





Sustainability  
(Initiatives for sustainability)

### Top Message




**To achieve a sustainable society, we commit to various international agreements and strive to become a company that earns society's trust.**

Yoshihiro Hidaka  
President, Chief Executive Officer and Representative Director,  
Yamaha Motor Co., Ltd.




**Approach to CSR**


### Activities for Stakeholders



**Customers**  
Striving to Bring *Kando* to Our Customers



**Shareholders and Investors**  
Engaging in Active Communication



**Employees**  
Creating Workplaces That Respect Diversity



### Business Partners

A Spirit of Fairness and Cooperation



### The Community

The Bonds for Creating and Sharing *Kando*



### The Environment

Achieving Sustainable Growth Which Harmonizes People with Nature

## Cooperating with International Initiatives



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## External Assurance



## Third-Party ESG (Environmental, Social, and Governance) Evaluations



## Environmental, Social, and Governance Issues

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## Social

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| <a href="#">Responding to Customers &gt;</a>           | <a href="#">Supply Chain &gt;</a>                   | <a href="#">Creating Healthy Society through Sports (Yamaha Motor Foundation for Sports) &gt;</a> |

## Governance

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| <a href="#">Anti-Corruption &gt;</a>      | <a href="#">Tax Matters &gt;</a>     |                                 |

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### Latest News

- August 7, 2019  
**2019 Sustainability Website (PDF) uploaded**
  - May 31, 2019  
**Sustainability Website updated**
  - December 19, 2018  
**Yamaha Motor Group Environmental Plan 2050 uploaded**
  - April 27, 2018  
**Green Procurement Guidelines (19th revision) uploaded**
- > [ISO26000 Reference Table](#)

# Top Message

To realize a sustainable society



**Yoshihiro Hidaka**

President, Chief Executive Officer  
and Representative Director,  
Yamaha Motor Co., Ltd.

The Yamaha Motor Group's corporate mission is to be a "*Kando*\* Creating Company – Offering new excitement and a more fulfilling life for people all over the world," and we operate under three management principles: Creating value that surpasses customer expectations; Establishing a corporate environment that fosters self-esteem; and Fulfilling social responsibilities globally. Based on this corporate philosophy, we have constantly pursued new challenges, leading to the opening of new markets, the creation of unique products, and the development of a wide range of businesses. Our company as it exists today was built on this history.

At the same time, we are facing an era of major transformation.

The Paris Agreement to combat climate change, adopted in December 2015 at the 2015 United Nations Climate Change Conference, also known as COP 21 (the 21<sup>st</sup> yearly session of the Conference of the Parties (COP) to the 1992 United Nations Framework Convention on Climate Change (UNFCCC)), set a target of holding the rise in the average global temperature to less than 2°C. And now there are reports stating that we must hold warming to under 1.5°C. Additionally, in 2015, the "2030 Agenda for Sustainable Development" was adopted at a UN summit. The agenda lists sustainable development goals ("SDGs") for the international community to achieve by 2030.

Under these circumstances, in 2018, we formulated a new long-term vision looking out to 2030. In this vision, we included the phrase "Art for Human Possibilities" to reiterate our commitment to solving societal issues and achieving continuous growth by creating *Kando* in a way unique to Yamaha. This phrase signifies creating better societies and better lives using Advanced Robotics, by Rethinking Solutions to societal issues in a unique Yamaha way, and expanding human possibilities by Transforming Mobility. Under this vision, we have identified "environmental & resources issues," "transportation, education, & industrial issues," "innovation issues," and "work method issues" as four important issues that the Yamaha Motor Group should be helping with.

In 2017, the Yamaha Motor Group signed the 10 Principles of the United Nations Global Compact covering human rights, labor, the environment, and anti-corruption. As a company doing business globally, we must be aware of and comply with this framework at all times, throughout our supply chain.

Going forward, we will engage in a commitment to international agreements, while emphasizing harmony with local communities, society at large and the global environment, and promote activities that will lead to the realization of a sustainable society, to become a company that earns the trust of stakeholders.

\**Kando* is a Japanese word for the simultaneous feeling of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value.

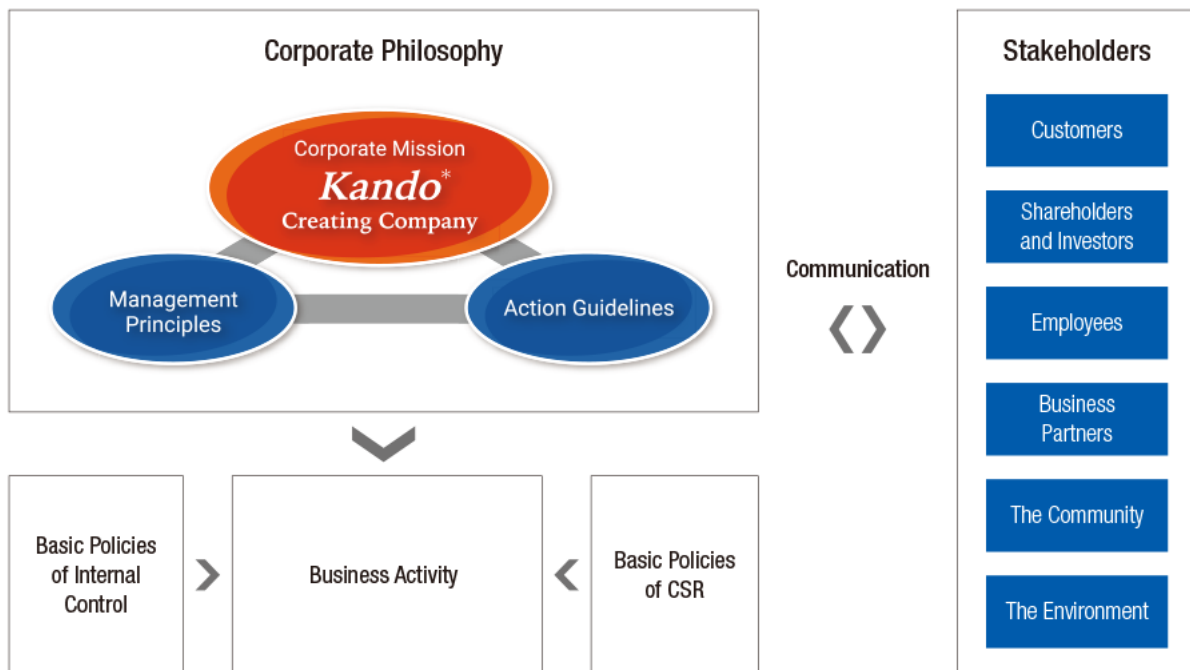
# Approach to CSR

Introducing Yamaha Motor Group's stance on CSR and its philosophy

Since our founding, our "Company Pledge" has called on all employees to contribute to society through our corporate activities.

The Yamaha Motor Group has worked to create diverse value through engineering, manufacturing and marketing based on our Corporate Mission: Offering new excitement and a more fulfilling life for people all over the world. Our three Management Principles – surpassing our customers' expectations, fostering employee self-esteem and fulfilling global social responsibilities – embodies our stance towards our customers, employees, and society. Our Corporate Mission, Management Principles, and Action Guidelines add up to our "Corporate Philosophy."

The Yamaha Motor Group believes the Corporate Social Responsibility (CSR) to be expected of us is a contribution to sustainable development of society through our business activities based on our "Corporate Philosophy." Our Basic Policies of CSR reflect the especially important social responsibility we owe to our stakeholders.



## Basic Policies of CSR

The Yamaha Motor Group strives to contribute to the sustainable development of society through our business activities based on our corporate philosophy and to always abide by the letter and spirit of domestic and international laws and regulations. We are dedicated to earning the trust of the global community, and we place great value on communicating with all stakeholders.

We expect all of our business partners to share our principles and to act in accordance.

|                            |   |
|----------------------------|---|
| Customers                  | <ul style="list-style-type: none"> <li>• We offer new excitement and a more fulfilling life for people all over the world through high-quality products and services that combine safety and innovation.</li> <li>• We provide practical, helpful information about products and services to customers.</li> <li>• We make every effort to protect the personal information of our customers and others involved in our business.</li> </ul>  |
| Shareholders and Investors | <ul style="list-style-type: none"> <li>• We aim to deliver stable, long-term growth to enhance corporate value.</li> <li>• We disclose appropriate corporate operational results and financial status in a timely manner.</li> </ul>  |
| Employees                  | <ul style="list-style-type: none"> <li>• We provide equal employment opportunities to build a diverse and discrimination-free workforce.</li> <li>• We provide fair working conditions while maintaining and improving a safe and healthy working environment.</li> <li>• We maintain respect for human rights and never tolerate child labor or forced labor in any form.</li> <li>• We work toward building success for both our employees and the Company through honest communication and dialogue founded on mutual trust.</li> </ul>  |
| Business Partners          | <ul style="list-style-type: none"> <li>• We respect our suppliers, dealers, and other business partners and aim to build mutual long-term growth founded on mutual trust.</li> <li>• We maintain an open door to new business partners around the world and choose companies based on comprehensive value, regardless of nationality or size.</li> <li>• We respect the competition laws of each nation and region and maintain fair business practices.</li> </ul>   |
| The Community              | <ul style="list-style-type: none"> <li>• We honor the culture and customs of every country and community, and we strive as a corporate citizen to act in balance with society.</li> <li>• We work to contribute to the development of sound communities by providing means of mobility, creating employment opportunities, and fulfilling our tax obligations.</li> <li>• We promote social action programs including personal mental and physical development, environmental preservation and safety activities, as well as supporting private initiatives undertaken by employees.</li> <li>• We maintain honest and fair relationships with government agencies and public authorities.</li> </ul> |
| The Environment            | <ul style="list-style-type: none"> <li>• We develop environmental technologies to create products that balance economic needs with environmental well-being.</li> <li>• We aim to minimize the environmental impacts of our operations and make efficient use of limited natural resources.</li> <li>• We form wide-ranging partnerships with communities around the world to perform environmental conservation activities.</li> </ul>   |

[Corporate Philosophy](#) >

[Basic Policies of Internal Control PDF \(153KB\)](#) >



# Customers

Introducing our initiatives to provide value through Monozukuri (engineering, manufacturing and marketing) and services, and to promote safe driving

## Aiming to be an engineering, manufacturing and marketing enterprise that gives customers a sense of *Kando*\*

The Yamaha Motor Group's product quality and *Monozukuri* (engineering, manufacturing and marketing) are based on maintaining ongoing, close relationships with our customers. Going forward, we believe we must continue to strive to enhance this product quality by taking a customer-oriented approach. To do this, all divisions are striving to raise the quality of the work they perform.

We will continue to undertake activities that provide a sense of excitement to customers. We will strive to achieve the best quality possible and realize safety and reliability, based on a customer-oriented approach that emphasizes a deep sense of emotion in accordance with the spirit of the Yamaha Brand Charter.

\**Kando* is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value.

### Providing New Excitement

Yamaha's corporate mission of being a "*Kando* Creating Company" is an expression of our desire to offer our customers around the world products and services that bring joy and unexpected exhilaration of the kind that enriches their lives with new fulfillment, in harmony with society and the environment.

Being such a company requires us to constantly uphold our standing as an excellent engineering, manufacturing and marketing enterprise with a prominent global presence. Product creation begins with the customer. Our task as a manufacturer is to enhance our competitiveness by maximizing and optimizing the value of the products we provide to customers, in terms of their appeal, reliability and cost performance, in ways that exceed customer expectations.

Examples of *Kando*



### Customer satisfaction regarding Yamaha Motorcycles

|                     | 2015 | 2016 | 2017 | 2018 |
|---------------------|------|------|------|------|
| Satisfied customers | 92%  | 92%  | 95%  | 95%  |

Figures are the percentage of customers in each year who purchased a major motorcycle model in the previous year and gave a customer satisfaction rating of 4 or higher on a scale of 1 (lowest) to 5 (highest) in sampling surveys.

(Countries covered: Japan, United States, Germany, France, Spain, Taiwan, China, Brazil, India, Indonesia, Thailand, Vietnam, the Philippines and Malaysia)

### Approach to Quality

Yamaha Motor is working daily to improve quality and to provide customers with peace of mind and confidence as well as a sense of excitement. The Basic Policies for Quality form the standard against which these activities are judged. As Yamaha Motor's president has declared, these are Groupwide policies under which "To constantly provide peace of mind, confidence and a sense of excitement to customers, we strive to achieve the best quality possible, by creating suitable standards of safety and reliability to realize high-quality products and services effectively, taking a customer-oriented approach that emphasizes a deep sense of emotion in accordance with the spirit of the Yamaha Brand Charter."

Under these policies, we formulated the YQ2021 Companywide medium-term quality policy covering the years 2019-2021, which sets three specific goals for our business activities: quality that provides exceptional excitement; quality that challenges; and quality that is trusted.

In addition, the Yamaha Group's Quality Assurance Standards conforming to ISO9001 form the basis for continuous improvement to quality management systems.

### Structure for Improving Quality

The Product Assurance Committee is the highest organization for determining quality assurance Companywide. This committee deliberates policies and measures for quality, the formulation, revision, and abolishment of Quality Assurance Standards, and responses to quality-related issues. Its decisions are passed on to persons responsible for quality management at operating divisions and administrative divisions at Quality Assurance Meetings, and implemented at manufacturing sites. We have also established a Market Quality Information Oversight Committee, which is authorized by the President and CEO to investigate and make reports, for the purpose of appropriately maintaining market quality information processing operations including information regarding product defects in each market and information regarding maintenance covered by product guarantees.

### Quality Enhancement Activities

To ensure that employees have ingrained, quality-related knowledge and skills, training for quality is annually held for new hires, for employees related to manufacturing two to five years after being hired, and for persons newly appointed to management positions. In addition, education and training programs are annually in place to enhance the skills of employees, to ensure that they are technologically proficient with regard to quality related specifically to their type of work and specialization.

With those programs as a base, all employees undertake the "I am Yamaha" activities for enhancing quality during their actual work. These activities encourage a strong sense of ownership in every employee, so that each individual believes, "It is I, and no one else, who is personally responsible for making the Yamaha brand shine." This attitude, along with a customer-oriented approach, allows employees to refine their powers of perception (ability to make discoveries) and to enhance the quality of their work. Both as an organization and as individuals, we will strive to further improve quality by working to: (1) enhance our customer sense; (2) increase interaction; (3) learn from mistakes; and (4) do high-quality work.

Specifically, this includes the operation of a Learning through Experience Hall that uses product and panel displays to learn from past mistakes, planning events for interaction with other companies, issuing educational leaflets, and conducting awareness surveys. Moreover, product divisions undertake their own effective activities based on their respective circumstances, to further increase awareness and create more opportunities for learning.

### Approach to Service

The Yamaha Motor Group views after sales service as an important aspect of quality, and that principle is laid out in our Basic Policies for Quality as "To constantly provide peace of mind, confidence and a sense of excitement to customers, we strive to achieve the best quality possible, by creating suitable standards of safety and reliability to realize high-quality products and services effectively." Under these policies, we have introduced the slogan "One to One Service" for the active creation of positive relationships with each individual customer. Accordingly, we operate the Yamaha Technical Academy (YTA) program around the world to train service technicians as per our proprietary unified global standard. Trainers in each country who have been trained by headquarters hold regular classes for the service staff in their country, so that they acquire technical skills that are up to Yamaha's unified global standard. This program has three levels of accreditation – Bronze, Silver, and Gold – and dealers display certificates showing the level that the dealership has received. In 2018, the percentage of technicians in our 24 major countries with YTA certification was 76% (of a targeted 80%), and the percentage of dealerships with a certified technician was 84%.

In addition, the Yamaha Parts & Accessories Academy is a similar training program covering the parts and accessories that are essential for after sales service.



## Yamaha World Technician Grand Prix

The Yamaha World Technician Grand Prix is one of our activities to deliver even greater customer satisfaction by enhancing the technical abilities used in daily work by service staff who have been trained at the YTA. The top finishers at regional preliminary rounds gather at our headquarters once every two years to compete in a contest to determine the world champions in the areas of “high level of technical skills,” “easy-to-understand explanations,” and “*Kando* response.” Service staff from around the world participate in this competition, and their motivation to be a top finisher is reflected in their daily service activities.

> News Release

> Details of the Yamaha World Technician Grand Prix

## Responding to Customers

We want customers to use our products with peace of mind for a long time. This makes a stable supply of parts indispensable. To prevent shortages for motorcycles, we maintain a minimum of a 10-year supply of parts, and have built a system where customers can order parts online and have them delivered quickly. For customer convenience, we also keep a parts list published on the website, so that customers can use a personal computer or smartphone to identify the parts they need and order them from dealers.

Our service activities also include a “time commitment service,” mainly in the ASEAN region where many people use motorcycles as a means of daily transportation. For example, we tell the customer, “A regular inspection will take this long,” or “An oil change will take this long,” committing to the amount of time the customer has given us and not causing stress for the customer by saying, “We don’t know when it will be finished.”

## Use of Customer Information

The Yamaha Motor Group views opinions and requests from customers as expressions of their expectations for our products and services, so we carefully respond to each opinion and request we receive, in the belief that raising the level of customer satisfaction will lead to trust. Based on this spirit, we undertake various activities to know how customers evaluate and use our products, and to learn how to improve our products and what kinds of products to make in the future. For example, we send an Internet survey to customers who have purchased a new product, and in some cases, we may ask the customer in person for a more detailed evaluation.

Our Customer Communication Center (available only in Japan) handles customer inquiries related to our products and services, including motorcycles, marine products, electrically power assisted bicycles, generators, and snow throwers. Comments received from customers are stored in a database, and are made available within the Company so that they can be used to develop and improve our products and enhance our services.

## Riding Safety Promotion Activities

Customer safety is our first priority, and in addition to enhancing product quality, we continue to put our maximum effort into activities which explain to customers in an appropriate manner how to use our products correctly.

These efforts include the publication of catalogs and brochures that convey the attractiveness of our products and product manuals that explain correct product use, as well as safety promotion activities such as riding schools that allow customers to gain first-hand knowledge about using our products.

The following is an introduction of some of the activities organized by our various businesses that help customers understand how to use our products properly.

### Examples

Motorcycles



Personal Watercraft



SSV and ATV



# Promoting Safety

Introducing the approach and policies related to customer relations

## Promoting Safety

YRA: For Safe Riding, Now and Going Forward



In addition to achieving its corporate mission of being a “*Kando* Creating Company,” Yamaha Motor strives to fulfill its social responsibility to enable customers to ride safely. Testament to this commitment is Yamaha Riding Academy (YRA) which runs safe riding courses around the world. To ensure that our products are used properly, safely and enjoyably, and serve our customers well, we offer a wide range of activities including safe riding courses for general customers, classroom instruction for companies and organizations that use our products commercially, and courses to train instructors at affiliates around the world.



> Sustainable Development Goals (SDGs)

YRA Instructor Hierarchy

We have established a YRA instructor hierarchy to support quality YRA activities around the world. In addition to riding ability, instructors are required to be certified in the following skills:

- Understanding and being able to explain YRA’s philosophy and purpose
- Manners and rules for dealing with customers
- Holding and conducting classroom lectures
- Knowledge and ability to explain safe riding
- Knowledge and ability to explain and demonstrate safe riding
- Knowledge and ability to explain products and pre-ride checks

The YRA instructor hierarchy has three levels of certification:

### **YMC Trainers (YMC = Yamaha Motor Company)**

YMC trainers are from YMC, and visit affiliates around the world to conduct training for and certify trainers and instructors.

### **Trainers**

Trainers are located at affiliates around the world and have been promoted to the rank of instructor after being certified by YMC trainers.

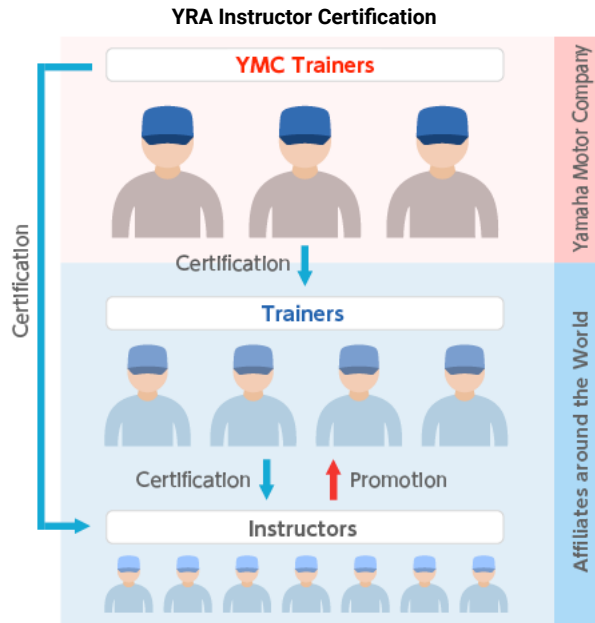
They train and are authorized to certify instructors in their own companies.

They also hold and conduct YRA classroom lectures for customers.

## Instructors

Instructors are certified by YMC trainers or trainers from their own companies, and are located at affiliates around the world.

They hold and conduct YRA classroom lectures for customers.



## Basic YRA Programs

YRA has a broad range of students, from beginners, current riders, return riders and children to companies and organizations, that use motorcycles for commercial purposes.

Basic YRA programs are held based on the needs of the customers taking the course and the characteristics of the products being used.

Actual riding instruction is carried out in cooperation with local Yamaha affiliates, founded on basic YRA programs and taking into consideration customer needs, traffic safety issues, and other local circumstances.



### Taiwan

Safe riding instruction for purchasers of large motorcycles



### Brazil

Training for police officers



### Japan

Lessons for return riders and beginners



### Thailand

Courses for acquiring a rider's license



### India

Children and family traffic safety program

# Taiwan

Introducing the approach and policies related to customer relations

## Taiwan

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The market for large motorcycles in Taiwan is growing, but this increase is leading to concerns of a rise in traffic accidents.

Many of our customers have been riding 125cc-class scooters and are now moving up to large scooters or motorcycles, but are unfamiliar with handling larger vehicles or operating the clutch.

Yamaha Motor Taiwan Co., Ltd. (YMT) is selling the TMAX, MT-07, and YZF-R3, and offers YRA safe riding courses to customers who purchase these models.

This includes both classroom instruction (YSRS) and hands-on lessons in riding techniques, to raise customers' awareness of safe riding as well as their knowledge and ability to enjoy our products safely.

During 2016, we held 30 courses for 198 participants, many of whom said the course was very useful.



# Brazil

Introducing the approach and policies related to customer relations

## Brazil

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In October and December 2016, we held the YRA Offroad Special Training for Police, where police officers and firefighters in Brazil were taught how to use motorcycles safely, correctly, and effectively.

With local trainers from our affiliate in Brazil, Yamaha Motor do Brasil Ltda. (YMDB), as instructors, 20 police officers and firefighters worked on developing their off-road riding skills.

Road surfaces and pavements in Brazil are often in poor condition, and there are many off-road situations in which motorcycles are suited for police and firefighting operations, creating a need for skills in fast, safe riding. The course consisted of the basic YRA program plus additional curricula in line with local requirements as determined by the local police and YMDB.

By teaching safe riding utilizing the special features of Yamaha products, we were able to contribute to the smooth operation of public activities.



# Japan

Introducing the approach and policies related to customer relations

## Japan

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In Japan, Yamaha Motor offers lessons to promote safe riding, primarily for return riders and beginners.

Return riders are mostly people in their 40s and 50s, who have taken up riding again after stopping because of factors like work, marriage and raising children. Such riders have been increasing in number in recent years.

During this long break, their physical strength and riding skills decline, and motorcycles change. Riding a motorcycle without being aware of this decline raises concerns over increased accidents as a result of avoidable mistakes.

On the other hand, there are also customers who have obtained their motorcycle license but are not confident of their riding ability and are afraid to go out on public roads. These inexperienced riders are therefore hesitant to take the next step of purchasing a motorcycle. A problem facing such people in Japan is that despite obtaining their motorcycle license at a driving school, they do so without having any riding experience on public roads, and therefore have to learn on public roads by themselves.

During 2016, we held 27 classes, where some 276 customers learned how to ride enjoyably and safely.

The most popular course is called "Lesson & Touring," where students first review riding basics on a course, and then go on a short ride on public roads supported by instructors. Students who have taken this course have said, "It has been a long time, so this was good practice," and "This was my first time to ride on public roads, but with the instructor's support I was able to ride with peace of mind, and now am confident of my ability."



> [More about YRA in Japan](#)



# Thailand

Introducing the approach and policies related to customer relations

## Thailand

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Yamaha Riding Academy (YRA) is a training facility, located on the grounds of Thai Yamaha Motor in Samutprakarn province. At the time it was built, Thailand had more than 70,000 motorcycle accidents annually. Thai Yamaha Motor has been active in promoting safe motorcycle riding, since 2005, and has been offering safe riding courses 40 to 50 times per year, as well as holding official tests and issuing certificate of qualification for qualified riders. To expand and enhance the quality of these activities, Yamaha Riding Academy was established in August 2008 as the Group's first overseas training facility.



At YRA, we offer a wide range of programs for customers who have yet to obtain a rider's license and for veteran riders who already own a motorcycle, as well as programs on how to safety ride scooters and large capacity motorcycles.

One of these programs involves assisting riders to obtain a license.



In addition to providing instructions toward getting a license, this program has an online system connected to the Thai Ministry of Transport, allowing customers to take the license test on-site.



