

CSR Guideline for Suppliers

Version 4

Established July/01/2010

Revised Date:

Version2 January/01/2014

Version3 October/01/2017

Version4 April/01/2019

Yamaha Motor Co., Ltd.

Contents

1. Introduction

2. Position and Overview of the Guidelines

3. CSR Items

1) Safety and Quality

2) Human Rights and Working Environment

3) Consideration for the Environment

4) Risk Management (Business Continuity Plan)

5) Thorough Compliance

6) Appropriate Information Disclosure

4. Self-assessment Check Sheet

5. To Suppliers

1. Introduction

Since its establishment in 1955, Yamaha Motor Company has made every effort to contribute to society through activities of each individual employee, upholding the motto “Contributing to the nation and the society through corporate activities” in our “Company Pledge”. In 1990, we defined our “Corporate Mission” as “Offering new excitement and a more fulfilling life for people all over the world.-Kando Creating Company”. To realize this mission, we established the “Management Principles” consisting of the following three targets.

- *Creating value that surpasses customer expectations
- *Establishing a corporate environment that fosters self-esteem
- *Fulfilling social responsibilities globally

These targets aim at clarifying our issues that belong to not only our customers and our suppliers but also to our employees and the society, making our company trustworthy to stakeholders around the world.

As for our CSR (Corporate Social Responsibility), we believe that faithful practice of the “Management Principles” in our day-to-day business is how Yamaha Motor Group intends to fulfill our CSR.

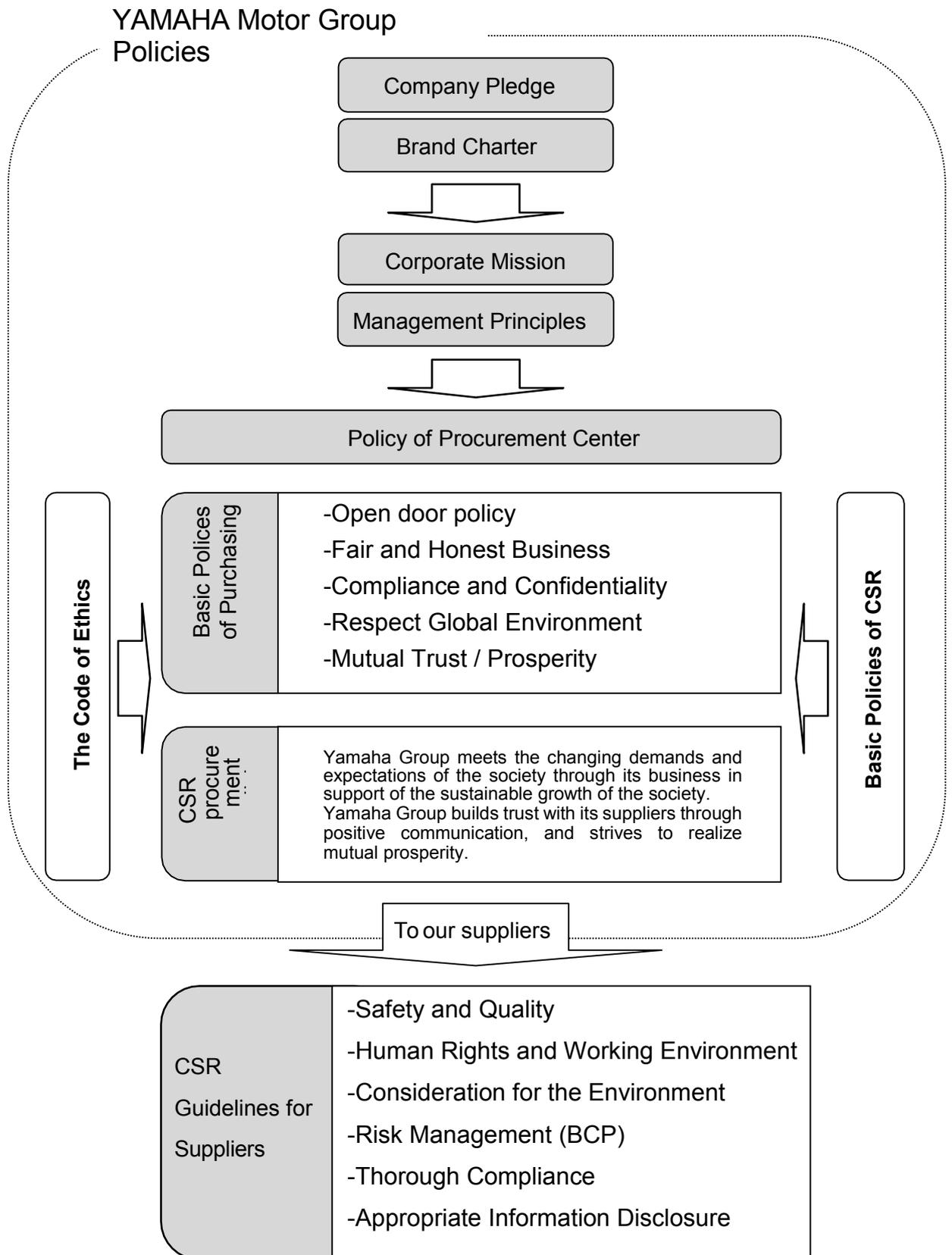
As you are fully aware, realizing a sustainable society has become a major theme of international society, and attention on each company and country’s initiatives are increasing year by year. In order to appropriately respond to such demands and expectations of the international community, it is necessary for the entire supply chain to be involved, not only the YMC and group companies but also the suppliers.

