

Yamaha Group Sustainability

Throughout its long history, the Yamaha Group has made various efforts to promote people's "well-being," while remaining conscious of its connection with nature, society and culture. Our products, made of timber and other natural materials and carefully finished by skilled craftspeople, have been handed down from generation to generation and, with some products being given new life through renewal, loved by many people. In addition to simply selling products, we have also contributed to promoting the spread and development of music culture in various countries and regions around the world as our own business. These activities range from the spread of instrumental music education for children and the development of music schools to the support of top artists. These ideas and initiatives are in line with social sustainability and have been passed down through the company's more than 130-year history, shaping the "distinctive brand identity of Yamaha."

Yamaha Group Sustainability Policy

The Yamaha Group aims to create a society that realizes the well-being of all people around the world. To achieve this goal, we will work to protect our one precious earth and contribute to the development of an equal society, comfortable lives, and a music culture that enriches people's hearts and minds, with our corporate philosophy of "Yamaha Philosophy" as the foundation to draw from. At the same time, we will not only respect for human rights but also create an environment in which diverse human resources can respect each other and actively play a role. Through these initiatives, we will continue to create excitement and cultural inspiration together with people around the world. Based on this concept, we have identified materiality and will actively promote sustainability activities to enhance our medium-to-long-term corporate value through the creation of social value by working toward the realization of a sustainable society.



Formulated in February 2010 and last revised in April 2022

Sustainability Management

Sustainability Initiatives

The Yamaha Group is advancing initiatives for contributing to the realization of a sustainable society in accordance with the Yamaha Group Sustainability Policy. This policy was formulated based on the Group's material sustainability issues, which were shaped by the relationship between its business activities and the environment and society as well as on stakeholder expectations and social demands. We thereby aim to contribute to the well-being of people around the world.

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- [Engagement with Stakeholders >](#)
- [Participation in Initiatives >](#)

Promotion System

Under the guidance of the Board of Directors, Yamaha Corporation established the Sustainability Committee as an advisory body to the president. This committee is tasked with discussing directives for Groupwide sustainability initiatives, monitoring Group initiatives, and reporting to the president on these matters.

Five working groups—the Working Group for Climate Change, Working Group for Resource Circulation, Working Group for Procurement, Working Group for Human Rights, DE&I, and Working Group for Social and Cultural Contributions—have been formed under the Sustainability Committee. The working groups establish frameworks for advancing initiatives based on the following important Group themes; formulate policies, targets, measures, and activity plans; advance and monitor activities; and submit reports on these matters to the Sustainability Committee.

Working Group for Climate Change: Decarbonization, disclosure based on Task Force on Climate-related Financial Disclosures

(TCFD) recommendations, water risk response measures, etc.

Working Group for Resource Circulation: Circular value chains, eco-friendly product designs and packaging, etc.

Working Group for Procurement: Timber due diligence, sustainable timber procurement, Tone Forest activities, supply chain human rights due diligence, response to conflict minerals, etc.

Working Group for Human Rights, DE&I: Human rights due diligence, promotion of diversity, equity, and inclusion (DE&I), etc.

Working Group for Social and Cultural Contributions: Popularization of music, community outreach, etc.

Reports on discussions by the Sustainability Committee and relevant initiatives within the Group are regularly submitted to the Board of Directors for review.