The instructors at YRA are also active outside the facility grounds, such as organizing activities to help promote safe riding at vocational schools and holding motorcycle classes for children at various events.

Yamaha dealerships and the Thai Ministry of Transport are also working together to help customers obtain a motorcycle license, especially in rural areas.



# India

Introducing the approach and policies related to customer relations

## India

### YCSP (Yamaha Children Safety Program)

Yamaha Riding Academy is offering road safety programs for children. Here in India, we developed this activity uniquely and more creatively.

Zippy! A Mascot created by the kids, for the kids! It acts as a tutor to help educate children on sensible attitudes toward road safety and traffic rules in a more fun and interactive way.



YCSP (Yamaha Children Safety Program) is to promote awareness of road safety and we are nurturing the kids right from their budding stages.

Yes! We are more concerned about road safety of our future citizens. At Yamaha, we are committed to create and inculcate proper road safety awareness among the kids and to transform them into more responsible citizens thus paving a way for safer roads in India. In 2016, we had more than 50,000 kids participate in 275 activities.

### YFSP (Yamaha Family Safety Program)

A Corporate Social Responsibility (CSR) initiative by YMIS (Yamaha Motor of India Sales Private LTD), promotes and assists safety activities that prevent road accidents to larger extent. We connect with family and kids through our uniquely designed programs that strive to inculcate safe and responsible riding among all the sections of the society.



In YCSP (Yamaha Children Safety Program), an integral part of YFSP (Yamaha Family Safety Program) is to promote road safety and we are nurturing the kids right from their budding stages. Here, we encourage the kids to come up with more creative ways of incorporating road safety themes into their drawing and dancing. The idea is to induce safety into their subconscious mind.



# Shareholders and Investors

A page with links to IR information

## Shareholders and Investors

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In order to ensure accountability by providing shareholders and investors with appropriate, accurate and timely information, Yamaha Motor has established a specialized division which engages in IR activities inside as well as outside Japan.

In addition to the annual shareholders' meeting and quarterly earnings briefings, the division holds IR meetings with investors from within and outside of Japan, and organizes business briefings. Furthermore, the division discloses IR information on the Company's website, operates a website to provide information to individual investors, and makes videos of earnings briefings and briefings for individual investors publicly available, in an effort to proactively disseminate information so that even more shareholders and investors have a better understanding of Yamaha Motor's business strategies.

Since 2017, a full-time investor relations (IR) staff has been employed in Tokyo to be actively engaged with shareholders and investors through constructive dialog and by holding events like small meetings with several institutional investors simultaneously to discuss environmental, social, and governance (ESG) issues. In addition, IR staff visit shareholders and investors in the United Kingdom, the United States, and other overseas locations, for direct engagement on ESG and other issues.

Yamaha Motor has established the Employee Shareholding Association in order for staff to build up their assets as well as have them further increase their engagement with the Company by having an awareness of participating in management.

Through this initiative, employees making a greater contribution to business performance will be one factor driving an increase in the Company share price, which will also lead to increased value of the assets held by employees.

- > Long-term Vision / Medium-term Management Plan (2019-2021) [PDF](#)
- > Video of Presentation, Long-term Vision / Medium-term Management Plan (2019-2021) [MOVIE](#)

### Information for shareholders and investors is available on the websites below

[Disclosure Policy](#)[Dividend Policy](#)[For Investors \(index page\)](#)



**The Number of Participants in YMC HR Development Program 2018**

|   |       |
|---|-------|
| Global/Selection (Except "Study Abroad" and "Overseas Trainees")      | 223   |
| Teamwork  | 56    |
| Professional  | 2,198 |
| Stratified Trainings (Except "New Employees Trainings")               | 484   |
| Self Value Design (Except "Self Value Challenge" and "Career Survey") | 995   |

**Employee Motivation**

In response to the question, "Are you motivated in the performance of your job?", with a score of (5) for "Highly motivated," (4) for "Somewhat motivated," (3) for "Neither motivated nor not motivated," (2) for "Not very motivated," and (1) for "Not at all motivated."



Percentage of employees replying, "Highly motivated" or "Somewhat motivated" in response to the question, "Are you motivated in the performance of your job?"

2015: 81.3%, 2016: 69.5%, 2017: 72.0%, 2018: 69.9%

According to the third party of employee survey, the pass grade is employees' average score of 3.5 and the employee rate chosen "highly motivated" or "somewhat motivated" is around 55%. Therefore, our target sets as keeping 3.5 as average and 55% of highly or somewhat motivated employee.

\* The choice "Neither motivated nor not motivated" was added in 2016.

**Workplaces Thriving on Diversity**

Based on our fundamental belief that "all corporate activity originates first of all with and for people," we have clearly defined our stance on human rights in its Basic Policies of CSR and Code of Ethics. Moreover, to maintain continuous growth, we believe it is important that our workforce incorporates diverse viewpoints and values, reflecting different experiences, skills, and attributes.

To achieve this, we have developed and implemented common management development programs around the world and introduced global human resource systems to train and hire talented staff, as we work to build an organization that utilizes global experience and knowledge.

**Utilizing Global Human Resources**

Since 2012, the Yamaha Motor Group has held meetings of the Global Executive Committee (GEC) as a venue for Japanese and local executives to discuss Group issues. In this committee, top management from the Group's core companies deliberate and consider topics related to global management that will later be deliberated at the Management Committee. Our brand slogan "Revs your Heart" was adopted following consideration of the GEC.

For management positions, we promote to recruit superior personnel regardless of their nationality or place of birth, and were working toward the goal of having local managers fill 60% of management positions at overseas subsidiaries by 2018. We are also pursuing global integration of the Group's core positions, and since 2016 have been recruiting employees from overseas bases for headquarters positions at the general manager level and above.



As of the end of 2018, we were unable to reach our target for promoting local staff to management positions. We will continue to work toward achieving this goal.

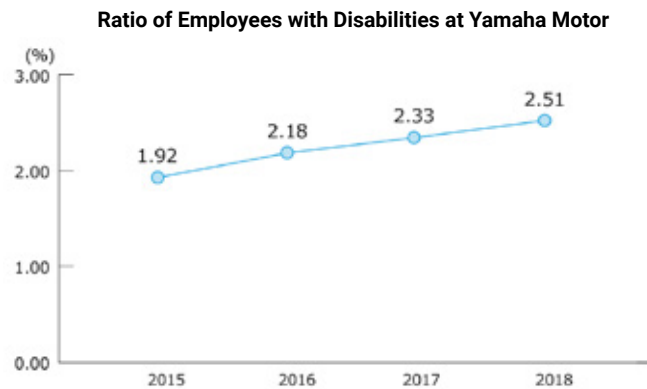
### Promoting Women's Active Participation

To promote active participation by women, we have set and are pursuing targets of doubling the number of women hired for managerial positions in 2014 by 2020, and to hire three times the 2014 number by 2025. A woman became president of an overseas Group company for the first time in 2018.

We are creating an environment that facilitates greater performance by women through measures that included setting women-only recruitment themes for in-house job postings when conducting personnel reassignments in 2017.

### Promoting Employment and Raising Motivation for People with Disabilities

For people with disabilities, in October 2015, we established Yamaha Motor MIRAI Co., Ltd., to provide a place where they can participate actively in accordance with their capabilities, and to promote their social independence. The company began full-scale operations in 2016, and has expanded its areas of business while holding various events such as company tours and workshop presentations in an effort to enhance the job satisfaction and motivation of employees. In addition, we promote understanding and cooperation throughout the Group by introducing the activities of Yamaha Motor MIRAI through our bulletin boards and company newsletters.



### Supporting Work-Life Balance

We support career planning that is based on the assumption of mutual confirmation by both the employee and the Company, and aim to create workplaces that promote a healthy work-life balance.

We are enhancing our systems so that employees can work in ways that suit their individual circumstances, by providing childcare leave, nursing care leave, and family illness leave, as well as systems such as flexible work time, short working hours, and the rehiring of employees who resigned to accompany their spouse on overseas postings. We are also working to support employees raising children through "Wai-Wai Land," an in-house childcare facility providing broad-based support for both "work and family." In 2016, we expanded the size of this facility and increased the number of children who can be accepted. In addition, certain consolidated subsidiaries have introduced programs allowing employees to work from home.

Our policy is to reduce excessive work hours with the aim of reducing overtime, and in consideration of maintaining mental and physical health. We have also established Rules Regarding Overtime Work, which are stricter than the legal requirements, based on labor-management consultations. In addition, the Labor-Management Committee on Working Hours, comprising participants from both the labor union and the Company, meets every month to confirm the present state of working hours.

Regarding the use of paid leave, we comply with the Work Style Reform Act, set targets between employees and management based on the Act, and promote the taking of paid leave through initiatives including a system for taking consecutive days of paid leave.

In particular, we are raising awareness and increasing the effectiveness of this system by sending special notices to those eligible for five consecutive days of paid leave.

## Main Work-Life Balance Support Programs (Yamaha Motor Co., Ltd.)

| Programs                  | Details  |
|---------------------------|--|
| Child care leave          | Employees may take leave until the child's second birthday.  |
| Family care leave         | Employees may take leave for up to one year on request.  |
| Family illness leave      | Employees taking care of children up to the third grade can take up to 5 days per year in the case of 1 child, and up to 10 days if they have two or more preschool-aged children.   |
| Flexible work time system | Working hours* can be set at any time between 6:30 a.m. and 9:45 p.m.<br>*Core working hours are from 10:15 a.m. to 3:00 p.m.  |
| Workload reduction        | Limits are placed on overtime, and night work is excused for employees with a child up to the third grade and employees caring for a sick or aged family member.   |
| Short-time work system    | Employees may reduce their working hours by two hours each day.  |
| Others                    | Designated "no overtime" days (every Wednesday; any day preceding a company holiday; paydays; and bonus payment days).<br>Employees can take three consecutive days of paid leave every year (from age 30, employees can take a consecutive five-day paid leave every five years). |

### Occupational Health and Safety

Under the leadership of the Central Safety and Health Committee, with authority delegated by the President and Chief Executive Officer, Yamaha Motor is promoting the establishment of safe and healthy working environments around the world. We are also engaged in various activities with the aim of zero occupational injuries.

For example, we strive to prevent occupational injuries by performing risk assessments in accordance with the Occupational Safety and Health Management System (OSHMS), to detect potential dangers and harmful conditions in the workplace. We implement detailed risk assessments when new equipment is installed and when new projects are launched.

In addition, regular checks based on ergonomics are carried out to ensure that workplaces are safe and comfortable.

| Item                     | Measures taken  |
|--------------------------|---|
| Lighting                 | Semiannually measure lighting in workplaces with illuminometers to ensure that illuminance does not fall below the intensity stipulated in the Ordinance on Health Standards in the Office of the Industrial Safety and Health Act. |
| Noise                    | Semiannually measure that noise at manufacturing sites does not exceed 85 decibels.   |
| Air quality              | Circulate using central air conditioning systems, and at designated workplaces air quality is measured semiannually by a working environment measurement expert accredited by the national government.                              |
| Temperature and humidity | Measure simultaneously as a wet-bulb globe temperature (WBGT) reading, to ensure that workplaces provide a physically comfortable environment.  |

In addition to the above, health managers patrol weekly the workplaces for which they are responsible and safety managers patrol manufacturing and testing sites daily, to ensure that workplace environments are safe and comfortable.

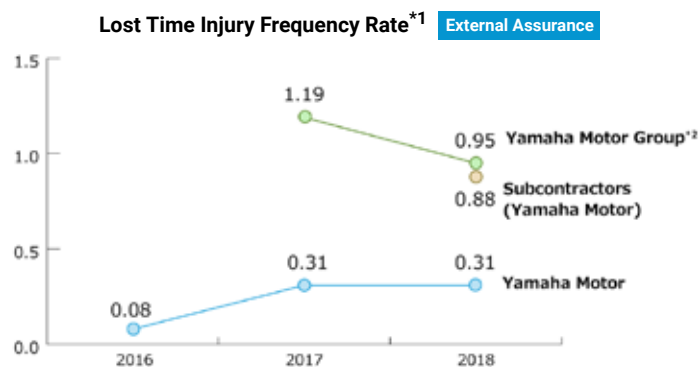
We are focused on developing human resources that can support workplace safety and a healthy occupational environment through job-specific stratified education and training to improve the skills of safety managers, supervisors, and operations chiefs, and by holding occupational safety and health meetings. The following training programs on workplace safety were held during 2018.

| Training  | No. of participants |
|---|---------------------|
| Training for senior safety and health managers  | 13                  |
| Training for newly appointed floor managers (2-day legally mandated training)           | 20                  |
| Training for persons appointed as safety managers (1-day legal and regulatory training) | 44                  |
| Training to enhance the skills of health managers (1-day legal and regulatory training) | 70                  |
| Hazard prediction drills  | 50                  |
| Special training for operations involving dust (1-day legally mandated training)        | 48                  |

We also thoroughly manage lighting, noise, air quality, temperature, and humidity overseas as well, based on laws, regulations, and in-house standards, and proactively implement occupational health and safety education and training.

In addition, in 2008, we developed an Occupational Safety and Health Management System (OSHMS) for Yamaha's main manufacturing centers, in an effort to prevent accidents. For centers obtaining Group certification, we have introduced a system under which headquarters conducts regular follow-ups with the aim of improving the level of management, performs inspections to determine whether the centers are meeting OSHMS levels, and grants Group certification to those that have achieved the required level, with follow-ups conducted on a regular basis.

We also make efforts to prevent occupational injuries among outside subcontractors by establishing work safety guidelines.



\*1 Lost time injury frequency rate: Number of lost time injuries occurring in a workplace per million work hours

\*2 Calculated from data for a total of 22 companies, comprising Yamaha Motor and its consolidated subsidiaries and affiliated companies with manufacturing functions.

During 2018, there were a total of 14 accidents at the Yamaha Motor headquarters (a record low), including seven accidents that resulted in lost work time. Workplace accidents tend to occur when walking, descending staircases, and carrying out maintenance, and we disseminate information about accidents Companywide in an effort to prevent a reoccurrence.

## Employee Health

### Policy

As a "Kando Creating Company," Yamaha Motor aims to provide customers with new excitement and more fulfilling lives. This requires that each and every one of our employees be "healthy." We believe this enables them to make full use of their abilities and passion, leading to customers' trust in the products and services we provide.

We consider employee health to be a key issue for the Company's development, and are working together with all employees to maintain and promote the health of our employees.

1. We will work to reduce health risks in workplaces and create comfortable workplace environments, so that employees can perform their jobs with vigor and in good health.
2. Working with our health insurance association, we will proactively support self-care initiatives to promote employee health.
3. Employees will take an interest in, and responsibility for, their own health.

### Specific Initiatives

Yamaha Motor engages in a wide range of initiatives to help employees maintain and improve their health.

In addition to health checks in accordance with laws and regulations, we offer ongoing health guidance to employees who are at risk for lifestyle-related diseases, and incentives to encourage employees to quit smoking, among other programs. For employees' family members, we provide subsidies through our health insurance association for those receiving regular health checks, cancer screening, complete physical examinations, and other services.

We monitor situations with regard to occupational illnesses through workplace patrols, special health examinations, and other measures. We also provide occupational health education. There were no incidents of occupational illness in 2018

(Occupational Illness Frequency Rate: 0%) [External Assurance](#) .

For employees scheduled to be stationed overseas, we hold training prior to posting on infectious diseases such as viral hepatitis and general health management, and provide education on preventing infection and prophylactic medications for employees who are travelling, including on business trips, to areas where there is a risk of contracting endemic diseases such as malaria. In addition, the occupational health physician in charge conducts regular tours of the overseas posting areas, and monitors the health levels and living environments of employees stationed abroad. Furthermore, to handle unexpected circumstances such as sudden illness, we have contracts with private medical service operators who provide both consultations and emergency transportation services.

Moreover, in order to promote health through recreation, we organize events such as the “Walk, Walk Campaign,” led by the Health Promotion Center. With regard to facilities, there is a gymnasium located near our headquarters that can be used free of charge by Yamaha Motor Group employees and their families, as well as former employees, and some workplaces and employee dormitories have training gyms equipped with fitness equipment on the premises.

As for nutrition, we support employee health through meals by offering menus at the company cafeteria prepared under the supervision of a dietician based on particular health-related aspects of each workplace.

In February 2019, Yamaha Motor was selected for the second year in a row as a “White 500” Outstanding Health and Productivity Management Organization under the Certified Health and Productivity Management Organization Recognition Program promoted jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

## Support for Mental Health

### System

Stress checks are performed each year together with health checkups, and analysis results are provided to individuals as feedback in the form of a radar chart. We have also put in place a system for follow-ups with an occupational health physician as necessary. We have resident counselors who work with those who have mental health issues and help them develop mental toughness through counseling and coaching. Furthermore, we have introduced an in-house mental health physician system and are clarifying various aspects of diagnoses and policies.

For employees who return to work after a leave of absence, the “Rework Program” helps prevent a relapse. The relevant manager, Human Resources Division, and occupational health physician cooperate to support the individual for about a year after his or her return to the job.

### Training

To ensure that mental health issues are promptly identified and addressed, we conduct training for newly appointed managers, supervisors and general managers on such matters as knowledge about mental health and how to handle it at the workplace.

### Expanding the System Overseas

Since 2005, we had been providing a telephone consultation service available 24 hours a day for employees stationed overseas, and have revised the system to take a more proactive approach. The stress checks carried out in Japan have been conducted in the United States since 2016, and in India since 2017. We expanded the checks to all employees stationed overseas in 2018.

## Relationship with Labor Union

Yamaha Motor has concluded a labor agreement with its labor union “to establish working conditions and management systems that are based on mutually fair understanding and good faith.”

Under this agreement, the Company provides the labor union with appropriate explanations of various measures to be implemented and publishes reports on labor management in an effort to ensure employees’ understanding of these issues. Moreover, the Company holds labor-management conferences and committee meetings regularly, as well as additional labor-management conferences taking up themes based on management initiatives or to address issues raised by the labor union. Officers of the labor union also participate in the management and operation of the corporate pension fund, the health insurance cooperative, and the mutual aid association.

An agreement dedicated to maintaining minimum wages is also concluded between the labor union and management each year.

Yamaha Motor adopts a union shop system in which employees below management are members of the labor union, where the participation ratio is 87%. Domestic Group companies have also established labor unions or labor committees and engage in labor-management dialog through those bodies. Labor unions of Group companies including the Yamaha Motor Labor Union are members of the Federation of All Yamaha Workers Unions, and are pursuing mutual cooperation through the federation. Overseas Group companies have established structures for engaging in appropriate labor-management dialog based on the labor practices of the respective country or region, and wages are paid in compliance with local regulations.

> Employee-Related Data

# Employees

Introducing the approach and policies related to employees

## Employee-Related Data (YMC)

|   |      | Total      | (Male) | (Female) |
|---|------|------------|--------|----------|
| Number of employees (persons)                                 | 2016 | 10,511     | 9,437  | 1,074    |
|   | 2017 | 10,464     | 9,365  | 1,099    |
|   | 2018 | 10,346     | 9,199  | 1,147    |
| Average age (age)   | 2016 | 43.0       | 43.3   | 40.9     |
|   | 2017 | 41.7       | 41.9   | 39.8     |
|   | 2018 | 41.5       | 41.7   | 39.6     |
| Number of years of continuous employment (years)              | 2016 | 19.7       | 19.8   | 18.3     |
|   | 2017 | 18.1       | 18.2   | 16.6     |
|   | 2018 | 17.9       | 18.0   | 16.4     |
| Number of new graduates hired                                 | 2016 | 267        | 226    | 41       |
|   | 2017 | 269        | 215    | 54       |
|   | 2018 | 278        | 214    | 64       |
| Total number of managers                                      | 2016 | 1,394      | 1,372  | 22       |
|   | 2017 | 1,406      | 1,379  | 27       |
|   | 2018 | 1,401      | 1,367  | 34       |
| Number of junior managers                                     | 2016 | 1,024      | 1,005  | 19       |
|   | 2017 | 1,023      | 1,000  | 23       |
|   | 2018 | 1,001      | 972    | 29       |
| Number of general managers and above                          | 2016 | 370        | 367    | 3        |
|   | 2017 | 383        | 379    | 4        |
|   | 2018 | 400        | 395    | 5        |
| Number of managers excluding corporate sectors                | 2016 | 1,264      | 1,251  | 13       |
|   | 2017 | 1,269      | 1,254  | 15       |
|   | 2018 | 1,288      | 1,268  | 20       |
| Average annual wage (yen)                                     | 2016 | 7,416,221  |        |          |
|   | 2017 | 7,404,192  |        |          |
|   | 2018 | 7,598,026* |        |          |
| Number of temporary employees (persons)                       | 2016 | 157        |        |          |
|   | 2017 | 109        |        |          |
|   | 2018 | 91         |        |          |
| Total number of consolidated employees (persons)              | 2016 | 53,150     |        |          |
|   | 2017 | 53,579     |        |          |
|   | 2018 | 53,977     |        |          |
| Number of non-Japanese employees (persons)                    | 2016 | 67         |        |          |
|   | 2017 | 86         |        |          |
|   | 2018 | 99         |        |          |
| Total number of consolidated non-Japanese employees (persons) | 2016 | 41,727     |        |          |
|   | 2017 | 42,334     |        |          |
|   | 2018 | 43,730     |        |          |



### Percentage of Female Employees by Region

|                      | %    |
|----------------------|------|
| Japan                | 14.0 |
| North America        | 30.5 |
| Europe               | 24.9 |
| Asia excluding Japan | 26.5 |
| Others               | 20.2 |
| Total                | 22.9 |

### Employee Resignations (YMC 2018)

|                  |    | Early Retirement Plan Users | Voluntary | Company's Discretion | Reassignment | Other |
|------------------|----|-----------------------------|-----------|----------------------|--------------|-------|
| Male (persons)   | 66 | 0                           | 65        | 0                    | 0            | 1     |
| Female (persons) | 16 | 0                           | 16        | 0                    | 0            | 0     |
| Total (persons)  | 82 | 0                           | 81        | 0                    | 0            | 1     |

\*In 2018, the situation regarding employees leaving the company worldwide was that the overall severance rate (including the number of people reaching mandatory retirement age etc.) was 6.8%, within which the voluntary severance rate was 1.9%.

# Business Partners

Introducing our partnerships with suppliers and business partners in the supply chain

## Business Partners

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### A global procurement and sales network based on a spirit of cooperation and fairness

Yamaha Motor products are created through collaboration with numerous suppliers in Japan and other countries. As our procurement and sales structures expand with our increasingly global business, the Yamaha Motor Group is establishing cooperative relationships with suppliers and dealers in Japan and around the world based on a spirit of mutual trust and mutual prosperity. For this reason, we strive to conduct fair business in compliance with the competition laws of all countries and regions while working to create partnerships that aim for mutual, sustainable growth.

#### Two Policies Underpinning Procurement

As a *Kando* Creating Company, Yamaha Motor provides new excitement and a more fulfilling life for people all over the world, delivering unique, highly functional, high-quality products for use on land, on water, and in the air. To continue to do and build upon this, we consider it essential to take a broad, global view for our procurement of many types of high-quality parts and materials.

This is the thinking underlying our Basic Purchasing Policies, in which Yamaha Motor commits to “conduct fair trading, based on trust and cooperation, and to constantly strive to build better relationships with suppliers through activities to improve quality, price, delivery times, and other factors.” We have also implemented the policies in the five areas of an open door policy, just/fair trade, compliance/non-disclosure, respect to global environment, and mutual trust/prosperity. The Basic Purchasing Policies are based on our CSR Procurement Policies, which state, “The Yamaha Group builds trust with its suppliers through positive communication, and strives to realize mutual prosperity.”

The Basic Purchasing Policies and CSR Procurement Policies play an important role as the basis for understanding all aspects related to procurement, from the conclusion of new contracts to procurement activities and ongoing transactions.

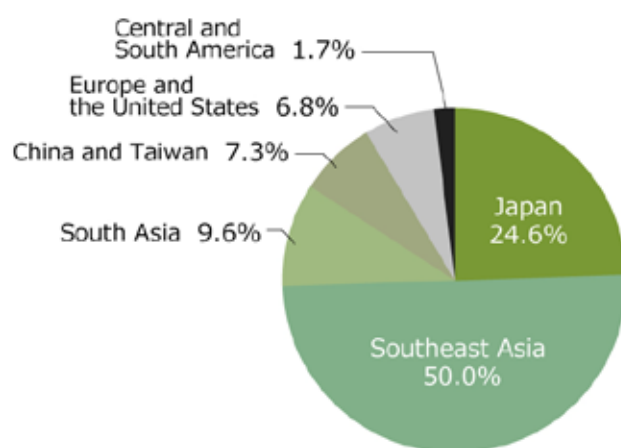
#### Structure for Promoting Policy Development

The procurement headquarters has organized the Global Procurement Officers Committee as a meeting body responsible for ensuring that the Basic Purchasing Policies and the CSR Procurement Policies are adhered to and reflected in our procurement activities, and gives instructions to promote the items stated in the CSR Guideline for Suppliers.

The Global Procurement Officers Committee receives reports and deliberates issues regarding current circumstances, and gives instructions for the implementation of its decisions based on the principle of mutual prosperity with suppliers. These decisions are then translated into specific global measures by the Committee, and all points of procurement are made thoroughly aware of these measures as Companywide policies. In addition, a Global Suppliers Conference is held annually, bringing together suppliers from around the world, and these conference and training programs held in conjunction with various events help to ensure a thorough understanding of these policies.

