to identify human rights issues based on advice received from experts and to revise our frameworks for assessing related risks in order to promote more sophisticated and comprehensive due diligence activities. Moreover, human rights principles are being incorporated into the internal regulations of the Company and Group companies. The status of the protection of employee human rights is monitored based on these regulations with regard to areas such as work conditions and labor-management dialogue, and improvements are pursued as necessary. For production companies in Japan, China, Indonesia, Malaysia, and India, dedicated Company staff members provide support for developing and advice for improving occupational health and safety and health management frameworks. We are thereby working to address human rights risks pertaining to employee health and safety and community members.

Suppliers, meanwhile, are asked to sign agreements stipulating compliance with the Yamaha Supplier CSR Code of Conduct, which contains provisions related to worker human rights, occupational health and safety, environment preservation, and ethics. Adherence with these agreements is regularly confirmed via paper audits. We intend to conduct on-site inspections of suppliers and to ramp up assessments going forward.

**Yamaha Supplier CSR Code of Conduct**

**(Preamble)**  
All Yamaha Group Suppliers are expected to comply, in all business activities, with each of the following statements, in addition to national and municipal laws, rules, and regulations, while also respecting international norms of behavior. Furthermore, Suppliers shall also encourage their employees to comply with the Code of Conduct and shall obtain information from these suppliers necessary to ensure compliance with the Code. In cases where these standards do not conform to national or local laws, etc., endeavors shall be made to find a way to respect the standards.

**A. Labor and Human Rights**

- 1. Fair Wages**  
The free will of all workers shall be respected and forced labor shall not be used. Conditions of employment shall be provided in a language the worker can understand. Workers shall not be required to hand over their passports, official identity documents, or work permits.
- 2. No Child Labor**  
Children under the minimum employment age are not to be employed. Employing with businesses that jeopardize the health and safety of workers under the age of 18 shall not be allowed.
- 3. Reasonable Working Hours**  
Weekly working hours as defined by local regulations shall not be exceeded. Workers shall be allowed at least one day off per week.
- 4. No Forced or Involuntary Labor**  
Pay shall meet or exceed the minimum wage as defined by local regulations. Payment shall be accompanied by a pay statement and shall be made directly to the worker without delay. There shall be no color wage reductions.
- 5. No Harassment or Abuse**  
The human rights of workers shall be respected and there shall be no inhumane treatment such as harassment or abuse. Measures shall be implemented to prevent and manage inhumane behavior.
- 6. No Discrimination**  
There shall be no discrimination in hiring or employment practices based on race, skin color, nationality, age, gender and sexual orientation, gender identity, ethnicity, disability, pregnancy, religion, political opinion, labor union membership, marital status, or any other factor relevant to business.
- 7. Safeguarding Whistleblowers**  
Suppliers shall respect the rights of workers to associate freely, join or refrain from joining labor unions, bargain collectively, engage in peaceful assembly, and other such actions in accordance with local laws and regulations. Efforts shall be made to ensure that workers can communicate openly with management without fear of discrimination, reprisal, intimidation or harassment. Employees shall not be unlawfully terminated.

**Occupational Safety**  
**Safety in the Course of Duties**  
Suppliers shall understand the work environment and operations, and implement appropriate technical, administrative, and preventive measures to address potential hazards and risks in order to ensure the safety of workers. Workers shall be provided with safety and health information and training, and any necessary protective equipment. Suppliers shall take appropriate measures and proper consideration shall be given to reduce health and safety risks for expectant and nursing mothers.

**Accident Prevention and Emergency Preparedness**  
Suppliers shall prepare countermeasures to evaluating risks associated with potential disasters, accidents, etc., and any necessary training or drills shall be performed. Suppliers shall conduct facility safety inspections, secure evaluation routes, and install and maintain disaster prevention equipment.

**Prevention of Occupational Injury and Illness**  
Suppliers shall understand the state of occupational injury and illness and implement preventive measures. Workers shall be provided with medical examinations in accordance with local regulations.