Fiscal 2023 Sustainability Committee Meetings

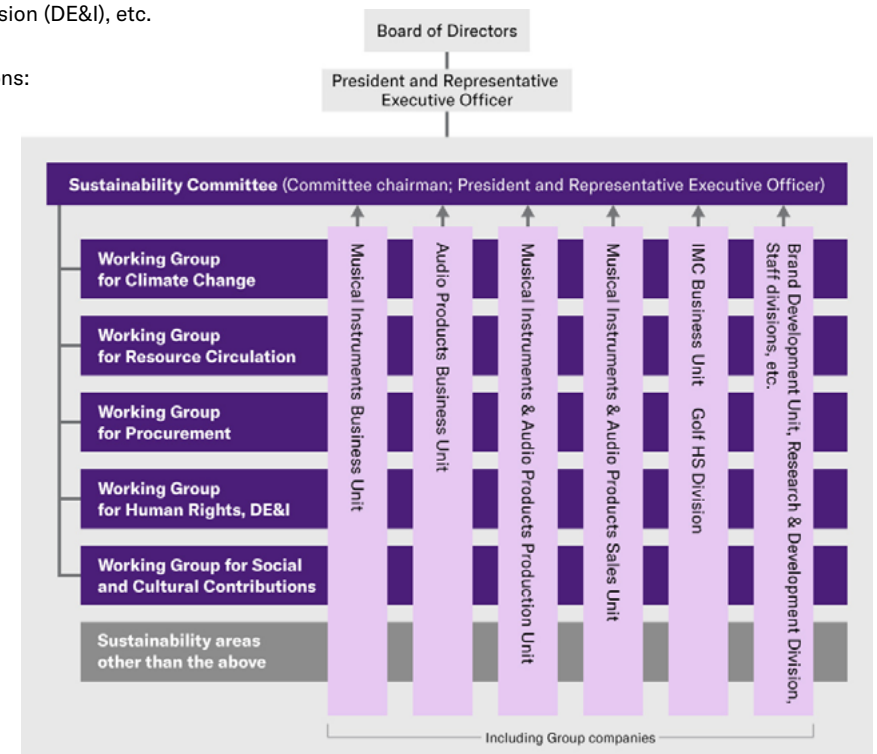
Meetings: 6

Major agenda items:

- Review of sustainability initiatives under the previous medium-term management plan
- Disclosure based on TCFD recommendations
- Progress and challenges of sustainability initiatives under the current medium-term management plan
- Discussion session with an external expert

Hidemitsu Tomita, representative director of LRQA Sustainability Co., Ltd., was invited to take

part in a discussion session with members of the Sustainability Committee and the associated working groups, which featured a lecture by Mr. Tomita as well as a Q&A session and an exchange of opinions regarding the challenges faced in Yamaha's sustainability initiatives.