The breakdown of procurement value for Yamaha Motor’s main products by region is as follows.

## Breakdown of Procurement Value for Major Products by Region (2018)



### Important Partners in Supporting the Supply Chain

For the Yamaha Motor Group, our suppliers are vital partners in supporting the entire supply chain. When it comes to providing safe products to our customers and to society, we emphasize not only volume and monetary value but also quality and the procurement process. In particular, we strive to ensure that suppliers of important parts share and understand our vision and policies, and engage in activities to deliver excitement to our customers. Cooperation with our main suppliers is also important in terms of raising the quality of the entire supply chain, and must be assigned greater priority, going forward.

### Promoting Sustainability Throughout the Entire Supply Chain

Under the Yamaha Motor Group's Basic Policies of CSR, we expect our business partners to support the intent of the policies and to act accordingly. To have suppliers engage in sustainability activities that enable them to respond appropriately to the requests and expectations of society, our CSR Guideline for Suppliers informs our suppliers around the world of our policies with regard to issues including safety and quality, human rights and work environment, consideration for the environment, risk management, and compliance, to promote sustainability activities throughout the entire supply chain.

From 2019, the basic form of the items in the self-check sheet attached to the guideline has been made more detailed, in an effort to facilitate effective self-diagnosis. In addition, given that risks differ by country, regional risk assessments are also carried out. In particular, we will conduct third-party assessments starting with suppliers in the ASEAN region with regard to the work environment, including the issue of human rights violations.

Specific environmental activities are covered in the Green Procurement Guideline, and cover ways in which Yamaha Motor works with its suppliers in areas like managing and reducing environmentally hazardous substances and the efficient use of resources and energy. With regard to parts used in products, from 2018 uniform information on chemical substances as determined by the automobile industry is included in the Yamaha Motor Technical Standards, to inform suppliers and ensure their thorough compliance.

In addition, the Basic Purchasing Contract that we conclude individually with each supplier guarantees legal and regulatory compliance by requesting that suppliers "comply with related laws and regulations, directives, and other guidelines."

Through these activities, Yamaha Motor is promoting sustainability throughout its entire supply chain.

- > [CSR Guideline for Suppliers](#) PDF
- > [Green Procurement Guideline](#) PDF

## Addressing Procurement Risk

Based on a spirit of mutual trust and mutual prosperity, Yamaha Motor strives to prevent the occurrence and minimize the impact of events related to risks at business partners, including natural disasters, quality problems, and management issues.

With regard to management issues and quality problems, business partners are monitored annually by headquarters, which produces an evaluation of the partner in a total package that covers both business continuity planning and the non-use of environmentally harmful materials. Based on this evaluation, corrective measures are put in place if necessary, and the progress of those measures is confirmed.

In addition, supply chains from beginning to end are registered into a database, and this data is used to track procured parts until manufacturing is completed and to identify risk factors.

## Working Together on “Procurement for Engineering, Manufacturing and Marketing”

In our interaction with the supply chain, we do not simply procure by purchasing; we emphasize procurement for comprehensive engineering, manufacturing and marketing by working with suppliers so that procurement incorporates both cost and quality.

An example of these activities is the implementation of “theoretical-value-based production” with suppliers. This does not simply mean demanding cost reductions, but instead involves analyzing the absolute value of production activities together with suppliers, and then working to find more ways to improve cost competitiveness. In order to promote these activities, Yamaha Motor has trained some employees to serve as “theoretical-value instructors” at suppliers. We are currently expanding the application of “theoretical value” beyond manufacturing processes to cover all activities related to procurement as well. We are also training supervisors at suppliers to ensure that all suppliers’ employees thoroughly understand these policies.

In terms of quality, Yamaha Motor employees visit suppliers to instruct them in the concept and methods of quality management and to train supervisors, similar to how we implement theoretical-value-based production.

## Activities at Dealerships

As our contact point with customers around the world, dealerships play an important role in conveying Yamaha’s “next *Kando*.” By strengthening relationships with dealers through regularly held dealer meetings and activities to promote safe driving and support local communities, the Yamaha Motor Group is building a sales network that provides common value.

In Japan, dealers mainly in Yamaha Sports Plaza (YSP), an official Yamaha sports bike dealer system, and Yamaha Motorcycle Sales Japan Co., Ltd., play an important role in building ties with local communities and society by cooperating in a range of measures including motorcycle infrastructure development, motorcycle etiquette training, motorcycle recycling, tree planting, and other environmental campaigns, as well as fundraising for seeing-eye dog training.

# The Community






Introducing the approach and policies related to local communities

## The Community

### Coexistence and Mutual Prosperity of the Company and Local Communities

The Yamaha Motor Group operates in locations around the world, and our business activities help support those local communities. Our products also play a role in enriching the lives of people around the world. We recognize the importance of maintaining a sustainable relationship through which the Company and local communities can coexist and mutually prosper, and to achieve this, we place great importance on maintaining and enhancing a relationship of trust through daily communication with stakeholders in those communities. The Yamaha Motor Group has designated four important areas—Developing Future Leaders, Environmental Conservation, Improving Traffic Safety, and Resolving Local Community Issues—and uses Yamaha Motor’s strengths to contribute to society in line with its business strategy, leading to the enhancement of both social and corporate value.

#### Important Areas of Activities

|               | Key Themes                              | Corresponding SDGs   | Activities  |
|---------------|---|--|---|
| Global Issues | <u>Developing Future Leaders</u>        |    | <ul style="list-style-type: none"> <li>• Promoting mental/emotional and physical health through sports</li> <li>• Promoting creativity through engineering, manufacturing, and marketing</li> </ul> |
|               | <u>Environmental Conservation</u>       | <br> | <ul style="list-style-type: none"> <li>• Environmental education for local communities</li> <li>• Respecting biodiversity</li> </ul>  |
|               | <u>Improving Traffic Safety</u>         |   | <ul style="list-style-type: none"> <li>• Providing traffic safety education to the community</li> <li>• Raising awareness</li> </ul>  |
| Local Issues  | <u>Resolving Local Community Issues</u> |   | <ul style="list-style-type: none"> <li>• Supporting the community with Yamaha Motor’s products, human resources, and know-how</li> </ul>  |

Voluntary Employee Activities >

Amounts Used in Social Contribution Activities >

# Developing Future Leaders

Introducing examples of activities that contribute to the nurturing of future leaders in the communities

## Developing Future Leaders

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### Joint *Monozukuri* Classroom for Children with Yamaha Corporation

To realize the theme of “Two Yamas, One Passion,” musical instrument manufacturer Yamaha Corporation and Yamaha Motor Co., Ltd., which share the same brand, hold *Monozukuri* Classrooms for children.

Yamaha Corporation held a “Let’s Make a Kalimba Thumb Piano” event where children used leftover and scrap wood from instrument manufacturing processes to make a traditional African musical instrument to learn about how sound is produced, and Yamaha Motor held a “Motor Construction Classroom” where children used electromagnetism to magnetize a nail, and made a motor by wrapping nichrome wire around the core portion of a motor and attaching it to a model car to make an electric vehicle move, both at the Yamaha Communication Plaza.



# Environmental Conservation

Introducing examples of activities that contribute to environmental preservation in the communities

## Environmental Conservation

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### Beach Cleanup Activities for the Blue Sea (Vietnam)



Yamaha Motor Vietnam Co., Ltd. (YMVN) has been conducting the Beach Cleanup Activities for the Blue Sea at beaches in various locations in central and northern Vietnam since 2015. A total of 2,500 people have participated over the last four years.

Participants include YMVN officers, employees, and their family members who use some of their summer vacation to take part in these activities, which have become an annual event.

The activities begin early in the morning. Participants walk along beaches and collect garbage such as bottles and plastic items, including plastic bags.

These activities are not only effective for cleaning up the shore, but also for reminding local residents and tourists of the importance of activities to preserve the global environment. They also serve as a driving force for continuing our environmental activities in the future by contributing to the environment and the local community through social activities in line with our corporate policies, offering excitement.



> Sustainable Development Goals (SDGs)



# Improving Traffic Safety

Introducing examples of activities that contribute to riding safety in the communities

## Improving Traffic Safety

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### Partnering with Vocational Schools to Reduce Fatal Traffic Accidents among Young People

The Yamaha Motor Group carries out a variety of safe driving programs to reduce motorcycle accidents around the world.

In 2018, Thai Yamaha Motor concluded a comprehensive contract with six vocational schools in Thailand and launched activities to reduce fatal accidents among young people. Going forward, this tie-up plans to expand to 11 locations.



# Resolving Local Community Issues

Introducing examples of activities that contribute to solutions for community issues

## Resolving Local Community Issues

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### Support Following Earthquakes in Lombok, Indonesia

A magnitude 7-plus earthquake struck the Indonesian island of Lombok in late July 2018, and was followed by several large aftershocks. According to the Indonesian National Board for Disaster Management, the death toll reached 515 persons, with more than 7,000 people injured and more than 430,000 forced to evacuate.

Yamaha Motor companies in Indonesia, together with PT. Surya Timur Sakti Jatim (located in the city of Surabaya), our dealer for Lombok island, donated generators to the Indonesian army for its relief and recovery work in the area. Lombok had continued blackouts and roads were covered with debris. Despite the situation, the donated ET-1 generators were put to a variety of uses, including clearing roads, illumination, and recharging batteries.

> Sustainable Development Goals (SDGs)



# Voluntary Employee Activities

Introducing examples of employee volunteer activities in the communities

## Voluntary Employee Activities

In addition to the social contribution initiatives that the Yamaha Motor Group conducts through its business activities, the Group also supports employee volunteer activities using a system that provides information via the Company intranet. Examples of creating an environment that facilitates employee involvement include notifying and recruiting employees for volunteer activities via the Company intranet, and providing volunteers with caps and uniforms. Some specific initiatives from Japan are discussed below.

### Fun Engine Laboratory Activities in 2018

The Fun Engine Laboratory marked its 16th year in February 2018, and 40 persons, mostly Yamaha Motor technical staff, organize the laboratory. During 2018, the *Monozukuri* Classroom for children was held 15 times at the Yamaha Communication Plaza and Hamamatsu Science Museum, providing an opportunity for more than 600 children to have fun while learning things like “making a wind car” and “assembling/disassembling an engine” using real engines.



### Conveying the Joy of *Monozukuri* (engineering, manufacturing and marketing) 2017 Sustainability Report

The Fun Engine Laboratory is a volunteer organization that was established 15 years ago by current and former Yamaha Motor employees. These volunteers pass on the dreams and joy of machines and *Monozukuri* by giving children the opportunity to experience and play with actual machinery.

During 2016, the Group conveyed the joy of *Monozukuri* to 565 children at 16 events held throughout six locations including our home base of Iwata City and the cities of Hamamatsu and Sendai, based on themes such as “how to assemble/disassemble an engine,” “making a wind car,” and “electrically powered vehicles.”



# Amounts Used in Social Contribution Activities

Disclosing the amounts used in social contribution activities

(Yamaha Motor; Unit: million yen)

|                               | 2016 | 2017 | 2018 |
|-------------------------------|------|------|------|
| Total                         | 307  | 355  | 288  |
| Charitable donations          | 184  | 221  | 202  |
| Voluntary employee activities | 99   | 99   | 50   |
| Provision of goods            | 6    | 8    | 6    |

# The Environment

Introducing the approach and policies concerning the global environment



- [Yamaha Motor Group Environmental Plan 2050](#)
- [Initiatives for the Global Environment](#)
- [2018 Plans and Performance](#)
- [Environmental Management](#)
- [Reducing CO<sub>2</sub> Emissions](#)
- [Reducing Environmentally Hazardous Substances](#)
- [Reducing, Reusing, and Recycling](#)
- [Biodiversity](#)

# Yamaha Motor Group Environmental Plan 2050




Introducing information concerning Yamaha Motor Group Environmental Plan 2050

## Environmental Plan 2050

Yamaha Motor Co., Ltd. announced the “Yamaha Motor Group Environmental Plan 2050” in December 2018. This Plan aims to reduce “CO<sub>2</sub> emissions during product use,” “CO<sub>2</sub> emissions during manufacturing and transport” and “the volume of resources usage” by 50% from the base year 2010 by the target year 2050. At the same time, the Plan also involves taking initiatives regarding environmental preservation and biodiversity from a global perspective.

### Overview of This Plan

#### Yamaha Motor Group Environmental Plan 2050 (Specific measures aimed at 2025 milestone)

| Action Themes   | 2050 Targets  |   | Priority Actions   |
|---|---|---|--|
| Low Carbon Society<br>               | (Products)<br>Providing environmentally friendly personal mobility<br>50% reduction of CO <sub>2</sub> emissions from products by 2050 (on FY2010 levels) |   |  |
|   | 1   | Reduction of CO <sub>2</sub> emissions from use of products by users (t-CO <sub>2</sub> /unit sales)        | Promotion of development to improve fuel efficiency  |
|   | 2   | Development, promotion and spread of next-generation mobility   | Promotion of development and the spread of products that respond to energy diversification |
|   | (Business Activities)<br>50% reduction of CO <sub>2</sub> emissions throughout life cycle (on FY2010 levels)  |   |  |
|   | 3   | Reduction of CO <sub>2</sub> emissions generated in operation of productions (t-CO <sub>2</sub> /net sales) | Reduction of CO <sub>2</sub> emissions per sales at factories globally                     |
|   | 4   | Reduction of CO <sub>2</sub> emissions in logistics   | Reduction of CO <sub>2</sub> emissions per transportation unit                             |
| Recycling Society<br>              | (Resource)<br>50% reduction of “resource use” (on 2010 levels)  |   |  |
|   | 5   | Reduction of new resources use by recyclable resources use  | Promotion of saving of limited resources by 3R development/manufacturing                   |
|   | 6   | Reduction of waste generated in operation of production   | Promotion of waste reduction   |
|   | 7   | Reduction of water consumption in operation of production   | Promotion of water consumption reduction activities based on water stress scenarios        |
|   | 8   | Reduction of packing materials in logistics   | Enhancing returnable packing materials   |
| Society in Harmony with Nature<br> | Addressing environmental preservation and biodiversity globally   |   |  |
|   | 9   | Activities to protect fields of product use by users (land, sea and air)                                    | Promotion of activities to preserve nature globally  |
|   | 10  | Activities to protect ecosystems of land/ocean  | Promotion of activities in line with our outline of biodiversity initiatives               |
|   | 11  | Activities to contribute to solving environmental issues of each country and region                         | Carrying out activities by all employees to contribute to a sustainable world              |

| Action Themes | 2050 Targets | Priority Actions   |   |
|---------------|--------------|--|---|
| Management    | Management   |  |   |
|               | 12           | Strengthening of compliance with environmental laws and regulations and management of chemical materials in products | Thorough implementation of environmental compliance in business activities in each country and region   |
|               | 13           | Contribution to alleviation of air pollution globally  | Introduction of mobility in conformity with regulations on exhaust emissions in each country and region |
|               | 14           | Reduction of VOC emissions in operation of production  | Promotion of VOC reduction per unit of painted area   |
|               | 15           | Promotion of environmental activities in collaboration with suppliers  | Promotion of engagement with suppliers and reduction of burden through environmental surveys            |
|               | 16           | Fostering awareness of environmental preservation through environmental education globally                           | Carrying out environmental education according to environmental issues in each country and region       |

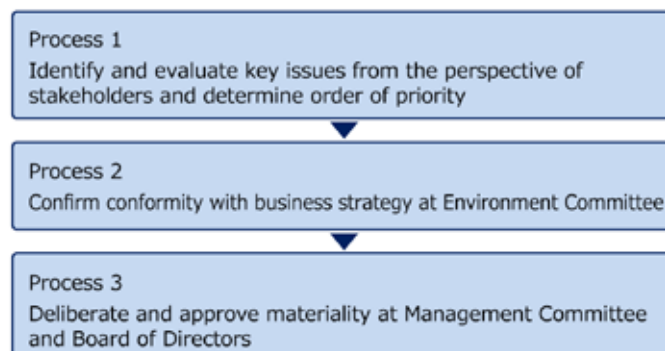
## 2050 Society

As the population increases due to the economic growth in mainly African and Asian countries, the world population is predicted to exceed 9 billion people by 2050. This will be accompanied by an increase in the consumption of primary energy and the demand for mineral resources will expand. Therefore, the studies say that all underground mineral resources will be mined by the time 2050 comes around. In addition to this, as the issue of global warming will steadily become more serious, CO<sub>2</sub> reduction targets such as "Reductions by 50-80% by 2050 (on 2010 levels)" and the "Zero or minus by 2100," in accordance with the "2°C scenario" that suppresses the temperature rise from before the industrial revolution to less than 2°C, is now commonly recognized in the international community as part of this movement as well.

## Process of Identifying Materiality (Information disclosure based on TCFD guidance)

### Governance

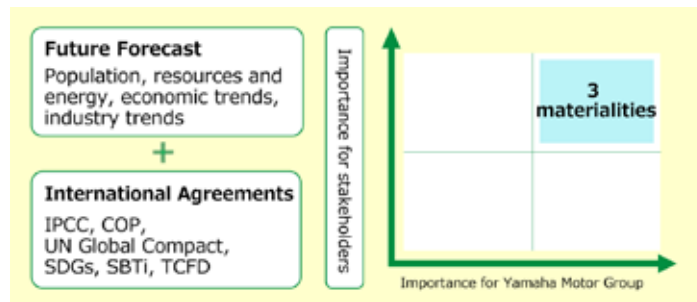
The Environment Committee discusses issues including basic environmental policies, medium- to long-term environmental plans, and environmental monitoring, and reports to the Board of Directors at least twice annually, where action is taken as necessary.



### Risk Management

The Environment Committee designates materiality along the two parameters of importance to society and stakeholders and importance to corporate management, and these are decided by the Board of Directors. Each operating and functional division designates and carries out themes to be pursued based on materiality. The Environment Committee manages the progress of those activities.








### Key Environmental Strategies



Strategies drawn up, taking into consideration short-term, medium-term and long-term risks and opportunities, the impact on businesses, prevailing strategies and financial status, and climate scenario described in the “2°C scenario.”

\*Scenario analysis is described in Target-Setting Concepts below.

| Materiality   | Social Issues Related to the Environment   | Impact of Risks and Opportunities on Business   | Yamaha Motor Initiatives   |
|---|--|---|--|
| Low Carbon Society<br>               | <ul style="list-style-type: none"> <li>- Global warming, climate change</li> <li>- Environmental pollution</li> </ul>  | [Risks]<br><ul style="list-style-type: none"> <li>- Increase in research and development costs due to tighter environmental laws and regulations</li> <li>- Suspension of factory operations due to direct or indirect damage from extreme weather such as flooding</li> </ul> [Opportunities]<br><ul style="list-style-type: none"> <li>- Expanding needs for low carbon products</li> <li>- Growing sales of renewable energy products</li> </ul> | <ul style="list-style-type: none"> <li>- Development of super-fuel-efficient engines</li> <li>- Enhancement and expansion of electric models</li> <li>- Adapted to diverse energy sources (fuel cells/bio fuel, etc.)</li> <li>- Theoretical value energy activities</li> </ul>                  |
| Recycling Society<br>              | <ul style="list-style-type: none"> <li>- Shortage of resources such as energy, materials and water due to population increase</li> <li>- Efforts across the entire supply chain</li> </ul> | [Risks]<br><ul style="list-style-type: none"> <li>- Soaring prices of energy and materials</li> <li>- Depletion of natural resources such as rare metals</li> </ul> [Opportunities]<br><ul style="list-style-type: none"> <li>- Expanding needs for compact, lightweight models</li> <li>- Rental and sharing businesses</li> </ul>   | <ul style="list-style-type: none"> <li>- Development of lightweight, compact, simple products</li> <li>- Improvement of recycling technologies</li> <li>- Rental and sharing businesses</li> <li>- Offering products that keep social infrastructure resources and costs to a minimum</li> </ul> |
| Society in Harmony with Nature<br> | <ul style="list-style-type: none"> <li>- Air pollution</li> <li>- Water pollution</li> <li>- Loss of biodiversity</li> </ul>   | [Risks]<br><ul style="list-style-type: none"> <li>- Destruction of natural environment</li> </ul> [Opportunities]<br><ul style="list-style-type: none"> <li>- Expansion of outdoor-related market for people who seek and value contact with nature amid rising awareness of protection of the natural environment</li> </ul>   | <ul style="list-style-type: none"> <li>- Protection of the land, sea and air ecosystem, which are our product fields</li> </ul>  |

### Indicators and Targets

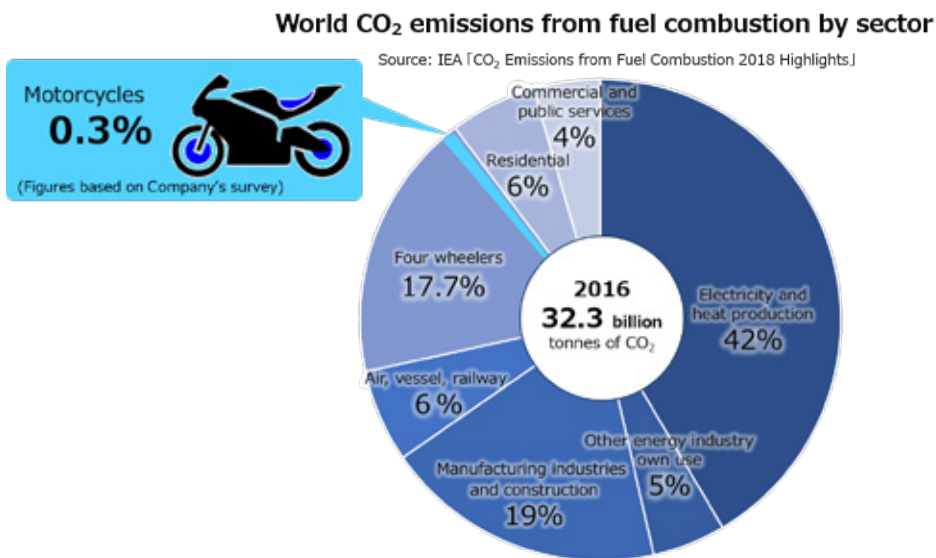
Indicators and Targets

| Action Themes  |   | Targets  |                                | Specific Actions   |
|--|---|--|--------------------------------|--|
|  |   | 2050   | 2025                           |  |
| Low Carbon Society<br>  | Reduction of CO <sub>2</sub> emissions from use of products by users        | 50% reduction (on 2010 levels)   | 19% reduction (on 2010 levels) | <ul style="list-style-type: none"> <li>■ <b>Details by product</b></li> </ul>  |
|  | Reduction of CO <sub>2</sub> emissions generated in operation of production | 50% reduction (on 2010 levels)   | 19% reduction (on 2010 levels) | <ul style="list-style-type: none"> <li>■ <b>Increase deployment rate of existing items</b> <ul style="list-style-type: none"> <li>- Automated shutdown (motors, air)</li> <li>- Shift to inverters</li> <li>- Reduction of heat radiation</li> </ul> </li> <li>■ <b>New energy conservation expertise</b> <ul style="list-style-type: none"> <li>- Steamless</li> <li>- Exhaust heat recovery (furnaces, compressors, etc.)</li> <li>- Shift to servomotors</li> </ul> </li> <li>■ <b>Theoretical value energy</b> <ul style="list-style-type: none"> <li>- Visualization of valuable and non-valuable energy</li> <li>- Thorough elimination of non-valuable energy</li> </ul> </li> <li>■ <b>Expand introduction of low carbon energy</b> <ul style="list-style-type: none"> <li>- Installation of solar power generation systems, etc.</li> </ul> </li> </ul>   |
| Recycling Society<br> | Reduction of waste generated in operation of production                     | 50% reduction (on 2010 levels)   | 14% reduction (on 2010 levels) | <ul style="list-style-type: none"> <li>■ <b>Make definition of waste known and understand current situation</b> <ul style="list-style-type: none"> <li>- Establish and make known global common definition of waste, build aggregation system</li> <li>- Understand waste volume using global aggregation system</li> <li>- Conduct site investigation to find and understand issues</li> </ul> </li> <li>■ <b>Deploy reduction package</b> <ul style="list-style-type: none"> <li>- Summarize reduction measures that were effective in the past, and deploy these globally (Sludge dewatering, making coolant fluid last longer, etc.)</li> </ul> </li> <li>■ <b>Develop waste reduction technologies and measures</b> <ul style="list-style-type: none"> <li>- Develop new reduction technologies and measures through exchange and collaboration with other companies (Foundry sand, distribution waste, etc.)</li> </ul> </li> <li>■ <b>Operate waste reduction organizations</b> <ul style="list-style-type: none"> <li>- Make effective use of environmental governance organizations to promote reduction of waste globally</li> <li>- Foster waste reduction promoters</li> </ul> </li> </ul> |
|  | Reduction of water consumption in operation of production                   | Aiming to reduce water consumption through initiatives according to water risk* in each area<br>*Water risk is a water supply-and-demand indicator independently defined by Yamaha Motor, with reference to Aqeduct and other tools made available by the World Resources Institute. |                                |  |

|            |  |                                     |  |  |
|------------|--|-------------------------------------|--|--|
| Management | Strengthening of compliance with environmental laws and regulations and management of chemical materials in products | Zero harmful substances in products | Strengthening of compliance with environmental laws and regulations and management of chemical materials in products | <ul style="list-style-type: none"> <li>■ Reduce environmentally hazardous substances in products</li> <li>■ Enhance system and mechanisms, activities for raising awareness</li> <li>■ Risk management of environmentally hazardous substances control</li> <li>■ Carry out thorough compliance</li> </ul> |
|------------|--|-------------------------------------|--|--|

## Mobility with Extremely Low CO<sub>2</sub> Emissions

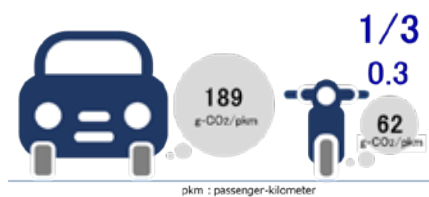
The world CO<sub>2</sub> emissions in 2016 were 32.3 billion tons. Of this amount, motorcycles accounted for 0.3% of the total as a source of emissions and are therefore considered vehicles with an extremely low environmental impact.