Under the circumstances, the Procurement Center at Yamaha Motor Company has established the “CSR Guidelines for Suppliers” in addition to the existing “Green Procurement Guidelines” for the environmental issues. The “CSR Guidelines for Suppliers” covers the basic CSR items including Safety, Quality, Risk management, Compliance, Information Disclosure etc.

We are asking you, our suppliers, to refer to this guidelines again and engage in CSR activities to respond appropriately to the demands and expectations of the international community. In addition, we request you to relay this CSR action to your own business partners.

Tatsuya Masuda
Executive Officer
Procurement Center
Yamaha Motor Co., Ltd.

2. Position and Overview of the Guidelines



3. CSR Items

1) Safety and Quality

- Providing products and services that meet customer needs

Identify customer needs in order to develop and provide products which have social benefits*.

*For example, products that can be easily used by anyone, regardless of age, gender, or disability. Products that are environmentally friendly, such as energy-saving, resource-saving, and environmental conservation.

- Providing appropriate information about products and services

Provide appropriate information of products and services to consumers and customers.

- Ensuring the safety of products and services

Produce and provide products and services that meet safety laws and regulations in each country and region.

- Ensuring the quality of products and services

Establish and operate a company-wide quality assurance mechanisms.

2) Human Rights and Working Environment

- Elimination of discrimination

Do not discriminate on the basis of race, ethnicity, nationality of origin, religion, gender or any other legally prohibited reason in any aspect of employment*

*Job application process, hiring, promotion, wages, dismissal, resignation /retirement, job assignment, punishment disciplinary action, etc.

- Elimination of harassment

Do not allow any form of harassment in the workplace on the basis of race, nationality, gender, religion or any other reason.

- Prohibiting child labour

Do not permit the employment of children who do not meet the legal minimum working age of each country and region.

- Prohibiting forced and compulsory labour

Do not practice forced labour. Ensure that all work that all labour perform are voluntary and that employees are free to leave work or terminate their employment.

- Non-use of conflict minerals *

Aim to not use raw materials that may cause social issues such as human rights violation, and strive to grasp the situation and take appropriate measures.

*Minerals originating from conflict areas that directly or indirectly contribute to financing armed groups.

- Decent wages

Comply with the applicable laws and regulations of each country and region regarding minimum wages, overtime hours, wage deduction, performance-based pay and other remuneration.

- Appropriate working hour management

Comply with the applicable laws and regulations of each country and region regarding the setting employees' working hours (including overtime) and granting of scheduled days off and annual paid leave.

- Dialogue and consultation with employees

Undertake sincere consultation and dialogue with employees or their representatives. Recognize employees' right to freely associate, or not associate, based on the laws and regulations of each country and region of operation.

- Maintaining a safe and healthy working environment

Make the health and safety of workers the top priority and strive to prevent occupational accidents.

3) Consideration for the Environment

- Practicing Environmental management

Build and continuously operate and improve a company-wide management scheme for pursuing a wide range of environmental activities, in addition to complying with the applicable laws and regulations of each country and region.

- Reducing greenhouse gas emissions

Manage greenhouse gas emissions from business activities and pursue reduction efforts for contributing to the prevention of global warming. And strive to use energy effectively.

- Preventing air, water and soil pollution

Comply with the applicable laws and regulations of each country and region regarding the prevention of air, water and soil pollution. And prevent pollution by undertaking continuous monitoring and reduction of pollutants.

- Saving resources and reducing waste

Comply with the applicable laws and regulations of each country and region regarding proper disposal and recycling of waste. And strive to reduce the amount of final waste disposal by using resources effectively.

- Appropriate chemical substances management

Specify and safely manage chemical substances that have the potential for serious impact on human health and pollute the environment.

Do not include chemical substances prohibited by the laws and regulations of each country and region in products. Do not use prohibited chemical substances in any step of the manufacturing process.

Regarding chemical substances which have restriction by the laws or regulations, record and report to the relevant authorities the amount of chemical substances emissions designated by the applicable laws and regulations of each country and region.

In addition, manage chemical substances that are specified in the "Green Procurement Guidelines"

4) Risk Management (Business Continuity Plan)

- Emergency preparedness

Develop your basic policies and action guidelines for emergencies and consider how to respond to various type of emergencies in advance. Clarify responsibilities and authority for emergencies (the BCP should be completed).