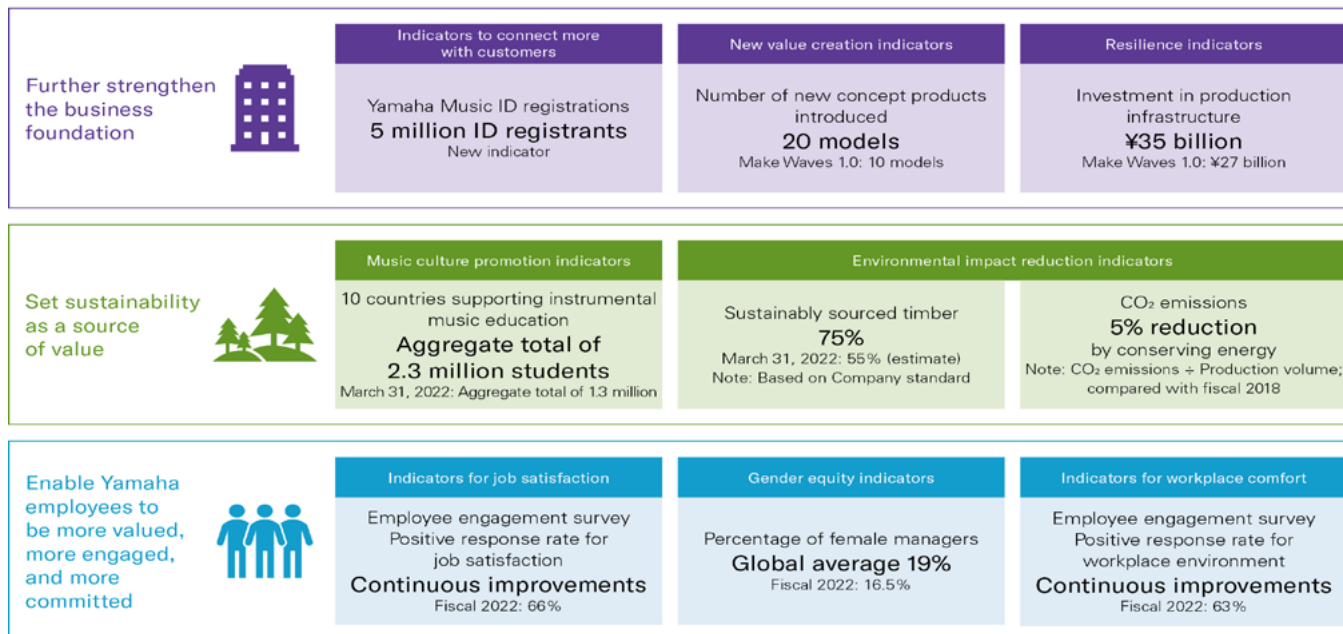


Sustainability Promotion System

■ Connection between Officer Compensation

In conjunction with the start of the Make Waves 2.0 medium-term management plan in April 2022, non-financial targets centered on sustainability-related indicators were introduced among the evaluation indicators for the performance-linked bonuses paid to officers in order to strengthen motivation to pursue ongoing improvements in social value.

Non-Financial Targets



| Material Sustainability Issues

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

■ Identified Material Sustainability Issues

Environment

Response to climate change

- Reduction of CO₂ emissions from business sites (Scope 1 + Scope 2)
- Reduction of CO₂ emissions from procurement, logistics, and product use (Scope 3)

Sustainable use of timber

- Sustainable sourcing and utilization of timber
- Promotion of forest cultivation

Resource savings, reduction of waste and hazardous substances

- Resource savings and improved resource recycling of products and packaging
- Reduction of hazardous chemical substances (VOCs, etc.)

■ Society

Contribution to an equal society and comfortable lives

- Mental and physical safety and health
- Remote communication
- Consideration for universal design and accessibility

Respect for human rights in the value chain

- Increase the level of supplier human rights due diligence

■ Culture

Spread and development of music culture

- Products, services, and activities that contribute to the promotion and development of music culture
- Contribution to the development of the next generation

■ Human Resources

Increase job satisfaction

- Human resource development, etc.

Respect for human rights and DE&I (diversity, equity, and inclusion)

- Initiatives to respect the human rights of people who work with Yamaha (Human rights education and due diligence)
- DE&I promotion (gender, nationality, etc.)

Foster open organizational culture where people can proactively take on challenges

- Employee engagement surveys; creation of opportunities for dialogue; promotion of work-life balance, safety, and health; etc.

For more details, please refer to the following website.

[Material Issues >](#)

Material Issue Identification Process

Sustainability issues pertaining to the Yamaha Group's value chain were identified with reference to the United Nations Sustainable Development Goals (SDGs). The level of priority of these issues was then assessed based on input from customers, employees, and community members; environmental, social, and governance (ESG) evaluation criteria; opinions and requests from NGOs; advice from external experts; our corporate philosophy and vision; and medium- to long-term management policies. We thereby identified the material issues requiring an enhanced approach. In fiscal 2022, we revised our material sustainability issues.

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

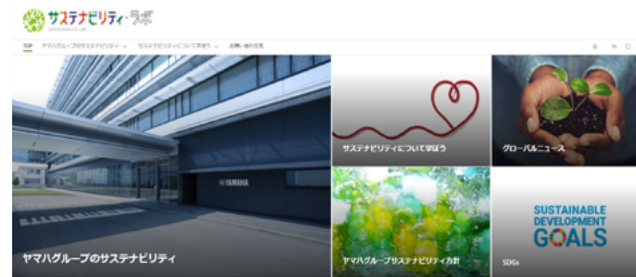
Details regarding the identification process are as follows.