In addition, motorcycles are seen as the fastest and most fuel-efficient option as a means of mobility for urban transportation, and the impact of CO<sub>2</sub> emissions on a 1km movement per passenger is about 1/3 compared to that of automobiles.

## Impact of CO<sub>2</sub> emissions on a 1km movement per passenger in urban driving

(Figures based on Company's survey)



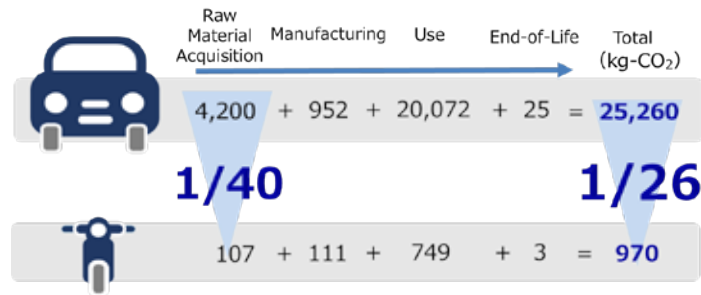
Source : JAMA [2010 Passenger car JC 08 Average fuel consumption]  
 JAMA [Comparison of average speed of vehicles in cities ]  
 EEA [Average number of passengers]  
 NILIM [Running speed and CO<sub>2</sub> emission intensity]

## Product Life Cycles—Minimizing Environmental Loads

Motorcycles are an environmentally friendly and sustainable mobility option with product life-cycle CO<sub>2</sub> emissions from resource mining to disposal at 1/26th of passenger cars and 1/40th in resource usage.

## Comparison of CO<sub>2</sub> emission in product life cycles

(Figures based on company's survey)



### Yamaha Motor Products—Contributing to the Realization of a Sustainable Society

The product group based on motorcycles provided by the Company is characterized as “lightweight & compact,” this class not only has a small environmental impact in resource use in the manufacturing stage, but also in mobility at the usage stage with motorcycles providing easy and smooth transportation for most small distance travel.

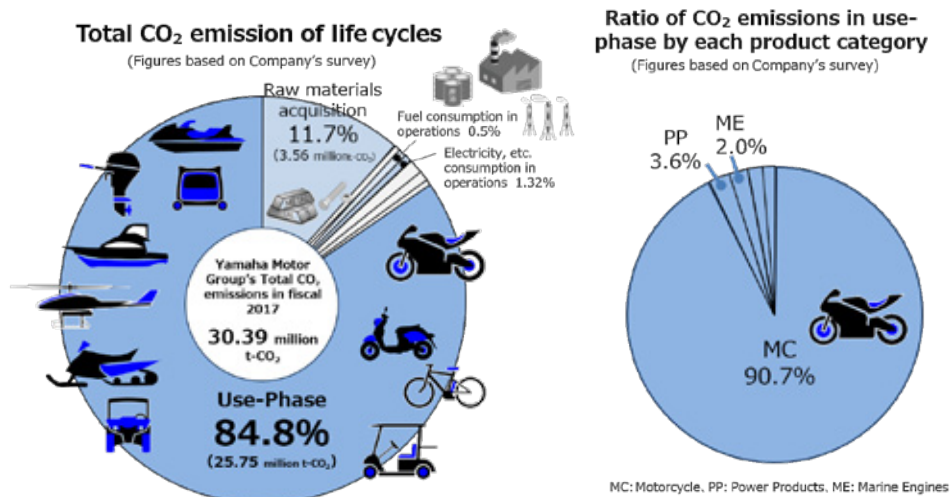
Especially in emerging countries, compact and inexpensive motorcycles for mobility will help satisfy the transport demands of goods and services, help people’s living areas expand, and increase the choices of occupation and educational opportunities available. Moreover, motorcycles do not need large-scale infrastructure maintenance, and do not cause serious damage to the environment.

Also, since launching the world’s first electrically powered assisted bicycle—the PAS—in 1993, we have promoted and taken measures for electrification in a diversified range of products such as scooters, golf cars, wheelchairs, and industrial unmanned helicopters, etc.

Going forward, we will continue to contribute to the realization of more sustainable societies by providing richer life opportunities to people through our products.

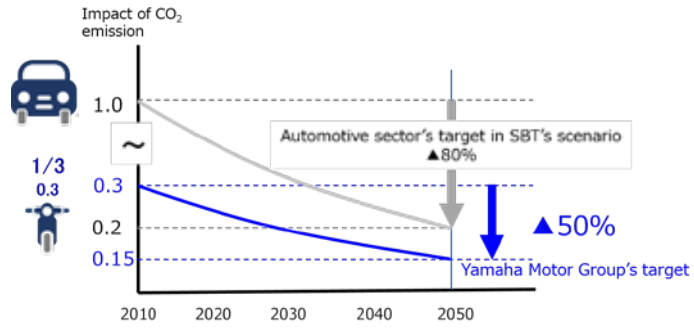
### Target Setting Concepts

The Yamaha Motor Group’s actual product life-cycle CO<sub>2</sub> emissions for all businesses in fiscal 2017 were 30.39 million tons. By category, “Use-Phase” was the largest at 84.8%—motorcycles account for 90% of this by product.



The “Yamaha Motor Group Environmental Plan 2050” established targets based on the concept of the SBTi (Science Based Targets initiative) as a company actively contributing to the CO<sub>2</sub> reduction target in the “2°C scenario.” Utilizing the characteristics of personal mobility, the Company has set this as a reduction scenario that exceeds the goals that are required by the automobile sector.

## Yamaha Motor Group's Total CO<sub>2</sub> Emission Target











In terms of target settings, Yamaha Motor will continue to work—not only to reduce CO<sub>2</sub> emissions of products—but also throughout the entire product life cycle including all production activities and in resource use.

# Yamaha Motor Group Environmental Plan 2050

Introducing information concerning Yamaha Motor Group Environmental Plan 2050

## Details by Product

| Specific measures aimed at 2025 milestone  | Contribution to Low Carbon Society   |  | Contribution to Recycling Society   |   |
|--|--|--|---|---|
|  | Electrification<br>Alternative fuels   | Improved fuel efficiency<br>Improved electricity costs | Lighter weight<br>Durability  | Recycling and rental<br>Sharing, etc.   |
| <br>Motorcycles                           | - Expansion of electric vehicles<br>- <a href="#">Electric mobility development</a>                        | - Expansion of fuel-efficient powertrains              | - Lightweight frame technologies<br>- Lightweight tank technologies                             | <a href="#">Improving convenience through use of battery stations</a><br><a href="#">Verification of next-generation services through partnership with motorcycle ride-hailing service company.</a> |
| <br>Electrically power assisted bicycles  | <a href="#">Improvement of battery unit efficiency (PW-X)</a>  |  | Promoting shift to lightweight drive units  | Expansion of PASCRU sales package   |
| <br>Marine engines                      | Addition of compact electric models  | <a href="#">Improving thrust efficiency</a>            | Expanding introduction of aluminum pontoons   | - Verification of rebuilding<br>- Verification of rental and sharing services   |
| <br>Boats                               | Expanding installation of hybrid and electric motors   | Developing low-resistant hulls                         | Lighter weight through infusion method  | Proactively using Japan Marine Industry Association's recycling system<br>Expanding Sea-Style   |
| <br>Personal watercraft                 | - Improvement of superchargers<br>- Improvement of fuel combustion<br>- Improvement of jet pump efficiency |  | - Developing ultra-lightweight SMC<br>- Lightweight engine technologies<br>- Closed mold method | Expansion of Sea-Style  |
| <br>Industrial-use unmanned helicopters | Expanding <a href="#">electric multi-rotors</a>  |  |   | Expansion of opportunities to provide laborsaving and high efficiency <a href="#">multi-solutions</a>   |

|   |  |  |  |                                  |                           |
|---|--|--|--|----------------------------------|---------------------------|
| <br>Golf cars            | <u>Launch of testing of fuel cell vehicles</u>               | Expanding models with improved fuel efficiency | Promotion of <u>mobility systems</u> with low environmental impact | Provision of last-mile solutions | Expansion of rental plans |
| <br>Electric wheelchairs | Higher efficiency motors, control circuits and drive systems | Improvement of battery unit efficiency         | Investigation of new materials<br>Carbon and aluminum bolts        | Single-rider mobility proposals  |                           |



# Initiatives for the Global Environment

We take into account harmony with the environment in all our business activities

## Initiatives for the Global Environment

Many environmental and resource-related issues which influence the realization of a sustainable society, such as advancing global warming, excessive energy and water consumption, and the loss of biodiversity, are becoming increasingly more serious on a global scale. Against this backdrop, the Paris Agreement, which sets a goal of “holding the increase in the global average temperature to well below 2°C above pre-industrial levels” was adopted at the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21) held in 2015.

Against this social backdrop, the Yamaha Motor Group considers it important, as a manufacturer, to address environmental considerations through initiatives to prevent global warming, conserve energy, prevent pollution, reduce waste and conserve resources, and also through its core business of personal mobility. This includes the development of compact vehicles with little environmental impact through technological innovation, the spread of Smart Power\* products such as electrically power assisted bicycles and electric motorcycles, the research and development of next-generation power sources, and the implementation of programs that contribute to society by using the human resources, assets, and know-how accumulated through our business.


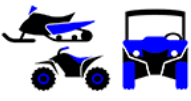
In addition, initiatives to lessen global warming, reduce energy consumption, use resources effectively, improve efficiency, preserve biodiversity, and reduce our environmental impact are carried out across the entire supply chain, with our position regarding the global environment made known to the entire Group as well as to business partners including suppliers and distributors.










\*Smart Power: New power sources, primarily for electric vehicles, designed to create a new paradigm of mobility

| Summary of Environmental Plan 2020 (from 2009 to 2018) |   |   |  |
|--|---|---|--|
| Action Areas   | Priority Actions  | 2020 Targets  | Activity Results   |
| Eco Products   | In the Eco Products area, implement the Frontier 2020 Groupwide long-term vision  | Double environmental attractiveness   | * See “ <a href="#">Environmental Plan 2020 Product Related Performance</a> ” below  |
|  | Identify environmentally hazardous substances and support the use of alternatives | Reduce risks from environmentally hazardous substances  | - Build system and mechanisms to address global laws and regulations<br><br>- Complied with European regulations (REACH)<br>- Began investigation of substances in products using new system                               |
| Eco Operations   | Implement green procurement (Green Procurement Guideline)                         | Adhere to rules regarding prohibited or restricted substances (zero harmful substances in products) | - Continued green procurement activities<br>- Reviewed Control Standard of Environmentally Hazardous Substances and prepared for implementation of the updated standard  |
|  | Reduce emissions of greenhouse gases  | Reduction of CO <sub>2</sub> emissions<br>Reduce by 1% (annual average) per net sales               | Reduce by 9% on 2009 levels<br><br>- Achieved 19% reduction at Yamaha Motor only energy-saving working group activities<br>- Achieved 40% reduction Groupwide by end of FY2018<br>- Theoretical-Value-Based Energy Project |

|                |   |  |   |  |
|----------------|---|--|---|--|
|                | Support the effective use and recycling of limited resources  | Reduce water consumption   | - Understand amount of water consumption at Group companies   | - Continued to measure amount of water consumption at Group companies using global aggregation system  |
|                |   | Reduction of waste volume<br>Reduce by 1% (annual average) per net sales                 | Reduce by 6% on 2012 levels   | Achieved 25.4% reduction by 2018   |
| Eco Management | Link Groupwide operations with local activities   | Create and operate Groupwide environmental management systems (Integrated certification) | - Promote and increase use of integrated certification<br>- Enhance functions of global environmental information collection system | - Two overseas companies started to use integrated certification system<br>TBI, YMBL ⇒ Total 46 companies<br>- New system released in 2018   |
| Eco Mind       | Have all Group employees actively undertake environmental measures with a high awareness of targets | Change attitudes through continuous environmental education                              | Foster Eco Mind among Group company employees and have them proactively engage in activities  | - Provided continuous level-specific environmental training<br>- Communicated global environmental educational materials   |
|                | Be trusted and respected as a corporate citizen by local communities                                | Communicate with local communities<br>Preserve ecosystems (Biodiversity Guideline)       | Promote sustainable environmental activities trusted by local communities   | - Formulated Outline of Main Biodiversity Initiatives<br>- Continued systematic and voluntary activities<br>- Reported on activities by cumulative total of 150,000 people (Environmental figures measured by secretariat) |
|                | Well received by the community as an environmentally advanced company                               | Proactively disclose information from an environmental perspective                       | Globally communicate outline of biodiversity initiatives and efforts<br>Improve external evaluations                                | - Published examples of activities on website<br>- Published Outline of Main Biodiversity Initiatives on website<br>- Published SDGs' initiatives and signing of Global Compact  |

#### Environmental Plan 2020 Product Related Performance

| Business Unit   | 2020 Targets  | Activity Results  |
|---|---|---|
| <b>Land Mobility</b> ●Motorcycles ●RVs (ATVs, ROVs and SMBs) ●PAS   |   |   |
| <br>Motorcycles              | <ul style="list-style-type: none"> <li>- Reduce CO<sub>2</sub> emissions</li> <li>Improve weighted average fuel efficiency by 150% (on 1995 levels)</li> <li>- Comply with exhaust gas laws and regulations</li> <li>Achieve both EURO 4/5 and fuel efficiency</li> </ul> | <ul style="list-style-type: none"> <li>- Weighted average fuel efficiency 145%</li> <li>Achieved 95% of target</li> <li>- Complied with exhaust gas regulations and achieved fuel efficiency</li> <li>Introduced fuel-efficient EU4 compliant BLUE CORE engine</li> </ul> |
| <br>ATVs-ROVs<br>Snowmobiles | <ul style="list-style-type: none"> <li>- Purify exhaust gas</li> <li>Applying to ATV, ROV and SMB: EPA/CARB regulations/NRMM regulations</li> <li>- Reduce fuel vaporization gases</li> <li>Applying to ATV and ROV: CARB Evaporative Emission Controls</li> </ul>        | <ul style="list-style-type: none"> <li>- Achieved regulatory compliance for all models, compliance with exhaust gas regulations and fuel efficiency</li> <li>- Plan to achieve 75% compliance compared to total units by 2021 models</li> </ul>                           |

|  |   |  |
|--|---|--|
| <br>Electrically power assisted bicycles    | Keep weight of drive unit to 3.5 kg or less (2012 model: 4.6 kg)  | PW-X drive unit 3.1 kg, achieved 112% of target<br>- Expanded sales of lightweight drive unit, achieved 110% compared with previous year<br>- Increased lightweight drive unit lineup, introduced YP-J-X |
| <b>Marine</b> ●ME ●WVs/Other, Pools  |   |  |
| <br>Marine engines                          | Improve fuel efficiency by 50% (on 2008 levels)<br>- Develop direct fuel injection system<br>- Develop innovative lowering technology   | - Launched first 4-stroke direct fuel injection<br>- F/FL425L  |
| <br>Personal watercraft                     | Reduce running costs by 50% (on 1998 levels)<br>- Reduce SMC (sheet molding compound) weight by 10% (on 2015 levels)<br>- Improve jet pump efficiency   | - Used Xcel2 material in FX models<br>- Achieved 5% improvement in jet pump efficiency   |
| <br>Boats                                   | - Improve fuel efficiency by 10% (on 2015 levels)<br>- Lightweight, low resistance technologies<br>Complete standards by Structure Through Team   | - Reduced weight by 5%<br>- Reduced hull resistance (increased speed by 5%)  |
| <b>Robotics</b> ●IM ●UMSs  |   |  |
| <br>Surface mounters and industrial robots | - Area productivity in 2005: 9.3 kCPH/m <sup>2</sup><br>Target: 10-fold increase to 93 kCPH/m <sup>2</sup><br>- Electricity consumption in 2005: 0.03 Wh/chip<br>Target: 40% reduction to 0.018 Wh/chip | - Area productivity: 90.5 kCPH/m <sup>2</sup><br>Achieved 97.3% of target<br>- Electricity consumption: 0.016 Wh/chip<br>Achieved 112% of target   |
| <br>Industrial-use unmanned helicopters   | - Improve fuel consumption by 33% (on 2015 levels)<br>- Reduce flight noise by 3 db (on 2016 levels):<br>Maximum noise value in four-directional hovering   | - Introduced electric models → reduced flight noise by 10 db<br>(Compared to FAZER 4-stroke engine)  |
| <b>Other</b> ●Golf cars ●Automobile engines ●Electric wheelchairs ●Multi-purpose engines ●Generators ●Snow blowers           |   |  |
| <br>Golf cars                             | - Improve fuel efficiency<br>- Enhance electric vehicle lineup<br>- Enhance long-lasting, lightweight lithium battery vehicles<br>- Introduce low-noise models  | - Began production of YTF 400, which achieves fuel efficiency target<br>- Fuel injection (FI) model achieved 20% improvement in fuel efficiency compared to carb vehicles<br>- Introduced G30            |
| <br>Electric wheelchairs                  | Reduce weight of 100 kg electric wheelchair with handlebars by 65 kg: Target 35 kg  | Exhibited YNF-01 trial model at International Home Care & Rehabilitation Exhibition  |
| <br>Generators<br>Snow blowers            | - Supply fuel efficient, lightweight power units<br>- Ensure 95% recyclability rate   | - Launched New 2K (0LSB) inverter power generator<br>- Achieved 95% recyclability rate   |



## Significantly improved environmental performance, including higher efficiency, compactness and lighter weight, in newly developed powertrains

Achieved Improvement in Power-Generation Efficiency by Developing Smart Motor Generator (SMG) with Integrated Power Generator

- 1) Smart Motor Generator function equipped with HYBRID System\*<sup>1</sup> to assist driving force when starting
- 2) New BLUE CORE\*<sup>2</sup> engine provides smooth acceleration with low vibration to deliver a comfortable ride.

- \*1 HYBRID System: The starter generator functions as a motor in response to throttle operation for a maximum of three seconds on takeoff from a stationary position, helping to assist the torque of the engine.
- \*2 BLUE CORE: Yamaha Motor's engine design concept which takes riding enjoyment, fuel efficiency and environmental performance to all-new levels. The aim is to achieve greater performance by focusing on the three points of high-efficiency combustion, high cooling performance and loss reduction.



NOZZA GRANDE (Model equipped with SMG;  
Sold in Thailand and Vietnam)



## Direct fuel injection used for first time in 4-stroke outboard motor

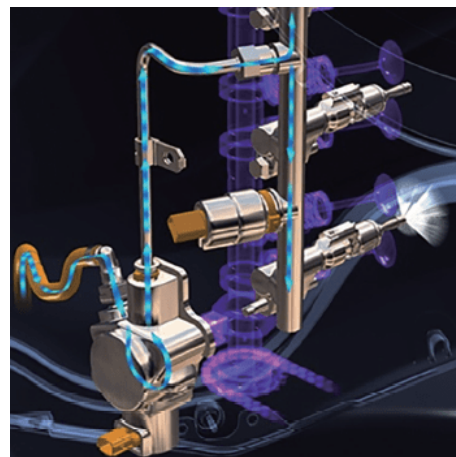
Development of Lightweight, Compact Power Units

A sleeveless cylinder made through plasma fusion technology was introduced to achieve a lighter weight, more compact engine.

Also, to increase fuel combustion efficiency and achieve outstanding torque and power with lower displacement, direct fuel injection, which directly sprays fuel at high pressure and precision into each combustion chamber, was adapted.



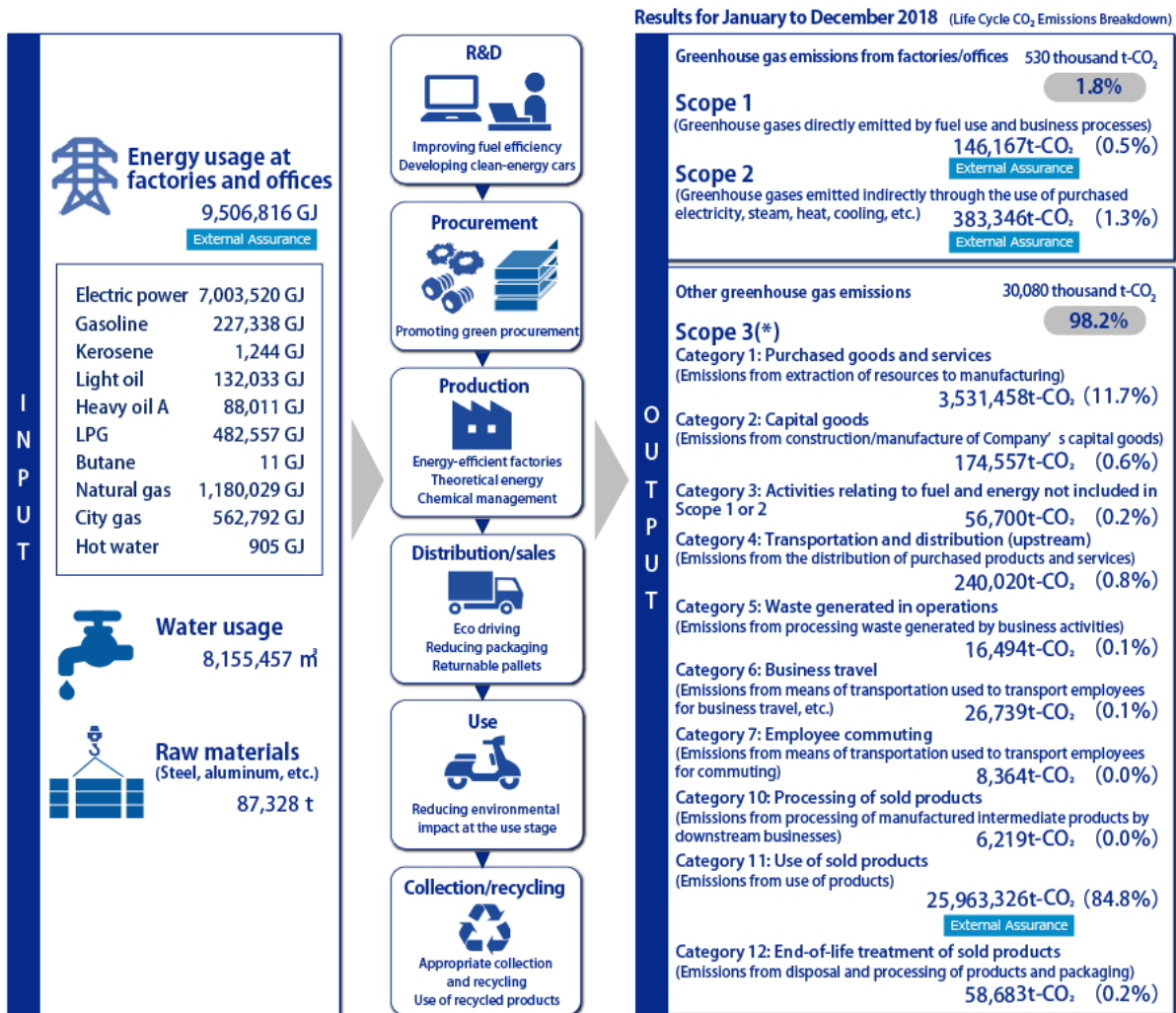
F/FL425A



Yamaha Motor strives to ascertain the environmental impact of its business activities and promotes activities that minimize the effects of its products and services on the environment throughout the life cycle.

In fiscal 2018, CO<sub>2</sub> emissions throughout the life cycle totaled 530 thousand t-CO<sub>2</sub> (1.8%) in Scopes 1 and 2 combined, and 30,080 thousand t-CO<sub>2</sub> in Scope 3, which accounts for 98.2% of the total.

The domain with the highest emissions was Scope 3, Category 11 (Use of sold products), accounting for 84.8% of the total. We recognize that it is vital to reduce CO<sub>2</sub> emissions from our customers' use of our products.



(\*) Scope 3: Other indirect emissions are calculated using the Emission Unit Value Database (ver. 2.6) as per the Ministry of the Environment's Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.3; December, 2017).

Source: [https://www.env.go.jp/earth/ondanka/supply\\_chain/gvc/files/tools/GuideLine\\_ver2.3.pdf](https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/GuideLine_ver2.3.pdf)

Category 8. Lease assets (upstream)

Operating times for copiers and personal computers under lease contracts are included in electricity charges under Scope 2. The emission volume for this category is 0.

Category 9. Shipping and transport (downstream)

Motorcycles account for roughly 80% of the number of items shipped by all operating divisions, and almost all product deliveries to customers in all countries and territories are made at dealerships. The emission volume for this category is 0.