- Emergency response

The reporting flow in the occurrence of an emergency should be clear, and a mechanism that enable timely and appropriate communication should be in place. Further, build a system that can provide instructions based on the information that comes from this communication mechanism

- PDCA for crisis management

Evaluation and analysis of the crisis management performance should be conducted after the emergency response is finished, and that know-how should be accumulated. And the mechanism to develop a PDCA cycle should be established.

5) Thorough Compliance

- Compliance with the law

Comply with the laws and regulations of each country and region as well as intention with them. Establish and implement policies and mechanisms for ensuring and verifying legal compliance including a code of conduct, compliance hotline or equivalent system and training.

- Fair trade

Comply with the competition laws of each country or region. Do not engage in practices such as illegal monopolization, improper trade restrictions (cartels, bid rigging, etc.), unfair trade practices or abuse of dominant positions.

- Preventing corruption

Comply with applicable laws and regulations concerning political donations or contributions and strive to build transparent and fair relationships with political and government agencies.

Do not engage in the giving of or receiving of presents, entertainment or money with business partners in order to acquire or maintain unjust interest or wrongful preferential treatment.

- Managing and safeguarding personal and confidential information

Obtain personal or confidential information concerning employees, customers and business partners only by legitimate methods. Manage and protect such information rigorously, and use it only within the scope allowed.

- Thorough security trade control

Take appropriate procedures and control over the import or export of technologies and products restricted by the laws and regulations of each country and region.

- Promoting intellectual property

Protect all intellectual property rights owned by or affiliated with your company. And do not obtain third-party intellectual property by unlawful methods nor make improper use of it.

6) Appropriate Information Disclosure

- Timely and appropriate information disclosure to stakeholders

Disclose information on financial situation, business results, and business activities to stakeholders in a timely and appropriate manner. And strive to maintain and develop mutual understanding and trusting relationship with stakeholders through open and fair communication.

4. Self-assessment Check Sheet

We have prepared basic template of the self-check items for your convenience. This check sheet is designed to assist your self-diagnosis and improvement of your CSR activities. Please use this template when you set up the questionnaire.

Basic Template

	Question	Answer (selection)
Laws and regulations	Do you know all laws, regulations, and rules that must be complied with?	1) Latest information is always available. 2) Almost all necessary information is available. 3) Information is obtained when necessary.
Organization	Is there responsible department or individual appointed?	1) Responsible department or individual is identified by the rules. 2) Responsible department or individual is identified, though no rules are established. 3) Responsible department or individual is appointed when necessary.
Prevention	Have you established policies, organization, rules, or procedures to enforce compliance?	1) Document exists which specifies the policies, organization, rules, and the procedures. 2) No document exists, but the policies, organization, rules, and the procedures are established. 3) The policies, organization, rules, and the procedures are established when necessary.
Education	Do you provide CSR education to your employees?	1) Regular education is provided. 2) Education is provided occasionally or education is provided to some employees (not all employees). 3) Education is provided when necessary.
Current status	Do you conduct an internal survey to grasp the status?	1) Regular survey is conducted to grasp the status at all times. 2) Survey is conducted occasionally in an effort to grasp the status. 3) A survey is conducted when necessary.

5. To Suppliers

We believe that we can contribute to the realization of a sustainable society through your understanding and commitment to practice the contents of this “CSR Guidelines for Suppliers”. In particular we ask you to thoroughly comply with the following items.

1) Legal and regulatory compliance

You are required to comply with the laws and regulations, conventional wisdom and principles.

We ask you, all suppliers to conform to the current “CSR Guidelines for Suppliers”.

2) Establish CSR mechanism

In order to promote the “CSR Guidelines for Suppliers”, we ask you to establish and develop an internal CSR mechanism and continually improve its operation for creating a corporate culture that avoids violations.

3) Thorough Dissemination of Information to the Supply Chain

We ask you, all suppliers to promote the “CSR Guidelines for Suppliers” throughout your own supply chain and consignment suppliers.

4) Consensus confirmation of the guidelines

We ask you to submit “Commitment for CSR Guidelines for Suppliers” to confirm that you understand and agree to the contents of the guidelines.

5) Assessment of CSR activities and confirmation of compliance status

In order to evaluate and confirm that suppliers are complying with these Guidelines, we may ask suppliers to submit relevant data and documents and conduct on-site inspections.

6) Action in the event of non-compliance

In the event of any violation or serious incident in the business activities of our suppliers, we request suppliers to immediately report to us, and then we will request you to provide us the full details of the investigation, including its cause and results. In addition, we request suppliers to submit in detail the countermeasures to prevent a recurrence. If appropriate measures are not taken, we may take actions such as suspending the issuance of new RFQs.

Commitment for “CSR Guidelines for Suppliers”

We request that all suppliers who receive the “CSR Guidelines for Suppliers” submit the Commitment form signed by a legal representative.

By signing this Commitment form, the supplier acknowledges having read and accept all the aforementioned terms and conditions as regards all services or parts ordered by delivered to us.

Company name:	
Yamaha Motor Supplier Code:	_____
Signatory's name:	_____
Signatory's Title:	_____
Signatory's Email Address:	_____
Date:	_____
Signature:	_____

*Please submit this signed form to the person in charge of procurement.