[Material Issues >](#)

Awareness Raising

At the Yamaha Group, new employees are promoting sustainability in their respective roles and jobs in order to contribute to the realization of a sustainable society. In addition, sustainability education and awareness-raising elements are being incorporated into the rank- and field-based training and seminars, intranet postings, internal events, and Company newsletters. We also provide a range of content for learning about external trends, including sustainability quizzes that offer an easy way to study sustainability and the SDGs as well as case studies designed to help employees learn from examples of companies on the forefront of sustainability. Furthermore, seeking to foster a more fundamental understanding of sustainability among employees,

Dr. Naoki Adachi, CEO of Response Ability, Inc., was invited to hold an online seminar for all employees in March 2023. At this seminar, Dr. Adachi spoke about important sustainability subjects such as climate change, biodiversity, and resource issues.



Internal sustainability information site



Sustainability training for new employees

Material Issues

The Yamaha Group reflects priority sustainability initiatives for contributing to social sustainability and medium- to long-term improvements to corporate value into its sustainability initiatives, and advances and manages activities on these policies. In fiscal 2022, we reassessed our prior sustainability priorities to identify nine material issues. A revision to the Yamaha Group Sustainability Policy was instituted in April 2022 based on these material issues, and this policy is guiding sustainability initiatives.

Identified Material Sustainability Issues

Environment

Response to climate change

- Reduction of CO₂ emissions from business sites (Scope 1 + Scope 2)
- Reduction of CO₂ emissions from procurement, logistics, and product use (Scope 3)

Sustainable use of timber

- Sustainable sourcing and utilization of timber
- Promotion of forest cultivation

Resource savings, reduction of waste and hazardous substances

- Resource savings and improved resource recycling of products and packaging
- Reduction of hazardous chemical substances (VOCs, etc.)

Society

Contribution to an equal society and comfortable lives

- Mental and physical safety and health
- Remote communication
- Consideration for universal design and accessibility

Respect for human rights in the value chain

- Increase the level of supplier human rights due diligence

■ Culture

Spread and development of music culture

- Products, services, and activities that contribute to the promotion and development of music culture
- Contribution to the development of the next generation

■ Human Resources

Increase job satisfaction

- Human resource development, etc.

Respect for human rights and DE&I (diversity, equity, and inclusion)

- Initiatives to respect the human rights of people who work with Yamaha (Human rights education and due diligence)
- DE&I promotion (gender, nationality, etc.)

Foster open organizational culture where people can proactively take on challenges

- Employee engagement surveys; creation of opportunities for dialogue; promotion of work-life balance, safety, and health; etc.

[Yamaha Group Sustainability Policy >](#)

Legend

- ◎ Progress surpassing plans
- Progress in line with plans
- △ Delayed progress in comparison to plans
- × No progress

[Sustainability KPIs and Targets of the Make Waves 2.0 Medium-Term Management Plan \(Fiscal 2023-2025\) and Fiscal 2023 Performance >](#)

| **Material Sustainability Issues, KPIs, and Targets**

■ **Major Sustainability KPIs and Targets of Make Waves 2.0 and Progress in Fiscal 2023**