Category 11. Use of products sold

Energy usage per vehicle based on average fuel consumption or rate of electricity use, multiplied by product lifetime in years and annual number of units sold.

Category 13. Lease assets (downstream)

This applies to leased motorbikes, electrically power-assisted bicycles, boats, etc. Because Yamaha Motor provides the same products for leasing, this is included in Category 11, "Use of products sold." The emission volume for this category is 0.

Category 14. Franchising

As Yamaha Motor does not have a franchising system, the emission volume for this category is 0.

Category 15. Investment

As Yamaha Motor is not considered an investor for the purpose of gaining profit, this is excluded from the calculation.

# 2018 Plans and Performance

Presenting the list of 2018 environmental activities

| Action Areas  | Priority Actions  |   | 2018 Plans  | 2018 Performance   |
|---|---|---|---|--|
| Eco Products  | Raise environmental attractiveness through product development from the perspectives of the environment and customers |   | Develop products to raise environmental attractiveness  | See "Environmental Plan 2020 Product Related Performance"  |
| Eco Operations<br><br>Environmental protection through global activities aimed at minimizing environmental impact | Reduce risks from environmentally hazardous substances<br>Implement green procurement                                 | VOC reduction   | Maintain level of VOC emissions per unit of sales to prevent deterioration from FY2010  | Continue reduction activities<br><br>VOC values were at the same level as in the previous year.  |
|   |   | Green procurement activities  | Adhere to rules regarding prohibited substances (zero harmful substances in our products)   | Continued to maintain green procurement activities<br><br>Establishment and operation of the new Control Standard of Environmentally Hazardous Substances  |
|   | Reduce emissions of greenhouse gases  | CO <sub>2</sub> emissions assessment and reduction                  | Each Group company to reduce CO <sub>2</sub> emissions by 1% per net sales per year   | Group companies set a target of 1% reduction in CO <sub>2</sub> emissions intensity per year and worked to reduce greenhouse gases in their overall business activities<br><br>CO <sub>2</sub> emissions decreased by 10,571 t-CO <sub>2</sub> from 2017, and improved 2.1% per unit of sales year on year (goal achieved) |
|   |   | Reduction of CO <sub>2</sub> emissions from manufacturing processes | Reduce by 9% per unit of sales compared with 2009   | Achieved target with 38% improvement vs. 2009<br><br>2009 CO <sub>2</sub> emissions per unit of sales: 2.587<br><br>2018 CO <sub>2</sub> emissions per unit of sales: 1.615 (down 38%)   |
|   |   | Reduction of CO <sub>2</sub> emissions from distribution operations | Reduce by 1% (annual average) per unit of sales   | Achieved target with 10.1% improvement vs. 2016<br><br>2016 CO <sub>2</sub> emissions per unit of sales: 60.6<br><br>2018 CO <sub>2</sub> emissions per unit of sales: 54.5 (down 10.1%)   |
|   | Reduce by 12% per unit of sales compared with 2006  |   | Not achieved target despite 8% improvement vs. 2006<br><br>2006 CO <sub>2</sub> emissions per unit of sales: 59.2<br><br>2018 CO <sub>2</sub> emissions per unit of sales: 54.5 (down 8%) |  |
|   | Implement the 3 R's through the 3 E's   | Promotion of 3 R's in product development                           | Reusing/recycling initiatives   | Continued initiatives  |



|   |   |  |  |   |
|---|---|--|--|---|
|   |   | Promotion of 3 R's in manufacturing  | Keep waste materials for direct/indirect landfill disposal to 0 tons   | 0 tons (YMC)  |
|   |   |  | Achieve 100% recycling of waste material in manufacturing processes  | 100% (YMC)  |
|   |   | Waste materials in manufacturing processes   | Achieve super-zero emission  | Achieved super-zero emission again (YMC)  |
|   |   | Establishment of recycling system for products in Japan  | Voluntary initiatives to maintain a motorcycle recycling system  | Proper handling and recycling of motorcycles were implemented through dealerships (Japan only)    |
|   |   | Reduction of parts packaging materials   | Maintain target of making 74.5% of packaging materials returnable  | 2018 Performance: 73.4%   |
|   | Reduce water consumption                                      | Reduce water consumption   | Understand actual water consumption status of Group companies  | Investigation carried out using global investigation system; amount of water consumption observed |
| Eco Management<br><br>Environmental management through reinforcement of Group environmental governance systems        | Create and operate Groupwide environmental management systems | Increase number of companies using integrated certification system (target: 3 companies)                           | Result: 2 companies<br>Provided Group EMS activities to 46 companies using integrated certification system                     |   |
| Eco Mind<br><br>Environmental contributions through diverse eco-activities targeting a sustainable global environment | Expansion and support of diverse eco-activities               | Achieve 67% participation rate in eco-commuting  | Participation rate in eco-commuting reached 78.3%  |   |
|   |   | Establish the Eco Point system   | Number of persons participated in activities under the Yamaha Eco Point system: 6,582 (system firmly in place)                 |   |
|   | Change attitudes through continuous environmental education   | Provide environmental education in each segment by stratification  | Implemented for new employees, general employees, supervisors and general managers (distribution of environmental information) |   |
|   | Communication with communities                                | Continue participation of a cumulative total of 40,000 Yamaha Motor Group people in the 40,000 People's V Campaign | Target not reached in 2018, with participation by 38,544 persons (aim: 96.36%), 123.0% compared with 2017                      |   |
| Give lectures on corporate environmental initiatives at community events and schools                                  |   | Gave lectures on corporate environmental initiatives at universities in Shizuoka Prefecture                        |  |   |

|  |   |  |   |
|--|---|--|---|
|  |   | Ongoing holding of various study trips to factories  | Gave environmental lessons to local junior high school students   |
|  |   | Continue environmental preservation activities in concert with local municipalities and other corporations | Participated in tree thinning and tree planting in areas planted by Iwata City; a beach cleanup campaign in Hamamatsu City; a cleanup campaign at Lake Hamana in Kosai City; a cleanup activity at Lake Hamana; tree planting at a seawall in Kakegawa City; and other programs   |
|  |   | Participate in events intended to improve communication with local communities                             | Held dialogues with local governments<br><br>Participated at environmental events sponsored by local non-profit organizations (communication with non-profit organizations and local residents)   |
|  | Preserve ecosystems   | Loggerhead sea turtle preservation activities<br><br>Ecosystem monitoring activities                       | Participated in loggerhead sea turtle protection activities; conducted monitoring at the Yamaha Motor Kikukawa Test Course to preserve rare plant species including orchids and <i>Penthorum chinense</i> (where the number of <i>Penthorum chinense</i> and <i>Bletilla striata</i> plants is increasing); worked to remove alien plant species at Nakatajima Sand Dunes for protection of the endangered riverside tiger beetle; and continued to carry out reforestation activities in the spring and fall on hilly land that forms the scenery around Lake Hamana |
|  | Communicating environmental information in relation to products, technologies, and services | Communicate environmental product information  | Exhibited environmental products at Communication Plaza   |
|  |   | Promote environmental product information dissemination  | Ongoing disclosure on the Company's website regarding environmental information for each motorcycle model and information on 3R designs and motorcycle/FRP recycling systems, etc.  |

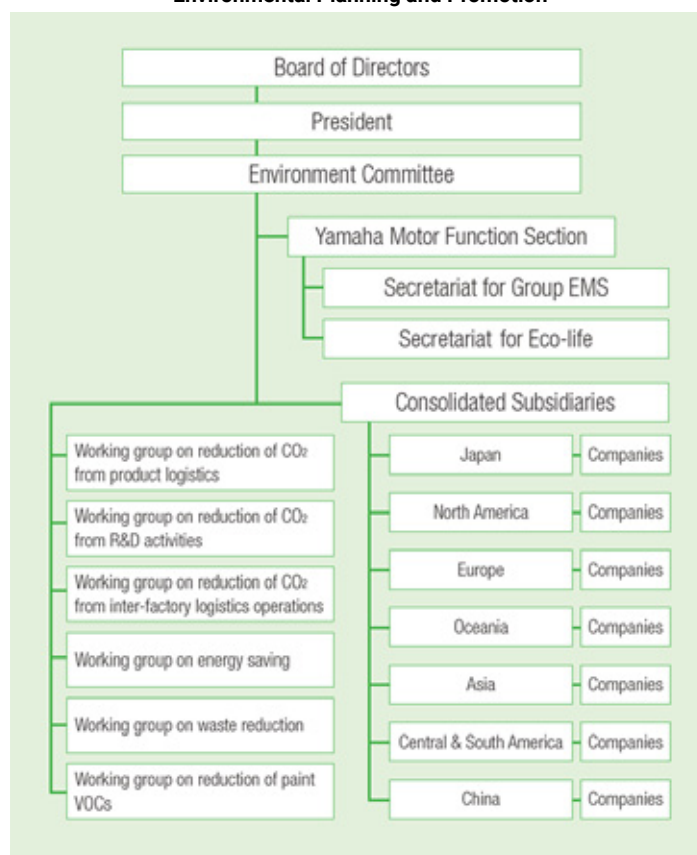
# Environmental Management

Introducing information concerning environmental management activities

## Organizational Structures for Promoting Environmental Management

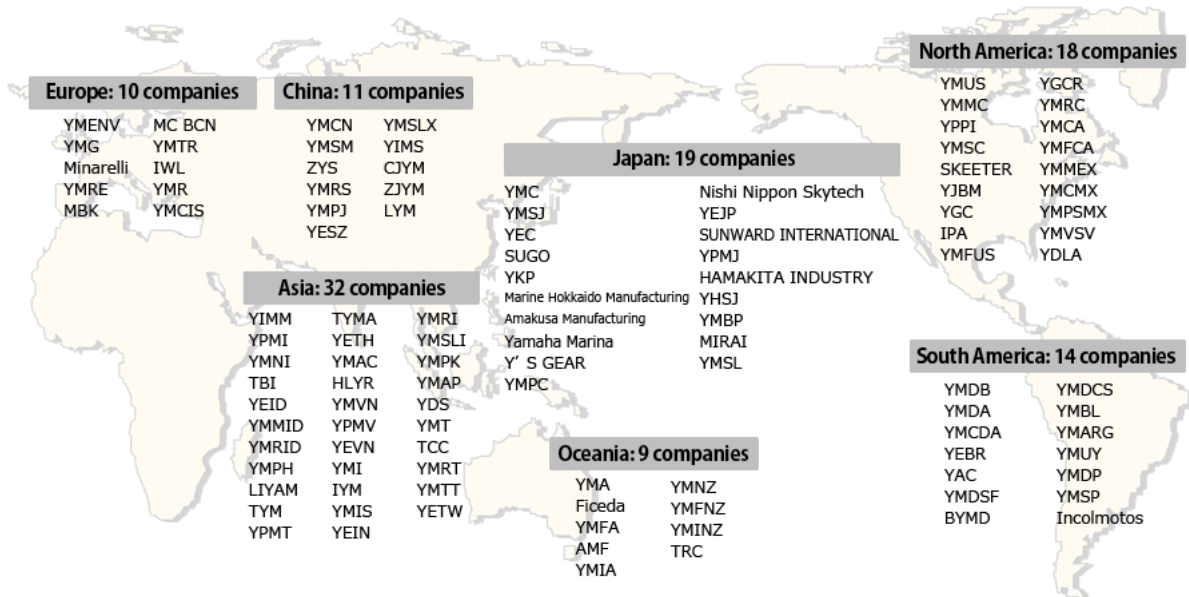
The Yamaha Motor Group has established an Environment Committee, chaired by Director, as the central organization responsible for the Group's environmental activities in Japan and overseas. The committee deliberates on policies and visions for the future concerning environmental initiatives, medium- and long-term environmental policies, strategic investment proposals relating to environmental preservation, environmental monitoring topics and responses to issues, and other key issues relating to environmental management. The policies and activities discussed are reported to the Board of Directors as necessary.

**The Yamaha Motor Group Organizational Structure for Environmental Planning and Promotion**



## Environmental Consolidated Scope

The scope includes consolidated subsidiaries under financial accounting and affiliated companies determined to be important for environmental management. As of March 31, 2019, 113 companies are within the scope of global environmental consolidation. (As of December 31, 2018, 115 companies are within the scope of global environmental consolidation.)



## Strengthening Environmental Governance through Global Environmental ISO 14001 Unified Certification

In accordance with our Basic Policies of CSR, the Group has pursued global environmental ISO 14001 unified certification mainly for manufacturing companies in Japan, Asia, Europe, the United States, and South America, as an environmental management initiative. In 2018, two more participating companies were added, and the 46 target companies received unified certification.

Meanwhile, we are carrying out risk-based environmental management for companies with relatively low environmental risk, including the introduction of in-house certification systems.

We will also enhance the features of G-YECOS\*, which was created as a proprietary information network system, making environmental information more comprehensive, ensuring thorough legal and regulatory compliance, achieving Group environmental targets and improving environmental performance, as well as making our management systems more efficient and further strengthening environmental governance by sharing issues at each company with the entire Group.

Third-party audits of legal compliance regarding the environment and safety have been carried out at certain business offices in Japan and domestic Group companies since 2018.

## G-YECOS: Global Yamaha Motor Environment & CSR Operation System

The Yamaha Motor Group makes use of its proprietary global environmental & CSR operation system (G-YECOS) to promote sharing and visualizing of Group companies' environmental information and CSR activities, and to improve communication among Group companies including headquarters. G-YECOS also serves as a tool for appropriate and timely collection and analysis of various types of environmental data for the purpose of disclosure to stakeholders. We will continue to enhance the utility of the system as a portal site of the Yamaha Motor Group for ESG information including environmental information.

Yamaha Motor has introduced an integrated management system that integrates environmental and safety management, which has led to improvement and greater efficiency in on-site business processes. We are working to improve the effectiveness of the management system through continual improvement using the PDCA (Plan, Do, Check, and Act) cycle.

Meanwhile, integrated management system audits use a proprietary system led by internally certified auditors to increase the skills of employees in a systematic manner, taking a process-orientated approach to improve on-site business processes. We have also reinforced governance by setting priority audit items each year and applying them Group-wide.

## Environmental Management Costs

Yamaha Motor discloses quantitative information concerning its environmental preservation measures and calculates environmental costs and the effects of these costs, based on the Environmental Accounting Guidelines of Japan's Ministry of the Environment (2005 edition) and by taking into account the concept of natural capital including the equivalent monetary amount for activities to preserve biodiversity, so that it can conduct more effective environmental management.

Total environmental costs, including capital investment and operating costs, were approximately 35.8 billion yen in 2018, an increase of approximately 5.1% from the previous year.

Full-year equivalent economic effects amounted to 113 million yen.

The Company did not incur any environment-related fines or penalties during the fiscal 2018 accounting period. Yamaha Motor continues to strive to comply with environmental laws and regulations.

### 2018 Environmental Costs and Economic Effects (The scope of environmental accounting is the YMC integrated management system.)

| Category                        |                                       | Environmental Costs |                 |        | Economic Effects |                      | Details of activities   |
|---------------------------------|---------------------------------------|---------------------|-----------------|--------|------------------|----------------------|---|
|                                 |                                       | Capital Investment  | Operating Costs | Total  | Within FY        | Full-Year Equivalent |   |
| Business area costs             | Pollution prevention costs            | 64                  | 172             | 236    | 1                | 4                    | Activities of the working group on compliance with air, water, soil, noise, and other environmental regulations and the reduction of VOCs                         |
|                                 | Global environment preservation costs | 319                 | 63              | 382    | 37               | 82                   | Activities of the working group on the prevention of global warming, protection of the ozone layer, and energy conservation                                       |
|                                 | Resource recycling costs              | 59                  | 245             | 304    | 20               | 23                   | Activities of the working group on the appropriate processing of emissions and reduction of waste materials   |
|                                 | Subtotal                              | 442                 | 480             | 922    | 58               | 109                  |   |
| Upstream/Downstream costs       |                                       | 0                   | 4               | 4      | 0                | 4                    | Promoting recycling and green procurement for motorcycles and FRP boats   |
| Administration costs            |                                       | 4                   | 1,039           | 1,043  | 0                | 0                    | Progress in global environmental ISO 14001 unified certification, promotion of level-specific environmental training, and disclosure of environmental information |
| R&D costs                       |                                       | 1,896               | 31,971          | 33,867 | 0                | 0                    | Research and Development for enhancement of environmental performance including CO <sub>2</sub> reductions and 3R planning for reduction of environmental burden  |
| Social activity costs           |                                       | 0                   | 8               | 8      | 0                | 0                    | Biodiversity initiatives and donations to environmental-related NPOs  |
| Environmental remediation costs |                                       | 0                   | 1               | 1      | 0                | 0                    | Measures to counter environmental malfunctions and expenses for the restoration of nature   |
| Total                           |                                       | 2,342               | 33,503          | 35,845 | 58               | 113                  |   |

Unit: Millions of yen. Figures may not add up due to rounding.

- R&D costs: includes some estimates
- Economic effects do not include deemed effects such as risk avoidance and enhancement of corporate image.
- Calculations are on a cash-flow basis and do not include depreciation or reserves.

| Environmental Preservation Effects           |           |                      |
|--|-----------|----------------------|
| Category                                     | Within FY | Full-Year Equivalent |
| Reduced energy (GJ)                          | 15,255    | 34,384               |
| Reduced CO <sub>2</sub> (t-CO <sub>2</sub> ) | 1,028     | 2,218                |
| Conserved water (t)                          | 10,000    | 30,000               |
| Reduced waste (t)                            | 623       | 716                  |
| Reduced VOC (t)                              | 1         | 1                    |

- All of the environmental preservation effects are estimated based on environmental conservation costs.
- Reduced energy: effects of reducing electricity, oil, gas, etc., are corrected in the unit of energy
- Effect of reduced CO<sub>2</sub>: effect of reducing energy origin CO<sub>2</sub>

# Reducing CO2 Emissions

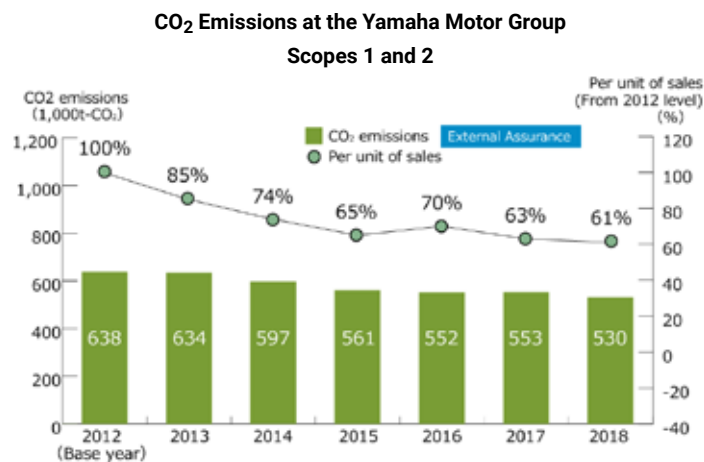
Introducing corporate efforts to reduce CO<sub>2</sub> emissions

## CO<sub>2</sub> Emissions at the Yamaha Motor Group

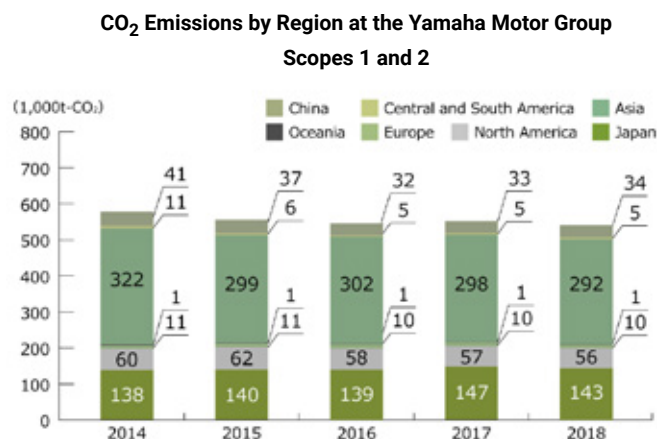
The Yamaha Motor Group endeavors to identify greenhouse gas emissions resulting both directly (e.g., from the burning of fuel at factories) and indirectly (e.g., from electricity use at factories and offices) from its corporate activities at each location, and to reduce those amounts.

We will also work to more precisely measure direct and indirect emissions at each location, and to further reduce emissions at each factory and office.

\*Greenhouse gas: For Yamaha Motor, this is almost entirely CO<sub>2</sub>.



Note: Calculated as total emissions excluding reduction effect from power generation from 2017. Previous years' data has been recalculated accordingly.



- Scope 1** Greenhouse gases directly emitted by businesses
- Scope 2** Greenhouse gases emitted by businesses' use of electricity, heat, and hot water



### By Area (FY2018)

|                   | Japan   | North America | Europe | Oceania | Asia    | Central and South America | China  | Total Emissions |
|-------------------|---------|---------------|--------|---------|---------|---------------------------|--------|-----------------|
| Manufacturing     | 141,292 | 50,750        | 5,586  | 0       | 289,953 | 4,981                     | 32,634 | 512,750         |
| Non-manufacturing | 1,869   | 5,242         | 4,262  | 1,239   | 2,507   | 24                        | 1,652  | 16,763          |
| Total             | 143,162 | 55,991        | 9,848  | 1,239   | 292,460 | 5,005                     | 34,286 | 529,513         |
| %                 | 26%     | 10%           | 2%     | 0%      | 54%     | 1%                        | 6%     | 100%            |

(Unit: t-CO<sub>2</sub>)

Note: Totals may not add up due to rounding.

### Top 10 Countries (FY2018)

| Rank | Country   | CO <sub>2</sub> Emissions | %     |
|------|-----------|---------------------------|-------|
| 1    | Japan     | 143,162                   | 26.4% |
| 2    | Indonesia | 135,521                   | 25.0% |
| 3    | India     | 56,475                    | 10.4% |
| 4    | USA       | 54,288                    | 10.0% |
| 5    | Thailand  | 37,693                    | 7.0%  |
| 6    | China     | 34,286                    | 6.3%  |
| 7    | Vietnam   | 29,121                    | 5.4%  |
| 8    | Taiwan    | 24,693                    | 4.6%  |
| 9    | Malaysia  | 4,897                     | 0.9%  |
| 10   | France    | 4,085                     | 0.8%  |

(Unit: t-CO<sub>2</sub>)

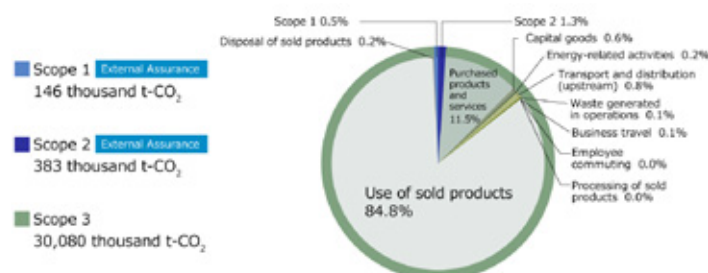
Note: Totals may not add up due to rounding.

#### Notes:

- Boundary** 115 companies, comprising Yamaha Motor Co., Ltd. and its manufacturing and non-manufacturing consolidated subsidiaries and affiliated companies.
- Calorific value unit** Gasoline: 34.6GJ/kL; Kerosene: 36.7GJ/kL; Diesel: 38.2GJ/kL; Bunker A (No. 2) fuel oil: 39.1GJ/kL; LPG: 50.2GJ/t; Butane: 49.6GJ/t; Natural gas: 35.2GJ/1,000m<sup>3</sup>; City gas: 41.1GJ/1,000m<sup>3</sup>; Hot water: 1.36GJ/GJ; Electricity: 9.76GJ/1,000kWh
- CO<sub>2</sub> emission factors** Gasoline: 2.32t-CO<sub>2</sub>/kL; Kerosene: 2.49t-CO<sub>2</sub>/kL; Diesel: 2.62t-CO<sub>2</sub>/kL; Bunker A (No. 2) fuel oil: 2.71t-CO<sub>2</sub>/kL; LPG: 3.00t-CO<sub>2</sub>/t; Butane: 3.03t-CO<sub>2</sub>/t; Natural gas (overseas): 1.81t-CO<sub>2</sub>/1,000m<sup>3</sup>; City gas 13A (Japan): 2.03t-CO<sub>2</sub>/1,000m<sup>3</sup>; Coal (China): 1.93t-CO<sub>2</sub>/t; Hot water supplied by third parties: 0.057t-CO<sub>2</sub>/GJ  
Electricity (t-CO<sub>2</sub>/1,000kWh): Japan: 0.381; U.S. (California: 0.365; Southeast: 0.708; Ohio Valley: 0.892; Florida: 0.631; ERCT (Texas): 0.639; Tennessee Valley: 0.623); Canada: 0.209; the Netherlands: 0.440; U.K.: 0.467; Italy: 0.455; France: 0.087; Spain: 0.383; Portugal: 0.452; Sweden: 0.051; Germany: 0.453; Turkey: 0.462; Russia: 0.325; India: 0.942; Singapore: 0.526; Taiwan: 0.628; China: 0.851; Brazil: 0.085; Argentina: 0.371; Peru: 0.206; Colombia: 0.121; Mexico: 0.522; Poland: 0.667; Australia: 0.841; New Zealand: 0.165; Indonesia: 0.752; Philippines: 0.457; Thailand: 0.538; Malaysia: 0.532; Vietnam: 0.407; Pakistan: 0.394

### Calculating Greenhouse Gas Emissions Along the Supply Chain

The Yamaha Motor Group strives to identify greenhouse gas emissions released directly, such as by burning fuel at factories in the course of manufacturing operations (Scope 1), indirectly through the use of electricity in factories and offices (Scope 2) and other emissions (Scope 3), to reduce those amounts.