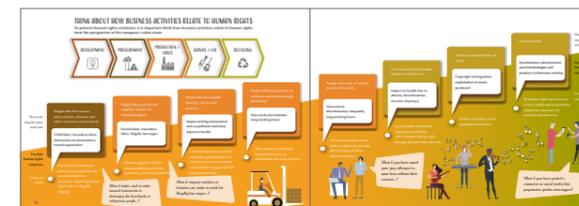
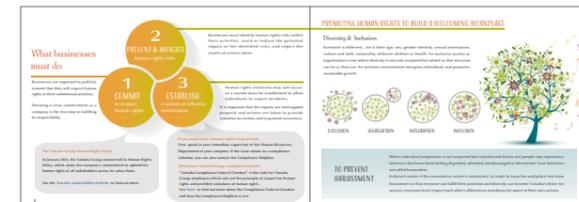
**Management of Physical Demands**  
Suppliers shall identify and manage physically demanding work that may pose a hazard to either physical or mental health, so as not to cause occupational injury or illness.

**Machinery and Equipment Safety**  
Suppliers shall implement safety evaluations of machinery and equipment, so as not to cause occupational injury or illness.

**Healthy and Safe Working Environment**  
Workers shall be provided with a healthy and safe working environment (e.g. housing facilities, cafeterias, etc.).

## Human Rights Education and Awareness-Raising Activities

The Yamaha Group encourages all employees to view human rights as an issue that directly relates to them, and human rights education programs are implemented to help us exercise our corporate responsibility to respect human rights. Specific training activities include e-learning programs and workplace discussions of the Yamaha Human Rights Guidebook, which compiles easy-to-understand information on the UN Guiding Principles on Business and Human Rights and possible human rights violations that may occur during the course of corporate activities. In addition, we hold internal seminars, training sessions, and workshops. These programs are designed to improve employees' awareness regarding human rights. We have also recently begun holding unconscious bias training as part of our efforts to promote diversity, equity, and inclusion (DE&I). Yamaha's personnel department monitors the implementation status of human rights education programs at Group companies and supports these companies in advancing self-propelled education programs.



Yamaha Human Rights Guidebook

## Prevention of Harassment

The Yamaha Group advances comprehensive initiatives for preventing all forms of workplace harassment. The Compliance Code of Conduct strictly prohibits harassment, and we have established consultation and whistleblowing systems and otherwise developed the frameworks and processes necessary for furnishing a swift and vigilant response to harassment. We also hold manager training programs for preventing abuses of power and are stepping up internal awareness-raising measures to bolster workplace communication with the goal of fostering a workplace environment free of harassment.

## Human Rights-Related Consultation and Whistleblowing Systems

The Yamaha Group has set up human rights-related consultation and whistleblowing systems to allow for the quick detection and response to human rights violations. In Japan, the Company has implemented internal and external compliance-related consultation and whistleblowing systems for use by employees (including contract employees, part-time employees, dispatch employees, and subcontractors). Overseas, we have developed multilingual email forms to ensure that the systems can accommodate reports from various countries

and regions. We are advancing activities to ensure awareness regarding the respective contact venues and how they are used. At the same time, internal regulations on how to handle reports are being developed, starting in Japan, with stipulations for protecting the confidentiality of reports and ensuring that individuals do not suffer disadvantageous treatment as a result of reporting. Yamaha's Legal Division monitors the status of whistleblower system implementation and operation at Group companies worldwide, and assistance for improvements is provided as necessary.

For more information about compliance initiatives, please refer to page 100.

## Product and Service Accommodation

The Yamaha Group seeks to improve the safety and accessibility of its products and services to ensure that they do not cause or exacerbate physical or mental health conditions and to allow them to be enjoyed by a wide range of people, regardless of disability or other restrictions. Examples of the innovations we have used to this end include the installation of the Listening Care function into our earphones and headphones, the provision of voice guidance functions for digital musical instruments, the development of recorders that can be played with one hand, and the deployment of the SoundUD universal design support system for sound.

Furthermore, we prepared a diversity, equity, and inclusion communication handbook for employees in April 2022 to facilitate inclusive communication that does not discriminate against or exclude others through product and service marketing activities and advertisements or through social media. Yamaha is also a member of the Unstereotype Alliance, a movement spearheaded by UN Women that aims to eliminate harmful stereotypes in media and advertisements.



Diversity, equity, and inclusion communication handbook



Banner for Unstereotype Alliance