Category	Material issues	KPIs and targets for fiscal 2025 (Make Waves 2.0 medium-term management plan)	Progress in fiscal 2023	Evaluation
Environment	Response to climate change	Reduce CO ₂ emissions by 5% through energy conservation (CO ₂ emissions / production volume) Management target	Promoted energy conservation measures including installation of electricity monitoring systems, regardless of reduction in electricity efficiency amid the COVID-19 pandemic	△
		Maintain inclusion on CDP Climate Change A List	Received A- climate change rank from CDP	△
		Improve logistics packing efficiency by 5%	Established collective packing standards that included provisions concerning container packing rates	○
	Sustainable use of timber	Increase rate of sustainable timber use to 75% Management target	Expanded certified timber use and formulated in-house standards for sustainable timber	△
		Cultivate and preserve three scarce tree species necessary for musical instrument production (Tone Forest activities)	Planted 15,000 African blackwood in Tanzania and conducted local Indian rosewood surveys in India	○
		Resource savings, reduction of waste and hazardous substances	Eliminate plastic packaging used for newly launching small products	Developed systems for collecting information and determining specifications and eliminated plastic packaging from certain products
Society	Contribution to an equal society and comfortable lives	Install Listening Care function for reducing burden on ears by delivering high-quality sound at low volumes into all new headphones and earphones	Installed Listening Care function into all new wireless headphones and earphones	○
	Respect for human rights in the value chain	Conduct on-site audits of suppliers (60 companies)	Selected auditing institution to conduct on-site audits	△
Culture	Spread and development of music culture	Promote instrumental music education at schools in emerging countries (School Project); provide instrumental music education opportunities to aggregate total of 2.3 million children in 10 countries Management target	Provided instrumental music education opportunities to aggregate total of 2,025,000 children in seven countries through the School Project	◎
		Increase number of students enrolled at overseas music school by 100,000	Increased number of students enrolled at overseas music school by 17,000, despite challenges in recruiting students and expanding locations due to impacts of the COVID-19 pandemic in China, etc.	△
Human resources	Increase job satisfaction	Continue improving ratio of employees offering positive responses regarding motivation on employee engagement surveys Management target	Moved forward with development of systems and frameworks	△
		Double human resources investment	Prepared for the introduction of a talent management system and formulated new education and learning systems	△
	Respect for human rights and DE&I (diversity, equity, and inclusion)	Achieve global ratio of female managers of 19% Management target	Raised global ratio of female managers to 17.3% and administered unconscious bias training to 6,100 individuals	○
		Undertake cross-border positioning of 30 individuals	Conducted cross-border positioning of two individuals and established international relocation rules	△
	Foster open organizational culture where people can proactively take on challenges	Continue improving ratio of employees offering positive responses regarding workplace comfort on employee engagement surveys Management target	Achieved inclusion in the Health & Productivity Stock Selection for second consecutive year and made progress in improving workplace environment	△

Material Issue Identification Process

1. Identification of Important Stakeholder Groups

Important stakeholder groups were identified to limit the scope of social issues to be assessed and guide priority assessments of social issues.

[Engagement with Stakeholders >](#)

2. Limiting of Scope of Social Issues to Be Assessed

A list of 114 issues was prepared based on the targets of the United Nations Sustainable Development Goals (SDGs) and on global risk reports, global risks, and other risks. Redundant issues and issues deemed to be of low materiality to Yamaha and to the stakeholder groups identified in Step 1 were excluded for the list. Then, certain social issues were divided into risks and opportunities and social issues unique to the Yamaha Group were added to make for a list of a total of 64 social issues to be assessed.

3. Assessment of Materiality of Social Issues

The 64 social issues identified in Step 2 were divided into risks and opportunities and mapped based on materiality assessments conducted based on the perspectives described under (1) and (2) below.

(1) Business Perspective (Materiality to Yamaha)

A cross-Company assessment team of 35 individuals was assembled to score the materiality of the identified social issues from the perspectives of profits, losses, costs, reputation, compliance, corporate ethics, and management and business continuity.