#### Notes:

- Boundary** Scopes 1 and 2: 115 companies\*, comprising Yamaha Motor Co., Ltd. and manufacturing and non-manufacturing consolidated subsidiaries or affiliated companies

**Scope 3 calculation method** Energy usage per vehicle based on average fuel consumption or rate of electricity use, multiplied by product lifetime in years and annual number of units sold

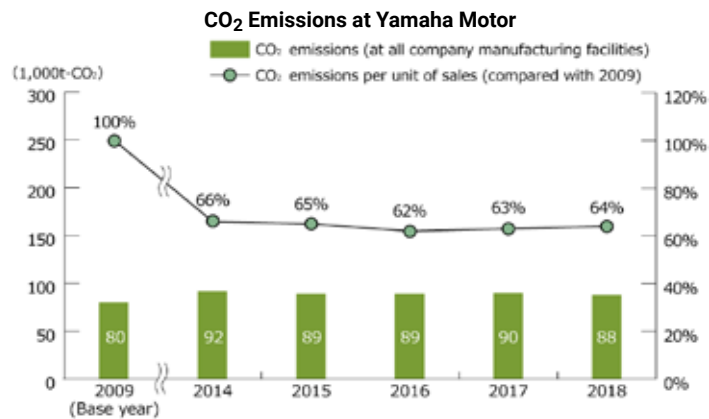
**Emission factors** Gasoline: 0.002322t-CO<sub>2</sub>/ℓ; Electricity: 0.000485t-CO<sub>2</sub>/kWh

\*As a result of reviewing the environmental consolidation scope from the 2018 data, most of the non-consolidated subsidiaries have been excluded from the boundary.

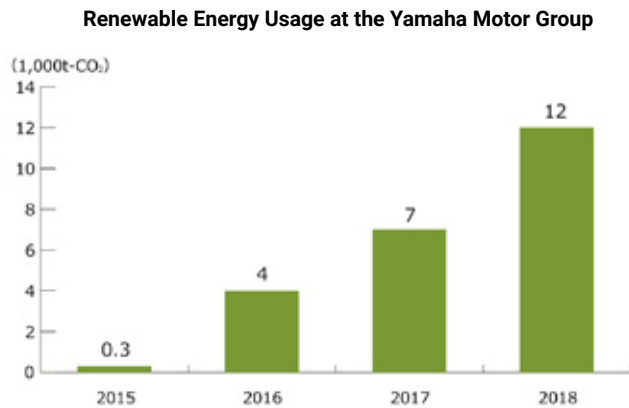
## Reducing CO<sub>2</sub> Emissions at the Manufacturing Stage

Though Yamaha Motor’s initial target for fiscal 2018 was a 9% reduction in CO<sub>2</sub> emissions per net sales compared with fiscal 2009, the Company was able to reduce those emissions by 36%, thereby achieving the target. However, overall emissions increased 1% year on year.

New energy sources such as solar power and cogeneration accounted for 11 thousand MWh (7% of total electric power consumption). We are committed to continuing the introduction of energy-saving devices and improving our operational management system.



Note: Calculated as total emissions excluding reduction effect from power generation from 2017. Previous years' data has been recalculated accordingly.



### Power Generation System Using Solar and Wind Power at Factories

The Yamaha Motor Group is installing power generation systems that use solar and wind power. Following the installation of a solar power generation system at the Iwata Main Factory in 2004, these systems have been successively installed elsewhere and the use of renewable energy is expanding.

Installations continue at overseas locations as well, and in 2018, solar power generation systems were introduced in locations including the United States, Thailand, and Taiwan.

The amount of power generated in 2018 totaled 12,878 MWh (equivalent to a reduction of roughly 11,801 t-CO<sub>2</sub>), and was used for various factory operations and office lighting and air conditioning.



**Solar power – 792 kw (USA)**

### Taking Our Know-How Accumulated in Japan Worldwide

In 2018, the Yamaha Motor Group continued to pursue activities aimed at further reducing CO<sub>2</sub> emissions.

The main initiative has been the rollout of the Global Utility Cost Reduction Project (Theoretical-Value-Based energy project) since 2013, for energy conservation at Group companies in Japan and overseas.

This project builds on the energy conservation expertise accumulated in Japan by sharing this know-how with overseas Group companies and working together to reduce CO<sub>2</sub> emissions across the Group.

Initiatives during the year included the automated shutdown of electrical machinery when not needed, CO<sub>2</sub> controls for exhaust fans, a shift to hydraulic servomotors, and the reduction of boiler blow rates. These led to the lowering of CO<sub>2</sub> emissions per net sales (39% below the 2012 level, the year prior to the start of the project) and reductions in CO<sub>2</sub> emissions (15% below the 2012 level).

Since launching this project, Yamaha Motor's energy efficiency technicians have visited a total of 30 locations in 13 countries, in which Yamaha Motor Group companies operate, including those in Japan, and the project has been expanded to cover 98% of Groupwide CO<sub>2</sub> emissions with the aim of reducing energy loss.

Going forward, we will continue pursuing activities aimed at further reducing emission volumes at each factory and office in order to lower overall CO<sub>2</sub> emissions.



**Education on energy conservation at TYM  
(Thailand)**

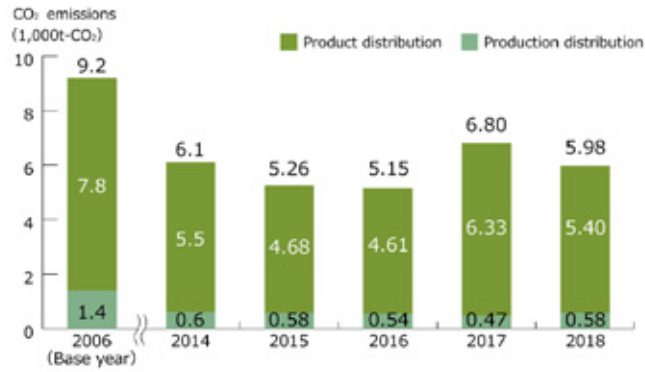
### Reducing CO<sub>2</sub> Emissions at the Distribution Stage

Yamaha Motor has established the goal of "improving transportation efficiency by 1% a year (compared with 2006)" for all divisions. Yamaha Motor's basic approach is to implement measures beginning with those that will have the greatest CO<sub>2</sub>-limiting impact while balancing the energy conservation benefit with cost benefit. Yamaha Motor has also established a working group that centrally promotes CO<sub>2</sub> emission reductions in distribution.

In 2018, distribution-related CO<sub>2</sub> emissions per unit of sales were reduced by 0.4%, owing to efforts including improving the load factor, consolidated transportation, and increasing transportation efficiency.

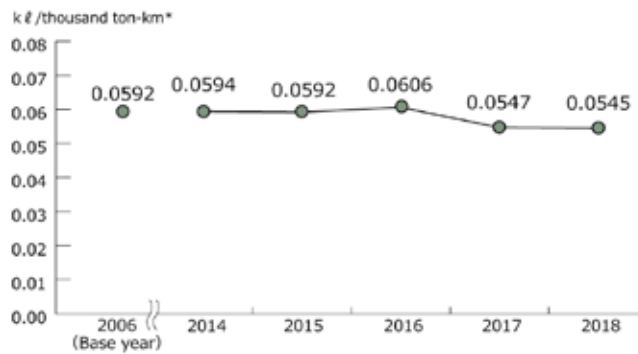
We will continue working to improve transportation efficiency going forward.

## CO<sub>2</sub> Emissions in Distribution at Yamaha Motor



Note: Differences with figures in the text are due to rounding.

## Transport Efficiency at Yamaha Motor



\*Unit volume calculated by converting the fuel energy necessary to move 1 ton of freight 1 km into crude oil

### Products that Address Climate Change

Countermeasures against the effects of global warming are one of the most important ways to address climate change, including both reducing the effects of climate change and preparing for the risks associated with climate change. The Yamaha Motor Group is addressing climate change through its wide-ranging business activities and is also creating products that address climate change.

#### Next-generation, high-performance compact engine: BLUE CORE

Yamaha Motor developed the BLUE CORE high-performance compact engine as a higher-dimension embodiment of both the joy of riding, with an emphasis on fuel efficiency and environmental performance. The engine was first included in the Nozza Grande, a scooter targeting women that was released in Vietnam in 2014. BLUE CORE is an environmentally-friendly platform engine that makes further advances in highly efficient combustion, higher cooling performance, and power loss reduction, with high-dimension tuning in line with the model's special features also possible. We are currently developing a range of variations of this technology, which is particularly popular in the ASEAN region and delivers vastly superior environmental performance compared with previous engines.



**BLUE CORE engine-equipped 125cc LEXi-S  
(Indonesia specifications)**

Clean Water Supply System provides reliably safe water

Increased flooding caused by climate change is leading to higher pollution of water resources. Drinking contaminated water harms the health of the people in a community, impeding social and economic development. The Yamaha Clean Water Supply System uses natural sand, gravel, and the photosynthesis of algae in a “slow sand filtration” system to purify water, providing a safe, stable supply of potable water to areas where it is difficult to obtain.



**Yamaha Clean Water Supply System produces drinking water from  
surface runoff**

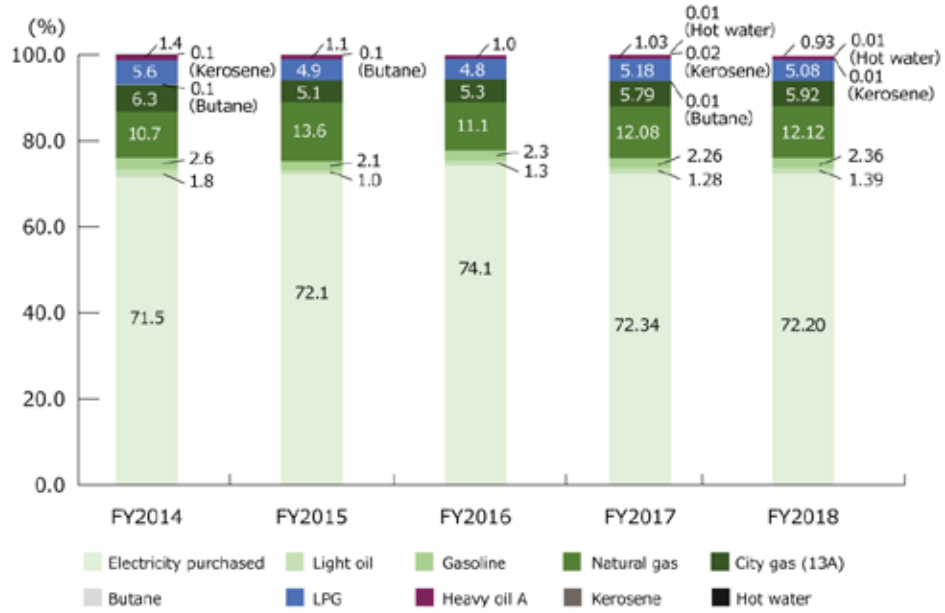
Addressing flooded roads resulting from climate change

Increased rainfall caused by climate change significantly impairs the driving performance of cars and motorcycles, especially in the ASEAN region where infrastructure is weak. Yamaha Motor is addressing flooded roads by introducing motorcycles with the air cleaner placed at a higher position than in ordinary models.

Energy Consumption within Yamaha Motor Group

In FY2018, the Yamaha Motor Group's total energy consumption was 9.51 million GJ [External Assurance](#), of which electricity accounted for 72%, or 6.86 million GJ. Around 85% of the Group's energy consumption was in Asia, including Japan. Seeking to reduce our electricity consumption, we are working in a deliberate manner on various initiatives. These include implementation of status analysis and reduction activities through the introduction of equipment that visualizes electricity usage, installation of power-saving equipment in factories, and adoption of LED lighting at offices.

### Energy Use by Source



# Reducing Environmentally Hazardous Substances

Introducing corporate efforts to reduce use of environmentally hazardous substances

## Reducing Environmentally Hazardous Substances

### Reducing PRTR\*<sup>1</sup> Substances

In accordance with various countries' regulations, the Yamaha Motor Group tracks and reports the content of chemical substances that may be harmful to human health or the environment in the waste materials it generates or discharges. More than 99% of the PRTR substances released by Yamaha Motor are VOCs\*<sup>2</sup>, most of which are generated in painting processes.

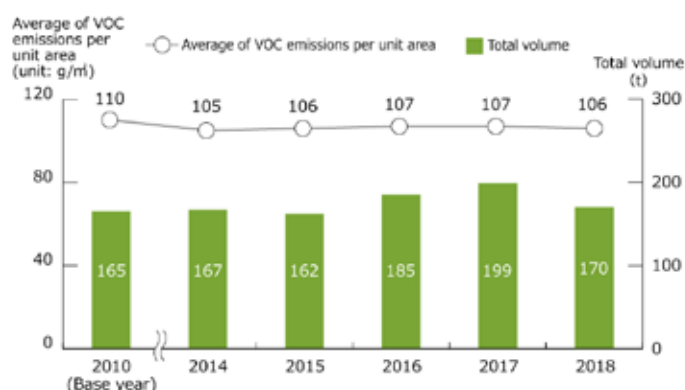
In 2013, we upgraded the painting booth at our main Iwata Factory, which now uses low-VOC paints. The new engine parts line set up in 2015 uses a smaller volume of painting materials as it has adopted a robotic painting booth that features the latest airflow control system. At other factories, as well, we are reducing VOC emissions through optimization of the paint robot system and other means.

We plan to continue reducing VOC volumes by promoting expanded use of low-VOC paints, improving coating efficiency, and reducing paint volumes.

\*<sup>1</sup> PRTR: Pollutant Release and Transfer Register

\*<sup>2</sup> VOCs: Volatile Organic Compounds

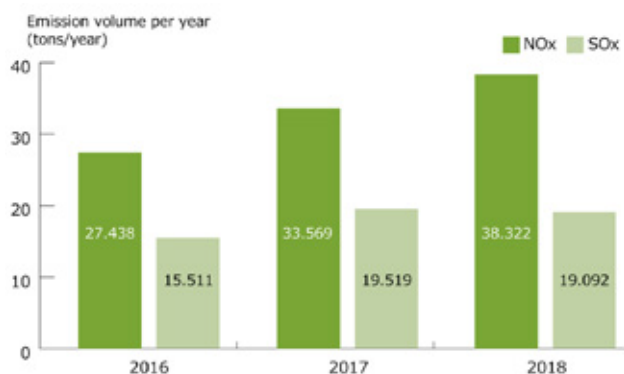
Trends in VOC Release at Yamaha Motor



### Managing Environmentally Hazardous Substances at the Manufacturing Stage

Yamaha Motor manages environmentally hazardous substances emitted from its factories in accordance with relevant laws and regulations, and is working to reduce its emissions of these substances by adjusting conditions for the operation of equipment to curtail the creation of nitrogen oxides, improving heat efficiency to reduce fuel consumption, and switching to low-nitrogen and low-sulfur fuels.

Annual NO<sub>x</sub> and SO<sub>x</sub> Emission Volumes at Yamaha Motor





The number of regulated substances has increased as countries have increasingly regulated the use of environmentally hazardous substances in recent years. The Yamaha Motor Group is responding by steadily developing environmental management activities at various factories overseas as well as in Japan.

For example, regarding products that fall under the scope of the revised Restriction of Hazardous Substances (RoHS) Directive\* regulating the use of certain substances in electrical and electronic equipment in Europe, we have already complied with the revisions that come into force from July 22, 2019 in advance. We are also preparing to ensure that our main products comply with the revised Registration, Evaluation, Authorisation and Restriction of Chemical Substances (REACH) regulations that conditionally restrict specified phthalates contained in plasticized materials. Those revisions will come into effect from July 7, 2020.

Furthermore, warning label rules have been revised under Proposition 65 in California in the United States. We have completed the switch to labels based on the new rules concerning chemical substances contained in products marketed in California.

Going forward, we will work to share information from across the entire supply chain, while systematically reducing the use of environmentally hazardous substances and pursuing alternatives.

\*RoHS: Directive 2011/65/EU on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment (recast)

\*REACH: Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals

# Reducing, Reusing, and Recycling

Introducing measures for recycling and limiting the use of natural resources

## Reducing, Reusing, and Recycling

The 3R concept (Reduce, Reuse, Recycle) is becoming ever more important in all phases of product life cycles, from development and production to use and final disposal, in order to create a recycling-oriented society. The Yamaha Motor Group set “promoting recycling and the effective use of limited resources” as a goal and has undertaken various initiatives to meet it.

We are adopting various approaches to conserve natural resources and enhance recycling efficiency. In addition to actively utilizing recyclable materials, we are reducing the number of parts and making them smaller by pursuing optimal size. We also use LED technologies to lengthen product life while adopting designs that facilitate dismantling and improving the recyclability of parts. Our aim is to improve the applicability of the 3R concept to our products.

### Measures to Reduce Waste and Conserve Resources at the Manufacturing Stage

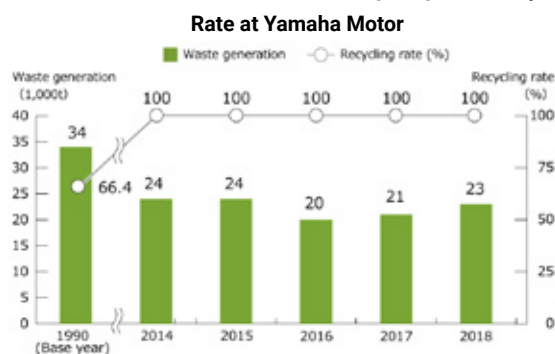
In FY2018, Yamaha Motor generated a total of 22.6 thousand tons of waste<sup>\*1</sup>. We separate metal, plastic, foundry sand, and other waste for reuse and recycling as raw materials. We also subject oil and some plastics to a thermal recycling process to create materials that can be used as combustion improvers. In addition, we use post-combustion residue as a raw material in cement and roadbeds. As a result, we have maintained our direct and indirect landfill record of “zero tons” (a 100% recycling rate).

The Yamaha Motor Group began tracking its volume of waste from FY2016. Group companies in Japan and overseas have been working to reduce their volumes of waste by thoroughly separating waste, introducing returnable packaging materials, and using longer-lasting cutting fluids and oils. The Yamaha Motor Group’s waste material volume (aggregate for 70 out of 115 companies which are included in the scope of environmental disclosure) in FY2018 was 38 thousand tons.

#### External Assurance

\*1 Aggregate volume of materials discharged (including industrial waste, specially controlled industrial waste and materials with value).

### Waste Generation at the Manufacturing Stage and Recycling



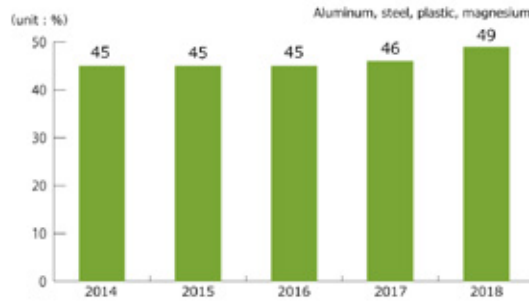
\* Specially controlled industrial waste from Yamaha Motor<sup>\*2</sup>

2014: 177 tons 2015: 566 tons 2016: 290 tons 2017: 277 tons 2018: 229 tons

\*2 Specially controlled industrial waste:

Industrial waste materials that are explosive, poisonous, infectious, or otherwise harmful or potentially harmful to human health or the environment

## Percentage of Recycled Materials Procured by Yamaha Motor

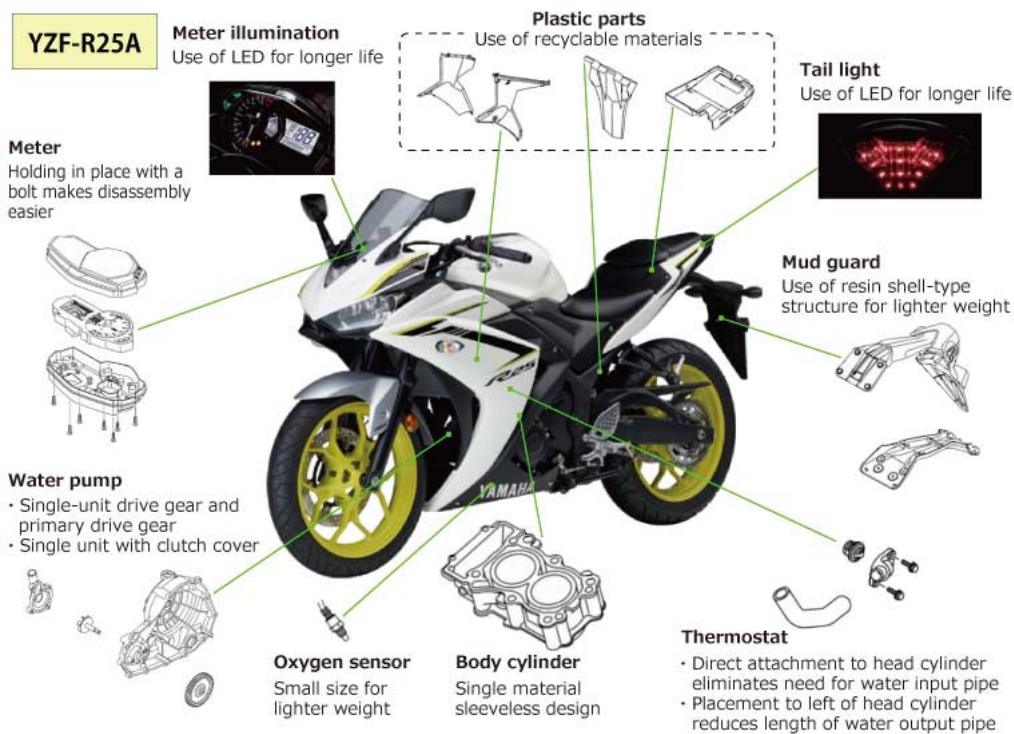


### 3R Designs and Product Recycling

The Yamaha Motor Group is proactively incorporating the “3R (Reduce, Reuse, Recycle) design” in its various products.

In Japan, we continue to work with other companies in our industry in the “motorcycle recycling system” for appropriate disposal by stores handling motorcycle scrapping. We also participate in a similar “recycling system for small FRP boats” in the marine segment, and are also implementing “renewal and recycling of FRP pools.”

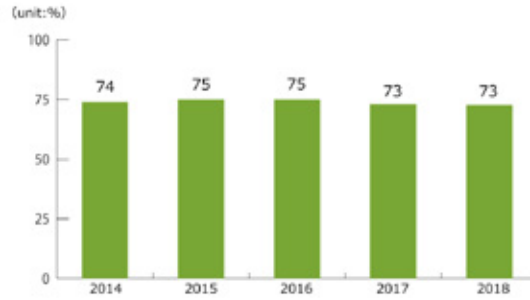
### Example of 3R Design



Yamaha Motor’s Spare Parts Section is working to save energy and resources through various 3R initiatives. These include “reducing” by improving the filling rate with respect to packaging for spare parts sent overseas, “recycling” through the introduction of dedicated returnable packaging, such as plastic pallets and buckets, for spare parts sent overseas, and “reusing” by increasing the number of overseas shipping destinations that use returnable materials.

Thanks to these initiatives, in 2018 we achieved a 73.4% returnable rate (percentage of total shipping cases sent overseas that use returnable materials), compared with our target of 70% or higher.

**Percentage of Returnable Parts Containers for Overseas Shipment at Yamaha Motor**



**Returnable pallet body**



**Returnable bucket body**

**Returnable Pallets/Buckets Used in 2018**

| Delivered to  | Number of Returnable Pallets | Number of Returnable Buckets |
|---------------|------------------------------|------------------------------|
| Europe        | 2,137                        | 47,700                       |
| North America | 3,043                        | 61,674                       |
| South America | 829                          | 34,566                       |
| Oceania       | 192                          | 5,538                        |
| Asia          | 393                          | 23,910                       |
| <b>Total</b>  | <b>6,594</b>                 | <b>173,388</b>               |

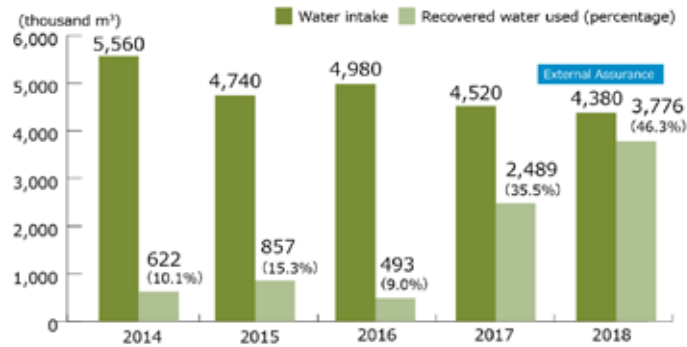
The Yamaha Motor Group is working to reduce consumption of water.

In accordance with our 2020 goal of “promoting recycling and the effective use of limited resources,” we continue to strive to measure our global use of water and reduce consumption Groupwide through programs including the reuse of coolant water and water collection (rainwater and other sources) at factories, the reuse of water using reverse osmosis (RO) membranes, posters to remind employees to conserve water, and the installation of water-saving packing in faucets.

In 2018, Yamaha Motor’s water intake volume was 1,030 thousand m<sup>3</sup> and wastewater volume was 1,290 thousand m<sup>3</sup>

External Assurance

**Water Intake and Recovered Water Used at the Yamaha Motor Group**



Note: The increase in the volume of recovered water used in 2017 includes the effect of new sites able to measure recovered water. Boundary: Yamaha Motor Co., Ltd. and its manufacturing and non-manufacturing consolidated subsidiaries and affiliated companies. (99 out of 115 companies which are included in the scope of environmental disclosure) (The boundary for affiliated companies changed from 2017.)

**Breakdown of Water Intake at the Yamaha Motor Group (thousand m<sup>3</sup>)**

|                   | 2014  | 2015  | 2016  | 2017  | 2018  |
|-------------------|-------|-------|-------|-------|-------|
| Underground water | 2,433 | 1,987 | 1,772 | 2,221 | 1,501 |
| Industrial water  | 2,351 | 2,253 | 1,798 | 1,487 | 1,448 |
| Tap water         | 670   | 391   | 1,317 | 575   | 946   |
| Other fresh water | 102   | 114   | 85    | 167   | 258   |

Note: Breakdown includes estimated figures.

# Biodiversity

Introducing the Outline of Yamaha Motor Group's Main Biodiversity Initiatives

## Outline of Yamaha Motor's Main Biodiversity Initiatives

### Background

We recognize the importance of preserving biodiversity and other issues related to sustainability, and also that addressing these issues can lead to opportunities for growth.

Yamaha Motor has always attempted to harmonize all of its corporate activities with the global environment, through initiatives including technological innovation in smaller, more environmentally friendly engines, the creation of products such as electrically power assisted bicycles and electric motorcycles that use smart power technologies, and research and development of next-generation power sources.

We have therefore formulated the "Outline of Yamaha Motor's Main Biodiversity Initiatives" to build on these programs as we address biodiversity.

### Concept

We will address biodiversity independently, systematically and continuously, based on our corporate philosophy, the Yamaha Motor Group Basic CSR Policy, and the Environmental Plan 2020, from the perspectives of "diversity of ecosystems, biological species, and genes," "activities that supplement the benefits of nature," and "minimizing the impact created."

Contribute with intellectual technologies that respect the earth



Make strides in environmental communication and information disclosure



【Declaration】

Pursue activities that are in harmony with the earth's environment



Contribute with intellectual technologies that respect the earth

\*\*\*\*\*

We are deeply aware of the significant benefits of nature on our product fields, and aim to use technology to preserve biodiversity.

Pursue activities that are in harmony with the earth's environment

\*\*\*\*\*

We will continue to systematically address biodiversity by cultivating an ecological mindset and taking greater initiative.

Where biodiversity is threatened, we will promote activities at a global level that protect and foster nature in harmony with the earth's environment.

Make strides in environmental communication and information disclosure

\*\*\*\*\*

We will cooperate and work together with broad segments of society in our activities to address biodiversity, and strive to disclose information as appropriate.

## Biodiversity Initiatives

We are continuously implementing systematic activities in line with the Outline of Yamaha Motor's Main Biodiversity Initiatives, based on voluntary participation of employees.

For example, we have been engaged in beach cleanup campaigns since the early 1990s on coasts in Japan and abroad to protect our beautiful and abundant seas. We are carrying on these activities and continuing to cultivate an ecological mindset.

### Protecting the Endangered Loggerhead Sea Turtle

Every year, females of the endangered loggerhead turtle species come to Enshunada Coast, a natural site popular with locals, to lay their eggs.

We have been conducting beach cleanup campaigns at the coast in cooperation with Sanctuary N.P.O. for 28 years starting in 1991. A cumulative total of 13,333 volunteers have participated in these activities, including employees, their families, and friends.

#### Organizing "Sustainable Beach" Project and Participating in Loggerhead Turtle Cleanup Campaign

We organize cleanup activities to protect the endangered loggerhead sea turtle by collecting garbage that could be an obstacle to egg-laying, scraps of vinyl that could be eaten by mistake, empty plastic bottles or cans, and other litter. We also put down cloth bags filled with sand and Japanese sedge seeds to prevent sand from blowing away, in order to restore the sandy soil of the beach itself that is essential for turtles to lay eggs.



**Beach cleanup activities**



**Gathering seeds of native Japanese sedge**

> Sustainable Development Goals (SDGs)



## Protecting the Endangered Riverside Tiger Beetle (Diversity of biological species and genes)

The riverside tiger beetle is an endangered species that was driven from its riverside home by the impact of human activities, such as the construction of levees, and has managed to survive in the Nakatajima Sand Dunes. Since 2015, we have continued to carry out activities twice a year to protect the beetle's habitat through the removal of alien plant species\* in collaboration with the Coastal Control Division of the Hamamatsu Public Works Office of Shizuoka Prefectural Government.

\* Alien plant species: *Diodia teres*, *Oenothera laciniata*, *Lolium perenne*, *Conyza canadensis*

### Implementation of Campaign to Remove Alien Plant Species

We carry out campaigns to remove alien plant species with volunteers, focusing on *Oenothera laciniata* in May and *Diodia teres* in September, when each species can be most effectively weeded out.



The riverside tiger beetle is classified as a vulnerable species.



Removing alien plant species

> Sustainable Development Goals (SDGs)

## Protecting Nature (Diversity of the Ecosystem)

Lake Hamana is one of Shizuoka Prefecture's cherished natural sites. To protect the lake's nature, shore-cleaning activities are carried out every year, mainly by employees from Marine-related businesses.

### Organized Marine Cleanup Activities at Lake Hamana

Employees from Marine-related businesses carry out cleanup activities every year using such products as personal watercraft and boats to collect trash that has washed onto shore, even in areas that cannot be reached by land.

We completed a cleanup of the entire circumference of Lake Hamana during our 10th cleanup activities in 2018, and will begin going around for a second time during our next cleanup activities.



Marine products play an active role.



Approximately 100 participants arrive via two wharves.



## Coral Reef Conservation Activities

Okinawa Prefecture is said to be home to more than approximately 360 species of coral. However, it is said that Okinawa Prefecture's coral has been diminishing rapidly both in variety and in number due to environmental changes in recent years. Alarmed by this situation, a local group launched "Team Tyura Sango," a public-private joint project to restore the coral reefs.

Yamaha Motor has supported this project since 2007 through measures including volunteer participation in coral planting and seedling raising as well as financial assistance and promotion activities under the slogan "We will promote manufacturing in harmony with the global environment to nurture hearts that cherish the beautiful sea."



**Photoshoot in front of an underwater monument commemorating coral restoration activities**

> Sustainable Development Goals (SDGs)

## Mangrove Reforestation (Chonburi, Thailand)

Yamaha Motor Parts Manufacturing (Thailand) Co., Ltd. (YPMT) is engaged in mangrove reforestation activities.

The effects of these planting activities include, first of all, that they provide a food source for the living creatures that inhabit the area. Reforestation also absorbs CO<sub>2</sub> and mitigates the effects of disasters caused by tsunamis and other high waves. In addition, they allow people to study the natural environment amid rich natural surroundings and provide an opportunity for communication between local residents and government.

We began our mangrove-planting program in 2012, and each year we plant mangroves along ocean coasts according to the program plan.



**Mangrove planting**



**Organized jointly with Thai government**

## Beach Cleanup Activities for the Blue Sea (Vietnam)

Yamaha Motor Vietnam Co., Ltd. (YMVN) has been conducting the Beach Cleanup Activities for the Blue Sea at beaches in various locations in central and northern Vietnam since 2015. A total of 2,500 people have participated over the last four years.

Participants include YMVN officers, employees, and their family members who use some of their summer vacation to take part in these activities, which have become an annual event.

The activities begin early in the morning. Participants walk along beaches and collect garbage such as bottles and plastic items, including plastic bags.

These activities are not only effective for cleaning up the shore, but also for reminding local residents and tourists of the importance of activities to preserve the global environment. They also serve as a driving force for continuing our environmental activities in the future by contributing to the environment and the local community through social activities in line with our corporate policies, offering excitement.



Beach cleanup activities



Proper disposal of collected garbage

## Protecting Rare Plant Species at Development Facilities (Minimizing Impact)

To minimize the impact of our test courses on the natural environment, we carry out ongoing initiatives to offset the effect of the courses on their surroundings.

### Protecting Rare Plant Species at the Yamaha Motor Kikukawa Test Course

In 2008, the Company conducted a one-year environmental assessment before the start of construction of the Kikukawa Test Course in Shizuoka Prefecture. The Company considers wildlife diversity through such measures as protecting areas of existing vegetation and planting trees around the perimeter of the course.

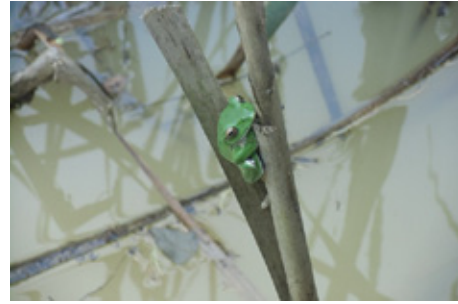
When the course commenced operations in 2013, we simultaneously began initiatives to preserve rare plant species.



*Bletilla striata* plants, a near-threatened species, increased in number.



A cluster of *Penthorum chinense*, a near-threatened species, increased in number.



The egg-laying of the endangered forest green tree frog is monitored each year at Trail Land Hamakita.

## Activities that Supplement the Benefits of Nature

We pursue activities to understand and supplement the benefits of nature by carrying out reforestation to supplement the natural beauty of the hilly land that forms part of the scenery of Lake Hamana and participating in Iwata City's groundwater recharge project.

### Reforestation

On the hilly land that forms part of the scenery of Lake Hamana next to the Yamaha Marina Hamana-ko, we have been carrying out reforestation activities every spring and fall since 2015, such as creating a beautiful bamboo forest in a bamboo grove that has been neglected and thinning to keep the bamboo from invading the broadleaf forest.



**Thinning bamboo**



**Building seats with thinned bamboo**

### Participating in Iwata City's Groundwater Recharge Project

We participate in Japanese cypress planting and tree thinning in the forest in Iwata City's northernmost area, a rich source of water. (The area is a "property ward," a special public body in Japan.)

# Promoting Environmental Awareness and Participation among Employees

An introduction to our activities to promote employee awareness of environmental issues and participation in environment-related activities.

## Promoting Environmental Awareness and Participation among Employees

We consider it important to enhance employees' environmental awareness and promote their understanding of environmental activities, to promote environmental preservation activities through our business activities of providing products and services. We, therefore, engage in various forms of internal communication related to the environment to achieve these aims.



**Registered under the Excellent Eco-Commuting Business Site Accreditation System since 2009**



**Participants in eco-commuting campaign**



**Volunteer neighborhood cleanup in Iwata City**

### Introduced Yamaha Eco Point System

In January 2008, the Group introduced its Yamaha Eco Point System in support of the Yamaha Motor Group Environmental Plan 2020 goal of having “every Group member strongly motivated to proactively participate in environmental programs.” This system established an index that assigns points to environmental activities and allows members to select eco prizes according to the number of activities conducted and the number of points earned in one year. In 2018, participation in this program reached 6,582 persons (the number of persons who participated in activities included in the system).

### Using the Intranet to Foster an “Eco Mind”

Yamaha Motor uses its corporate intranet to report in a timely manner on the status of eco-commuting and employee volunteerism and to disseminate information on cleanup programs for beaches and areas in the vicinity of Company facilities as well as environmental communication with local communities and the public. These efforts serve to raise employee awareness concerning the environment and to encourage participation.



**Ecology network**

環境イベント（2018年度）

※開催日時、開催場所は、状況がかわる可能性があります。開催内容も変更される場合があります。開催内容は変更なく、変更する可能性があります。

<オンラインイベント実施スケジュール（2018年度）>

| イベント名             | 開催日      | 開催時間       | 場所        | 主催                    |
|-------------------|----------|------------|-----------|-----------------------|
| 環境の日啓発活動          | 2月20日（水） | 9:00-12:00 | 鶴岡市       | 鶴岡市環境課                |
| 富士山マラソン           | 4月10日（月） | 9:00-17:00 | マサチューセッツ州 | ヤマハ・環境課               |
| 「Yamahaの未来」を伝える活動 | 5月10日（木） | 9:00-12:00 | 茨城県水戸市    | ヤマハ・マーケティング・コミュニケーション |
| サクラのつぼみ活動         | 3月20日（水） | 9:00-12:00 | 茨城県水戸市    | 環境課                   |
| 環境の日啓発活動          | 4月10日（月） | 9:00-12:00 | 東京都中央区    | 環境課                   |
| 環境の日啓発活動          | 4月10日（月） | 9:00-12:00 | 東京都中央区    | 環境課                   |
| 環境の日啓発活動          | 4月10日（月） | 9:00-12:00 | 東京都中央区    | 環境課                   |
| 環境の日啓発活動          | 4月10日（月） | 9:00-12:00 | 東京都中央区    | 環境課                   |
| 環境の日啓発活動          | 4月10日（月） | 9:00-12:00 | 東京都中央区    | 環境課                   |
| 環境の日啓発活動          | 4月10日（月） | 9:00-12:00 | 東京都中央区    | 環境課                   |
| 環境の日啓発活動          | 4月10日（月） | 9:00-12:00 | 東京都中央区    | 環境課                   |

**2018 environmental activity schedule**



## Distribution of ESG-Related Information by Email

Since January 2019, we have been sending a monthly email to employees at Yamaha Motor and Group companies in Japan, containing ESG-related information including environmental information. The articles contained in these emails are also posted to our intranet so they can be accessed at overseas Group companies. Articles to date have included explanations of the external environment affecting environmental issues and the Yamaha Motor Group Environmental Plan 2050.



## Greening of the Fukuroi Factory

Yamaha Motor's Fukuroi Factory received the Minister of Economy, Trade and Industry Award, the highest honor among the Excellent Greening Factory commendations presented by the Ministry of Economy, Trade and Industry to companies that have made remarkable achievements in improving the environment both inside and outside their factories.

The Fukuroi Factory was recognized for its systematic efforts to promote greening, such as maintaining 42% of its grounds as green space, of which 60% has been left as natural forest. We will continue to promote further greening and local contribution activities with the aim of becoming a factory that is a model for the local community.



Fukuroi Factory

## "Green Curtain" at Nakaze

Yamaha Motor continues to hold a regular event, displaying the installation of a "green curtain" made of bitter melon vines at its Nakaze Factory as a global warming countermeasure. The curtain reduces the outside temperature by 5–6 degrees, which helps conserve electricity.

These harvested *goya* (bitter melon) and passion fruit were distributed to and well received by local residents.



## Environmental Education

In response to a request for partnership (provision of funding and support) from a teacher at Eastside Elementary School in the United States, Yamaha Motor Manufacturing Corporation (YMMC) launched an environmental education project to help students learn about their natural surroundings.

Students had the valuable experience of studying environmental issues such as ecosystems, the food chain, and pollution in the midst of nature near West Point Lake. They came up with ways to improve air quality in the elementary school and carried out tree planting.



# Risk Management

An introduction to the Yamaha Motor Group's initiatives in the areas of risk management, crisis management, and business continuity

## Risk Management Structure

Based on the Rules of Risk Management, the risk management structure works toward the thorough reduction of risks on a Groupwide basis, and is led by the Risk Management and Compliance Committee and its subordinate council, the Risk Management and Compliance Promotion Meeting, which comprises the risk management supervising section and divisions in charge of risk management. The Committee, chaired by the President and Chief Executive Officer, monitors risk on a Groupwide basis while also designating significant risks at the Group level to be tackled as priorities and checking on activities to address risk.

Furthermore, the divisions in charge of risk management formulate response policies and rules for the risks under their charge, promote activities to address risk based on these response policies, etc., and monitor activities at headquarters divisions and Group companies.



## Risk Management Activity Cycle

Risk management activities are promoted through the repetition of the following PDCA (plan, do, check, and act) cycle. The Yamaha Motor Group has prepared a risk management ledger of all risks that need to be covered, and works to reduce risk by appropriately managing and operating the risk management ledger.



## Significant Risks at the Group Level

Each year, risks that need to be prevented and addressed as special priorities are determined to be significant risks at the Group level. In addition to the results of risk assessment at the Group level, significant risks at the Group level can be comprehensively determined and designated based on the Group's business strategy, legal and regulatory changes inside or outside the Group, or other developments including information concerning the likelihood of a risk event occurring or the operating environment.

| Fiscal 2019 Significant Risks at the Group Level             | Background   | Measures   |
|--|--|--|
| Natural disasters  | The main Group manufacturing plants in Japan are concentrated near the epicenter of the predicted Nankai Trough Megaquake, and measures must be taken to prepare for typhoons and other natural disasters. Natural disasters have, therefore, been designated as significant risks.  | The Group is promoting measures to deal with the scenario of a Nankai Trough Megaquake as well as measures to address other earthquakes, typhoons, and other natural disasters.  |
| Violation of laws and regulations concerning product quality | Compliance with regard to product quality is a fundamental and important issue for manufacturers. Further strengthening the structures put in place by the Group to prevent the violation of laws and regulations is necessary. Violation of laws and regulations concerning product quality has, therefore, been designated a significant risk.                 | The Group strives to gain information regarding the establishment of and changes to laws and regulations concerning product quality. In addition, the Group works to create mechanisms that reflect this information appropriately in in-house regulations and standards, while pursuing improvement activities and other efforts. |
| Major accidents involving a Yamaha product                   | A major accident involving a Yamaha product is one of the causes of market penalties such as large-scale recalls. The Group must make continual efforts to ensure zero incidence of such incidents. Major accidents involving a Yamaha product have, therefore, been designated significant risks.   | The Group is promoting information-gathering activities linked to product accidents and making efforts to raise quality awareness among all employees.   |
| Cybersecurity  | The degree of reliance on and the importance of information systems within the Group's business activities is increasing. Measures are needed to prevent leaks of personal or confidential information, information system damage, etc., caused by cyberattacks and computer virus infections. Cybersecurity has, therefore, been designated a significant risk. | The Group is taking measures covering both tangible and intangible aspects of cybersecurity to increase protection against external attacks, to detect an attack at an early stage, and to minimize the damage in the event an attack were to occur.   |

## Crisis Management Structure and Activities

The Yamaha Motor Group works to minimize the damage from and quickly resolve crisis situations as per the "Rules for Initial Response to an Emergency."

In the event of a disaster, accident, or compliance-related incident at the Group, the division involved will report to the risk management supervising section or the divisions in charge of risk management as per standards for determining the level of reporting, which are set in advance. If the reported event is of a scale significant enough to warrant the involvement of Group management or multiple divisions and/or companies, the risk management supervising section will refer the matter to a response team designated in advance, and an Emergency Countermeasure Headquarters, chaired by the President, will be established. The headquarters will work to understand the situation and formulate a provisional response, and, if necessary, will promptly report on the matter to customers and related parties.

## Management of Information

The Yamaha Motor Group formulated the Yamaha Motor Group – Privacy Policy in 2003 and complies with the local laws and regulations related to the protection of personal information in each of the countries in which it operates. In Japan, we responded proactively to the introduction of the My Number system in 2016 by formulating the Yamaha Motor Group Detailed



Operational Guidelines relating to the Protection of Designated Personal Information in 2015. We have also reflected the 2017 revisions to the Act on the Protection of Personal Information in the previously formulated Group Operational Guidelines for Protecting Personal Information and expanded coverage to the Group's subsidiaries in Japan. As for the GDPR (General Data Protection Regulation) enacted in Europe in 2018, Yamaha Motor Europe N.V. and the parent company are working together toward global compliance.

Employees handling personal information undergo training and education via compliance seminars held by the risk management supervising section and e-training. The divisions in charge of risk management also provide direct advice and guidance and other measures to ensure that customer information is handled appropriately.

In fiscal 2018, there were no complaints about violations of our customers' privacy.

## Cybersecurity

The Yamaha Motor Group has implemented IT-related information security measures for the entire Group, covering areas including access management, malware countermeasures, and disaster responses.

Group employees also undergo IT risk training annually, and assessments are carried out every year at Group companies as we strive to strengthen security.

In addition, given the increasing sophistication of cyberattacks in recent years, Yamaha Motor implements measures covering both tangible and intangible aspects of cybersecurity to increase our protection against external attacks, and to detect an attack at an early stage and to minimize the damage in the event an attack were to occur. A Groupwide Computer Security Incident Response Team has also been established to prepare against unforeseen events and also to function for receiving and transmitting security information inside and outside the Company.

## Business Continuity Planning

To prepare against envisioned risks that could impact the continuity of our business, Yamaha Motor has formulated "Rules of Business Continuity" and responds as per those Rules.

Yamaha Motor's primary operations are concentrated in Shizuoka Prefecture, and could be affected if a major earthquake were to occur in the Nankai Trough. To prepare for this, we have formulated a Business Continuity Plan to maintain the continuity of business operations, based on the damage projected by government bodies and are placing foremost priority on the lives and safety of our employees.

Specifically, buildings and equipment have been made earthquake and tsunami resistant, emergency stockpiles of food, water, and other essentials are maintained, emergency methods for telecommunications are in place, and Companywide evacuation drills (including at Group companies located nearby and night drills) and safety confirmation drills are carried out regularly. Also, regular initial response drills are carried out at the headquarters and individual business units, procedures to restore operations have been clarified, and a system for gathering supply chain information is in place. These and other measures addressing both tangible and intangible effects are carried out comprehensively and continuously.

Another concern is the outbreak of a potentially global pandemic. To prepare for this possibility, Group companies identify issues that could affect the continuity of their operations and formulate response plans. Drills simulating actions to be taken at various stages prior to the full-scale outbreak of a pandemic are carried out regularly, and a structure is in place to guarantee that businesses are able to continue operating.

# Compliance

An introduction to the Yamaha Motor Group's initiatives in the area of compliance.

## Compliance Structure

The Yamaha Motor Group has established a Risk Management and Compliance Committee, chaired by the Company President, to create a structure to ensure legal and regulatory compliance throughout the entire Group. The committee deliberates plans to ensure compliance, and monitors the implementation of those plans and the corporate culture with regard to compliance. The outcomes of these deliberations and monitoring are reported, as appropriate, to the Board of Directors as items deliberated by the Risk Management and Compliance Committee, together with ESG risks, and a structure has been established to ensure their effectiveness.

Specific activities are carried out as per the "Compliance Management Rules," and the compliance supervising section manages the Group's overall activities.

As a way to ensure that compliance is incorporated into the corporate culture, Groupwide compliance awareness surveys are carried out annually in Japan to confirm the effectiveness of Group compliance measures, including the degree of understanding and scope of implementation of the Code of Ethics, the extent to which reporting lines and hotlines are used, and the effectiveness of training programs, as we strive to identify and prevent the occurrence of compliance violations. Based on the results of these surveys and social trends, the Code of Ethics Guidebook is updated annually, and the Code of Ethics is reviewed regularly.

Although individual awareness surveys are carried out at overseas Group companies, from 2018 a unified Group compliance awareness survey was carried out.

## Code of Ethics

The Yamaha Motor Group has formulated and disseminated throughout the Group its Code of Ethics, which stipulates standards of behavior to be observed based on the Company Pledge, passed down since the Company's foundation, and the Management Principles. The Code has been translated into local languages at overseas Group companies, and an educational video has been prepared in 11 languages for use in training at Group companies to familiarize all employees with the Code of Ethics. Group companies also hold training sessions in the Code of Ethics for new employees.

### Code of Ethics (PDF)



### Yamaha Motor's Code of Ethics

In the 2018 compliance awareness survey (Yamaha Motor Co., Ltd.), in response to the question, "Do you have a full understanding of the contents of the Code of Ethics?", 69.8% of respondents answered "Yes" while 4.6% answered "No."

The Yamaha Motor Group's business activities span the entire world, and these business activities need to comply with various laws and regulations. A Groupwide risk assessment is carried out annually to identify the common risks that need to be identified, covering many compliance risks including bribery and corruption, cartels, and security-related export controls. These risks are then assessed at individual operating divisions and Group companies, appropriate countermeasures are implemented, and their implementation status is monitored.

In the 2018 compliance awareness survey, in response to the question, "When you are unsure of something in the course of your work, do you place top priority on compliance?", 77.5% of respondents answered "Yes" and 2.4% answered "No."

Compliance and Legal and Regulatory Training

A compliance activity plan is formulated each year, and compliance training is carried out based on this plan. There are two types of training: level-specific stratified training and specialized training.

**a. Compliance training as part of level-specific training**

All new employees – both new graduates as well as mid-career hires – and temporary staff take compliance training that focuses on the Code of Ethics when they join the Company. In addition, when an employee is newly promoted to a managerial or supervisory position, division manager, or head of a business site, they take compliance training focused on that position or function annually or as required. This training includes examples of bullying and harassment, and how to respond when cases are brought to their attention for consultation.

**b. Annual compliance training for all employees**

All persons who work for Yamaha Motor take compliance training, with the aim of each individual employee creating a model that will earn the trust of society for the Company as a whole by practicing compliance. This compliance training is carried out annually (including for temporary staff), and records of attendance are retained. In addition, division managers and executive officers who are primarily engaged in operating activities take annual compliance training in an effort to implement compliance from top management down.