(2) Stakeholder Perspective (Materiality to Stakeholders)

Customer input, employee surveys, and other methods were used to identify the needs and opinions of the stakeholder groups identified in Step 1. The materiality of the identified social issues was then scored based on this information, the requirements of industry initiatives, and environmental, social,

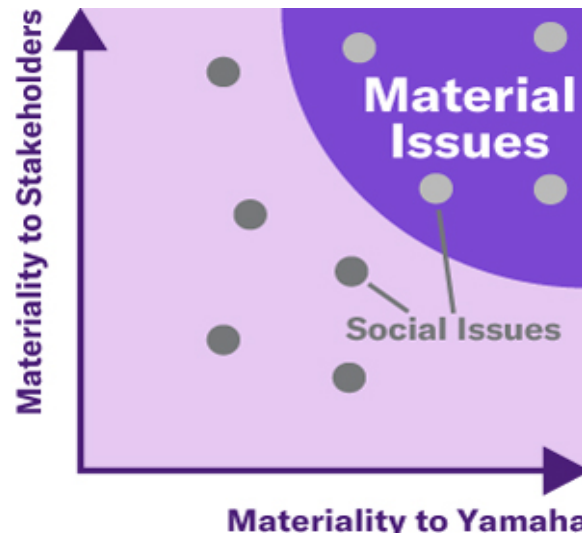
and governance (ESG) evaluation criteria (of FTSE Russell, MSCI, and other institutions).

4. Identification of Material Issues

Social issues deemed to be of high materiality based on the mapping in Step 3 were grouped to make nine material issues, which were then further categorized and organized into the areas of environment, society, culture, and human resources.

5. Approval

The identified material issues were discussed by the Sustainability Committee, which is chaired by the president, and then approved by the Board of Directors.



Engagement with Stakeholders

Based on its Promises to Stakeholders, the Yamaha Group creates various opportunities to engage in dialogue with its stakeholders to learn about their opinions and desires and then reflects this input in its corporate activities.

[Promises to Stakeholders >](#)

Stakeholder Engagement Program

The Company has been participating in the Stakeholder Engagement Program of Caux Round Table Japan since fiscal 2020. Through the program, input on potential issues is received from NPOs, NGOs, and experts as part of the process of identifying important, industry-specific human rights issues.

[Stakeholder Engagement Program \(Caux Round Table Japan\) \(in Japanese only\) >](#)
[2022 Final Report >](#)

Initiatives Targeting Specific Stakeholder Groups

Stakeholder	Major Responsibilities	Daily Means of Communication	Examples of Initiatives
Customers	Offer valuable products and services that are safe and offer peace of mind, promote universal design, supply accurate product information, provide customers with appropriate service and support, store customer information appropriately	Product and service helpdesks (telephone, email, etc.), daily sales activities	Safety and Quality of Products and Services > Improvement of Customer Satisfaction >
Employees	Evaluate and treat people fairly, respect human rights and diversity, utilize and train personnel, support a wide range of workstyles, ensure health and safety	Survey questionnaires (motivation, workplace comfort, and management), labor-management meetings and discussions	Communication between Labor and Management > Respect for Human Rights > Promotion of Diversity, Equity, and Inclusion > Human Resources Development > Promotion of Work-Life Balance > Employee Health and Safety >
Business Partners	Select business partners based on fair and rational standards, engage in fair transactions, eliminate dubious business relationships, prohibit abuses of power	Daily business activities, production and sales trend briefing sessions, policy explanation meetings	Promotion of Social Responsibility in the Value Chain >
Communities and Greater Society	Coexist with communities and contribute to their development (including promoting culture, training the next generation, promoting welfare, creating employment, and developing skills and technology)	Information exchange sessions with local communities and municipalities, factory tours, employee involvement in community activities, exchange of information and dialogue with communities and NPOs/NGOs	Communication with Local Communities > Contribution to Regional Community Development >
Environment	Prevent pollution, combat climate change, preserve natural resources, manage and reduce the use of chemical substances, protect biodiversity	Exchange of information and dialogue with communities and NPOs/NGOs	The Environment >
Shareholders	Disclose accurate management information in a timely manner, distribute profit appropriately, improve corporate value	General shareholders' meetings, explanatory meetings for investors, investor website and email newsletters	Communication with Shareholders and Investors >