In addition, group training programs covering laws and regulations deemed to entail significant risk in the execution of the Company's business activities are carried out annually. Our legal and regulatory training in 2018 included such topics as the "Act against Unjustifiable Premiums and Misleading Representations," "import/export controls," "Subcontracting Act related topics," "prevention of insider trading," "intellectual property rights," "labor risk from long working hours," and "IT risk." In the 2018 compliance awareness survey, in response to the question, "Do you consider the Company's compliance to be meaningful?", 73.7% of respondents answered "Yes" and 5.6% answered "No."

Training in the Code of Ethics and legal and regulatory training is also carried out for new employees of overseas Group companies, and the results are monitored at the head office.

| Compliance Training in Japan—No. of Attendees (Aggregate Attendees)  |        |
|--|--------|
| Executive officer training   | 24     |
| Division manager training  | 198    |
| Workplace training   | 17,107 |
| Laws and regulations training  | 7,897  |
| E-learning   | 77,955 |
| Level-specific stratified training (division manager, manager, floor manager, new hires, mid-career hires and temporary staff, etc.) | 1,506  |

| Compliance Training at Overseas Group Companies—No. of Attendees (Aggregate Attendees) |                           |        |           |                  |        |
|--|---------------------------|--------|-----------|------------------|--------|
| North America, Europe, Australia   | Central and South America | ASEAN  | East Asia | China and Taiwan | Total  |
| 10,222   | 3,349                     | 17,123 | 1,776     | 2,559            | 35,029 |

## Whistle-Blowing Systems (Compliance Hotlines)

Yamaha Motor has established its Compliance Hotline for any notification of behavior that could violate the Code of Ethics and for discussion or inquiries regarding compliance in general. The Compliance Hotline has been set up at an external, specialist institution, and is the common contact point for notification and consultation for all domestic Group companies. A Yamaha Motor Group Compliance Hotline has been established at an outside institution as a common contact point for employees of Group companies in Japan to report or discuss issues anonymously. By making it easy to report these issues, we are striving to prevent the occurrence of and detect at an early stage any illegal or unfair practices. Internal regulations also clearly state that any retaliation for the use of the internal notification system is strictly prohibited, and employees are reminded of this in annual compliance training programs.

The Human Resources Division has also established a Harassment Hotline as a contact point and to respond to reports of harassment.

A Yamaha Motor Group Fair Business Hotline was also established in 2017 as a contact point for suppliers, and, from 2019, its use will be expanded beyond suppliers to include all business partners with which we have ongoing transactions.

During 2018, the Yamaha Motor Group Compliance Hotline received 120 reports (including consultations), the subjects of which are broken down below. There were no reports involving violations of human rights or bribery and corruption.

|              | 2014 | 2015 | 2016 | 2017 | 2018 (Results) |
|--------------|------|------|------|------|----------------|
| Reports made | 47   | 63   | 76   | 108  | 120            |

| Subject of Reports in 2018          | Percent of Total |
|-------------------------------------|------------------|
| Human resources and labor relations | 73%              |
| Financial/accounting                | 11%              |
| Information management              | 7%               |
| Human rights violation              | 0%               |
| Corruption prevention               | 0%               |
| Other                               | 10%              |

In addition to ongoing activities to promote awareness of the internal notification system, efforts are made through activities including annual workplace compliance training to deepen employees' understanding of the system and ensure that it functions swiftly and appropriately, as a way of instilling a system and corporate culture that incorporates compliance.

Internal notification systems have also been established and operate at major overseas Group companies, based on the local laws and regulations and other circumstances specific to each respective company.

Internal notifications that are confirmed to point to a problem are handled as cases and are responded to based on the “Rules for Initial Response to an Emergency.” In addition, a global internal notification contact point is being set up at an outside institution from 2018 to enable notification of inappropriate actions being taken by managers of overseas subsidiaries, as we strive to detect inappropriate behavior globally at an early stage.

## Thorough Import and Export Management

Because a large proportion of the Yamaha Motor Group’s business activities are conducted outside of Japan, we are constantly engaged in activities which place importance upon the management of imports and exports.

As an initiative related to exports, at Yamaha Motor Co., Ltd., we conduct Security Trade Control (STC) study sessions and liaison meetings based upon compliance with the Foreign Exchange and Foreign Trade Act and other related laws and regulations. For relevant departments and Group companies, regular and comprehensive educational training sessions are implemented. As one aspect of training for those engaged in trade, we encourage employees to take the STC Associate<sup>\*1</sup> and STC Expert<sup>\*2</sup> examinations and we have had successful candidates each year.

We continue our initiatives to prevent the order, import, transfer and supply of goods which are confirmed to contain substances prohibited for use in manufacturing<sup>\*3</sup> or where the inclusion of such substances cannot be confirmed.

\*1 A practical accreditation exam for security trade control conducted by the Center for Information on Security Trade Control (CISTEC), a non-profit and non-governmental organization

\*2 An accreditation exam demanding a higher level of ability compared to the “STC Associate Examination”

\*3 Substances indicated in Item 1, Article 16 of the Enforcement Order of Industrial Safety and Health Law

# Sustainable Development Goals (SDGs)

Introducing the Yamaha Motor Group's SDGs

## Approach to SDGs

The United Nations Sustainable Development Summit was held in September 2015, and passed Sustainable Development Goals (SDGs) comprising 17 goals and 169 targets as a “plan of action for people, planet and prosperity.”

The Yamaha Motor Group is engaged in business activities around the world, with the corporate mission of being a “Kando Creating Company—Offering new excitement and a more fulfilling life for people all over the world.” We have laid out our approach to the Group’s sustainability in the preamble of our Basic Policies of CSR, adopted in 2011, which states that the Group “strives to contribute to the sustainable development of society through our business activities based on our corporate philosophy.”

We are pursuing the SDGs as part of our commitment to sustainability, with the aim of achieving corporate growth through the resolution of social issues in the countries and communities in which we operate, as a company that all stakeholders, including society, always look to for the next advances and innovations.

## Examples of SDG-Related Activities

| Activity  | Related SDG   |
|---|---|
| Supporting employment and education with motorcycles                        |      |
| Vitalizing local communities through increased overseas manufacturing       |     |
| Promoting traffic safety  |     |
| Improving the technical skills of motorcycle technicians                    |     |
| Developing technical skills by leveraging Japanese-style manufacturing      |     |
| Modernizing fishing industries in developing countries with outboard motors |    <br> |
| Training engineers by transferring FRP boat manufacturing technology        |      |

|  |   |
|--|---|
| Verification testing of mobility support for persons with limited mobility |   |
| Increasing efficiency of agricultural operations with unmanned helicopters |    |
| Yamaha Clean Water Supply System   |    <br>  |
| Cleaning up beaches to protect endangered species                          |    |
| Cleaning up lakeshores using marine products                               |    |
| Protecting rare plant species  |   |
| Removing alien plant species   |     |
| Yamaha Motor Foundation for Sports   |    |

> Major social issues identified in the Medium- to Long-Term Strategy

# Approach to Sustainable Development Goals (SDGs)

Introducing the Yamaha Motor Group's SDGs

## Creating possibilities and enriching the lives of young people

### Supporting employment and education with motorcycles

More than 80% (unit sales basis) of Yamaha's motorcycles—our main business—are sold in Asia outside Japan. Their primary use is for daily mobility. As a means of commuting to school or to work, these motorcycles are creating possibilities and enriching the lives of young people in these countries.



## Improving local economies through globalization of business

### Vitalizing local communities through increased overseas manufacturing

Yamaha Motor has roughly 150 Group companies in more than 30 countries and regions around the world, developing, manufacturing, and selling products in a broad range of fields. Our manufacturing activities in emerging markets such as India, in particular, are gaining momentum year by year, significantly contributing to increased employment in these local communities.



## Correct and safe use of products

### Promoting traffic safety

We are engaged in a wide range of activities to promote motorcycle safety, from safe riding courses for general customers, to workshops for companies and organizations that use our products commercially and the training of instructors at affiliated companies in various countries.

- > [Yamaha Riding Academy](#) Movie
- > [Yamaha Riding Academy](#)





## Yamaha Technical Academy

### Improving the technical skills of motorcycle technicians

Yamaha Technical Academy is an educational program for Yamaha motorcycle technicians. Enhancing the skills of these technicians increases customer satisfaction and benefits our sales network, enriching the lives of the people involved in these activities.

> Yamaha World Technician GP



## Aiming to raise the level of local manufacturing skills

### Developing technical skills by leveraging Japanese-style manufacturing

Yamaha Motor's Indian subsidiaries and local NGOs have been setting up Yamaha Training Schools since 2013. In 2017, Yamaha Motor NTTF Training Center was opened to develop human resources in India, as part of the public-private sector Manufacturing Skill Transfer Promotion Program. Both facilities are contributing to higher levels of technology and enriching daily lives in the communities in which they operate.

> India Institute for Manufacturing



## Promoting the fishing industry with marine engines

### Modernizing the fishing industry with Enduro, an outboard motor tailored to the difficult environments of developing countries

We help modernize the fishing industry by introducing outboard motors as well as the Japanese way of fishing, and handling and processing fish in countries where people use wooden boats with oars and sails. This expands accessibility to larger fishing grounds, increases the types of fish caught, and brings them back to market more quickly. Given the potential threat of outboard motor breakdowns on the lives of fishermen, Enduro was invented for use in difficult environments while running on inferior fuel. Our efforts to train local mechanics and set up parts networks are also widely supported by fishing communities.



> Enduro

> Fishery Journal Digital Archive



## From wooden boats to FRP boats

### Training engineers by transferring FRP boat manufacturing technology

We have launched “technical assistance factories” for FRP boats around the world. Today, 14 facilities spanning 13 countries produce 3,000 boats annually, and also play a role in training technicians, creating employment, and promoting the fishing, tourism, and transport industries. The transition to FRP boats from wooden boats also reduces deforestation as well as operating costs for small-scale fishermen and fisherwomen, while reducing CO<sub>2</sub> emissions through low fuel consumption. FRP boats also reduce accidents associated with wooden boats and promote the safety of boat operations and fishing.



> FRP Boats in Mauritania [Movie](#)

> Modernizing Fishery in Africa [Movie](#)



## Building community-friendly transport systems

### Verification testing of mobility support for persons with limited mobility

We carried out verification testing in Japan for automated driving services using golf car-based vehicles, as part of a Ministry of Land, Infrastructure, Transport and Tourism-led project to create safe transport for people and goods in rural areas with aging populations.



## Increasing agricultural productivity 10-fold

### Increasing efficiency of agricultural operations with unmanned helicopters

Yamaha Motor's industrial-use unmanned helicopters are dramatically increasing the efficiency of agricultural operations through remote operations for spreading pesticides and direct rice seeding. We are working toward achieving the 2016–2018 Medium-Term Management Plan target of "offering productivity 10 times greater than previously."



- > Annual Report 2016
- > Rev Story: Transforming Agriculture from the Air [Movie](#)
- > Joint business to offer software and services for smart agriculture



## Bringing smiles to faces through clean water

### Yamaha Clean Water Supply System

We have developed the Yamaha Clean Water Supply System, which purifies surface water, and installed the system in areas where it is difficult to access clean drinking water. In addition to improving the lives of people in these areas by alleviating illnesses caused by contaminated water, this initiative has provided more time for women and children, who are primarily responsible for drawing and carrying water, to engage in studies and other productive activities. The system also contributes to promoting water sales and delivery businesses, and to less burning of wood by eliminating the need to boil water.



- > Yamaha Clean Water Supply System
- > Working to Change Water and Lives in Africa [Movie](#)
- > Bringing Beautiful Change to People's Lives [Movie](#)
- > Annual Report 2016



## Protecting the ocean, our business field

### Cleaning up beaches to protect endangered species

Since 1991, we have been carrying out ongoing beach cleanups and baby loggerhead sea turtle observation tours at the Nakatajima Sand Dunes (in the southern part of Hamamatsu, Shizuoka Prefecture), where turtles come to lay their eggs, to protect endangered loggerhead sea turtles.

> Baby Turtle Observation Tour and “Sustainable Beach” Project



## Effective lake cleanups with our products

### Cleaning up lakeshores using marine products

To protect the natural environment of Lake Hamana in Shizuoka Prefecture, we have held semiannual “Marine Cleanup Activities at Lake Hamana” continuously since 2013, using Yamaha Motor’s boats and outboard motors. We conduct effective cleanups by utilizing the distinctive features of our products.

> Marine Cleanup Activities at Lake Hamana





## Preserving biodiversity

### Protecting rare plant species

Prior to the construction of our motorcycle test course in Kikukawa, Shizuoka Prefecture, in 2008 we carried out a one-year environmental assessment of the site and surrounding area. Thereafter, we transplanted rare plant species, and we continue to carry out activities to protect and monitor rare plant species.

> Protecting Rare Plant Species at the Yamaha Motor Kikukawa Test Course



## Removing alien plant species from seashores

### Removing alien plant species

Together with our beach cleanup activities at the Nakatajima Sand Dunes (in the southern part of Hamamatsu, Shizuoka Prefecture), we remove alien plant species including *Oenothera laciniata* and *Diodia teres* in May and September of each year, to create an environment compatible for the endangered riverside tiger beetle.

> Removing Alien Plant Species



## Creating healthy people and society through sports

### Yamaha Motor Foundation for Sports

The Yamaha Motor Foundation for Sports supports activities for sports enthusiasts and provides opportunities for children to experience sports, with the aim of creating people and a society that shares a passion for pursuing challenges.

> Yamaha Motor Foundation for Sports



# Yamaha Motor signed the UN Global Compact

Introducing the Yamaha Motor Group's support of the UN Global Compact

The UN Global Compact is a set of 10 voluntary principles in four areas, proposed by then UN Secretary-General Kofi A. Annan at the World Economic Forum held in January 1999. Yamaha Motor Group's president signed the UN Global Compact, registering as a participating company on December 5, 2017.



Yamaha Motor Group aims to - in addition to promoting our own CSR practices - further promote initiative towards Sustainable Development Goals(SDGs), working towards corporate growth through solving societal issues in the countries and regions in which it operates. We report annually our concrete activities for the pursuit of the Global Compact Principles to the UN Global Compact and participate in the working groups including "Human Rights Due Diligence" subcommittee of the Global Compact Network Japan.

## The Ten Principles of the UN Global Compact

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

# Commitment of Participation in the Science Based Targets initiative (SBTi)

The Yamaha Motor Group committed its participation in SBTi in May 2018.

The Science Based Targets initiative (SBTi) involves companies publicly declaring, setting, and implementing scientifically-based greenhouse gas emissions reduction targets in order to reach the Paris Agreement target of keeping the global temperature increase below 2°C. This is an international initiative supported by international NGOs in environmental fields such as climate change, including the CDP, World Resources Institute (WRI), World Wide Fund for Nature (WWF), and United Nations Global Compact.

The Yamaha Motor Group committed its participation in SBTi in order to contribute to the decarbonization of society. Moving forward, the Group will take initiatives toward the setting and realizing of targets.



# Third-Party ESG (Environmental, Social, and Governance) Evaluations

Introducing third-party ESG (environmental, social, and governance) evaluations

With an increasing emphasis on socially responsible investment (SRI) that identifies companies for investment using evaluations from environmental and social perspectives in addition to financial analysis, Yamaha Motor proactively releases ESG-related information. The following are some of third-party evaluations we have received.

FTSE4Good / FTSE Blossom Japan



Yamaha Motor is included in the world renowned ESG (Environment, Society, and Governance) index “FTSE4Good Index Series” as well as “FTSE Blossom Japan Index”, which has been adopted by the Government Pension Investment Fund (GPIF).

S&P Japan 500 ESG

Yamaha Motor is included in “S&P Japan 500 ESG,” created by S&P Dow Jones Indices LLC of the U.S., the world’s largest financial index production company.

SNAM Sustainability Index



Yamaha Motor is included in the 2019 SNAM Sustainability Index, managed by Sompo Japan Nipponkoa Asset Management Co., Ltd., to facilitate SRI for pension funds and institutional investors investing in a broad range of companies that are highly rated for their environmental, social, and governance activities.

Certified Health and Productivity Management Organization Recognition Program – White 500



Yamaha Motor was recognized in 2018 in the Certified Health and Productivity Management Organization Recognition Program – White 500, established by the Ministry of Economy, Trade and Industry to recognize outstanding companies and organizations for their health and productivity management.

# Human Rights

## Thoughts on Human Rights

As described in Basic Policies of CSR, the Yamaha Motor Group strives to contribute to the sustainable development of society through our business activities based on our corporate philosophy and to always abide by the letter and spirit of domestic and international laws and regulations. We are dedicated to earning the trust of the global community, and we place great value on communicating with all stakeholders. We recognize that respect for human rights is an issue of vital importance.

In 2017, the Yamaha Motor Group signed on to the UN Global Compact advocated by the United Nations. As a corporate group, we have and will continue to support the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Guiding Principles on Business and Human Rights, and the Children's Rights and Business Principles, which support the principles related to human rights and labor in the UN Global Compact.

The Yamaha Motor Group strives to ensure legal compliance in every country and community where the Group companies pursue business activities. But no matter what laws and regulations might prevail, business is conducted with priority given to international agreements and the spirit of the UN Global Compact. In addition, the scope of respect for human rights goes beyond employees of the Yamaha Motor Group to include suppliers and other business partners.

[Supporting the UN Global Compact](#)



The Yamaha Motor Group maintains the following policies and guidelines related to human rights.

**Respect Employees' Human Rights**

### Basic Policies of CSR

We will provide equal employment opportunities and fair working conditions to employees, recognizing diversity and refraining from discriminatory practices, prohibit child labor and forced labor, and engage employees in honest communication and dialogue.

[Basic Policies of CSR—Employees' column](#)



### Code of Ethics

We will forbid derogatory comments against employees on the basis of race, nationality, ideals, principles in life, physical characteristics, personality, relatives, etc., that abuse or deny a person's character, and harassment of any kind, including sexual harassment.

[Code of Ethics V. Respect for Human Rights  
1. Human Rights and 2. Prevention of Harassment \(PDF 801KB\)](#)



### Basic Policies of CSR

We will respect our suppliers and business partners and maintain an open door to new business partners around the world to find suppliers, regardless of nationality or size.

Basic Policies of CSR—Business Partners' column >

### CSR Guideline for Suppliers

We ask that our suppliers strive in all aspects of employment to eliminate discrimination on the basis of race, ethnicity, nationality, religion, sex and other issues, to refrain from the use of child labor or forced labor, to ensure fair working hours and wages, and to engage employees in dialogue and communication in good faith.

CSR Guideline for Suppliers >

### Preamble to Basic Policies of CSR

Suppliers are asked to uphold the Basic Policies of CSR maintained by the Yamaha Motor Group.

Approach to CSR >

### Statement on UK Modern Slavery Act

We issued our first statement in July 2017, in accordance with the UK Modern Slavery Act.

Yamaha Motor Europe Modern Slavery Act Statement for FY2016 (PDF 301KB) >

## Key Measures and Due Diligence Processes

Our risk management system, which covers all business units and subsidiaries under the Group umbrella, has a human rights-related component addressing associated risk in our own operations and across the supply chain. We monitor, assess and formulate measures to mitigate such risk. In 2018, risk related to human rights was identified at four Group companies. Of the issues that came to light, most had to do with harassment. Compliance training and other approaches were subsequently implemented.

Risk Management >

In addition to the use of a risk management system, we conduct a compliance awareness survey at Group companies in Japan to gauge how aware employees are about human rights. The scope of implementation is to be gradually expanded throughout the Group, beginning in 2018. We will establish a reporting line to enable employees to report a problem right away in the event a situation arises, and we intend to set up and operate a whistleblowing system.

Compliance >

To complement the whistleblowing system, which enables employees to report a situation anonymously should they themselves encounter infringement of human rights, including harassment, or they see or hear of others experiencing a violation of human rights, we maintain a Harassment Hotline. In 2017, we opened a Fair Business Hotline as a contact point for suppliers and other business partners to make issues known to us. This hotline deals with comments regarding Yamaha Motor Company and domestic companies under the Group umbrella.

In addition, we participate in and implement the activities of the Human Rights Due Diligence Working Group of the Global Compact Network Japan (the Japan office for the UN Global Compact), and are also working to raise the level of support for human rights at Yamaha Motor.

We believe that education is the most vital means to prevent the risk of human rights violations from appearing. We work to raise awareness of human rights by providing an educational program about the Code of Ethics for all employees in the Group. In 2017, we ran compliance training for directors on the theme of human rights in the supply chain.

[Compliance and Legal and Regulatory Training >](#)

Note that the Yamaha Motor Group had no reports of human rights violations in 2018.

# Anti-Corruption

The related information can be viewed from here.

We have implemented anti-corruption measures throughout the Group.

[Anti-Corruption Measures](#)



We participate in the UN Global Compact, which strives to prevent corruption.

[Supporting the UN Global Compact](#)



Includes amounts used for political contributions, lobbying, etc.

[Amounts Used for Political Contributions,  
Lobbying, etc.](#)



# Anti-Corruption Measures

An introduction to the Yamaha Motor Group's initiatives in the area of anti-corruption measures.

## Anti-Corruption Measures

With regard to preventing bribery, risks evaluated on a common basis Groupwide are included under "corruption" in the comprehensive risk management ledger, and bribery is included in the corrupt practices evaluated by the operating divisions and Group companies. The Board of Directors monitors management status as an ESG issue, while also receiving regular reports from the Risk Management and Compliance Committee. In addition, a Guidebook to Prevent Bribery of Public Officials has been prepared and disseminated throughout the Yamaha Motor Group. Other programs have been established to ensure the thorough prevention of corruption, including training on laws and regulations and training intended for specific groups or individuals (in particular, persons scheduled for overseas assignments or other positions where they may be exposed to potential high risks). A prior consultation system has also been introduced to prevent bribery, and prior consultation with the relevant legal affairs division is mandatory in cases where benefits are provided to public officials in Japan or any other country, or for subcontracting where there are existing possibilities of contact with public officials in Japan or any other country. Mandatory procedures are also in place for political contributions, based on the laws of each country involved.

There were no significant legal violations due to non-compliance with the anti-corruption policy in 2018, and no penalties, surcharges, or settlements related to corruption.

## Amounts Used for Political Contributions, Lobbying, etc.

Amounts used for political contributions, lobbying, etc. can be viewed from here.

Amounts used for political contributions, lobbying, etc. (not including donations to business organizations, NGOs, etc.)

Yamaha Motor: Unit – million yen

|        | 2015 | 2016 | 2017 | 2018 |
|--------|------|------|------|------|
| Amount | 14   | 15   | 13   | 14   |

Note: The amount shown above for contributions to political organizations in 2018 includes ¥6.50 million to the People's Political Association.



# Tax matters

This section introduces initiatives we have in place at the Yamaha Motor Group for tax governance.

## Basic Tax Policy

The Yamaha Motor Group has established the following basic tax policy. The tax function of the head office is to carry out required tax duties in accordance with the company's tax policy and report the status of its progress to the director in charge of the corporate planning and financial domains in a timely manner. Based on the company's basic tax policy, the tax function of the head office provides employees throughout the company and within the Yamaha Motor Group companies with appropriate guidance on taxation. The head office also works to maintain a governance system related to taxation across the group itself.

## Aims

Contributing to the nation and society through tax payment is one of Yamaha Motor's management principles and is part of the company's global implementation of social responsibility. In pursuit of this philosophy, Yamaha Motor Group companies always pay their taxes both correctly and in a timely manner.

## Three Basic Elements

|                                   |  |
|-----------------------------------|--|
| Legal Compliance                  | The Yamaha Motor Group complies with the tax laws of each country, and respects standards set out by international organizations.  |
| Maintaining Transparency          | Yamaha Motor will disclose tax payment information to stakeholders including tax authorities in a timely and appropriate manner.   |
| Relationship with Tax Authorities | Yamaha Motor strives to establish and maintain appropriate relationships with the tax authorities based in each country. Yamaha Motor endeavors to be fully accountable to ensure against any discrepancies with the tax authorities on individual matters.<br>In the event of a differing viewpoint with an authority, Yamaha Motor will always take appropriate measures to solve any dispute, and in this way, maintain our business value. |

## Structural framework to secure the above three elements

|  |   |
|--|---|
| Tax Governance System                    | Yamaha Motor positions tax governance as management responsibility for the director in charge of corporate planning and financial domains and gives corporate tax function its executive authority.<br>The Yamaha Motor group companies and their employees receive appropriate guidance from the head office tax function as required and carry out business activities in accordance with Group Financial and Accounting Detailed Guidelines. |
| Tax Function Responsibilities            | The head office tax function establishes and manages the tax governance system within the group based on this basic tax policy and monitors that business activities are properly conducted in accordance with this policy.   |
| Business Activity Principles             | Role and cost sharing among group companies are based on the beneficiary-to-pay principle.<br>For regular transactions between group companies, we recommend the setting of transaction prices based on the arm's length principle.<br>Yamaha Motor does not set up transaction structures that lack economic substance for the purpose of any tax avoidance.   |
| Double Taxation Avoidance                | Through various activities aimed at avoiding double taxation, Yamaha Motor has established and maintains appropriate relations with tax authorities and works to optimize mid- and long-term tax related expenses.  |
| Application of Preferential Tax Benefits | Yamaha Motor considers the applications of any preferential tax benefits and strives to optimize all tax-related expenses in the planning and promotion of its business activities.   |