

CSR Guideline for Suppliers

Version 3

Established	July/01/2010
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Revised Date

Version2	January/01/2014
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Version3	October/01/2017
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Yamaha Motor Co., Ltd.

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1. Introduction

Since 1955, Yamaha Motor Company has strived to contribute to the society through the deed of each individual employee. Our company pledge is “Contribution to the nation and the society through business.”

In 1990, we defined our corporate objective as “To be the company in creating a lifetime of exciting and enriched living for the people of the world.” To realize this objective, we established our “Management Principles” consisting of the following three targets.

1. Creating value that surpasses customers’ expectations
2. Establishing a corporate environment that fosters self-esteem
3. Fulfilling social responsibilities globally

The intent of the “Management Principles” is to clarify our commitment not only to our customers and suppliers, but also to our employees and the world community. We want to build a company worthy of trust of the world’s stakeholders.

As to Corporate Social Responsibility, faithful practice of the “Management Principles” in our day-to-day business is how the Yamaha Group intends to fulfill its duties.

As you are fully aware, recent globalization of business has brought with it demands, expectations, and attention with regards to CSR. In order to appropriately deal with such social demands and expectations, it is necessary for the entire supply chain to be involved, not only the end unit manufacturer but also its part suppliers.

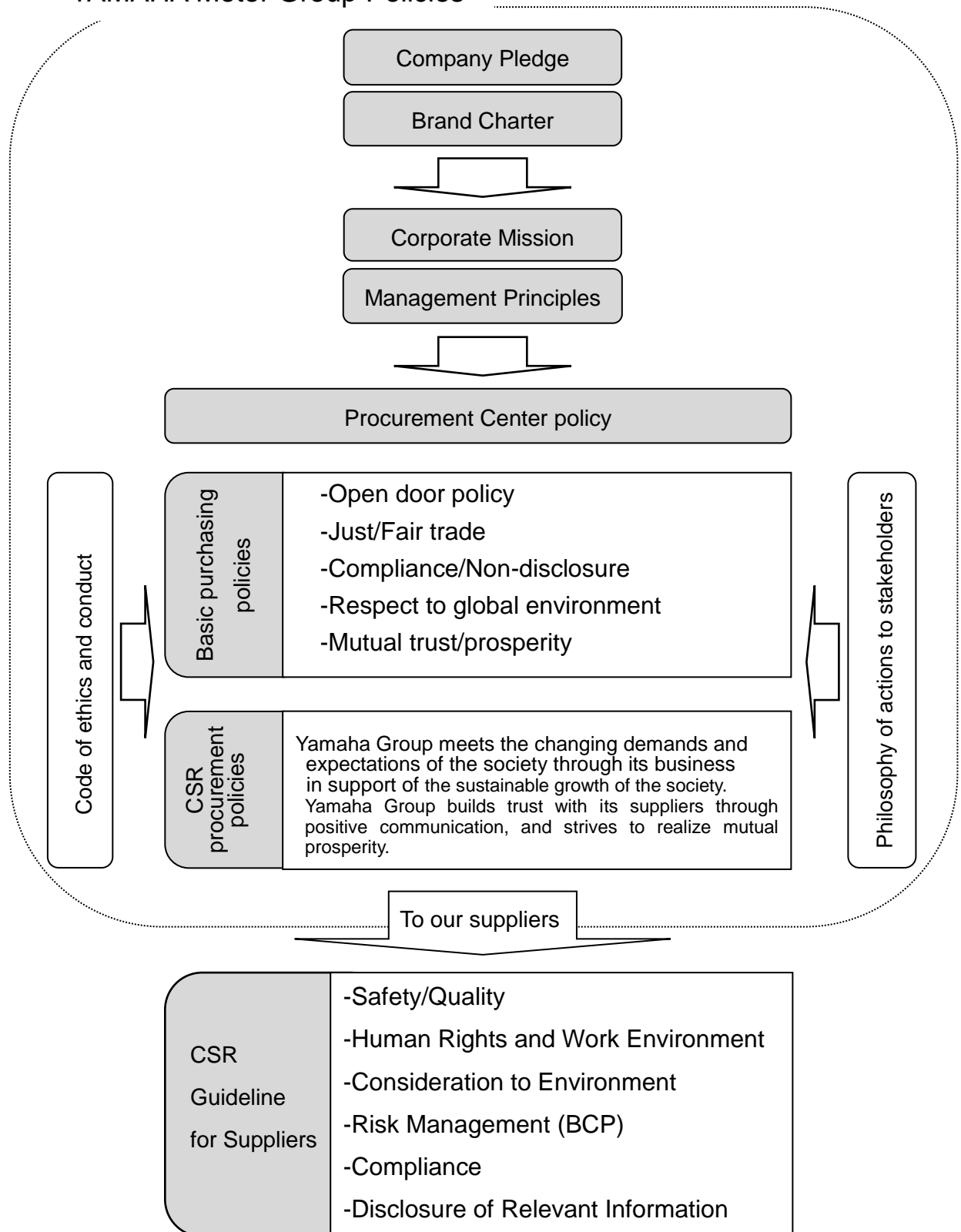
Under the circumstances, the Procurement Center at Yamaha Motor Company has established the “CSR Guideline for Suppliers” in addition to the existing “Green Procurement Guideline” for the environmental issues. The “CSR Guideline for Suppliers” covers the basic CSR issues including safety, quality, risk management, compliance, disclosure of relevant information, etc.

I assume that you have already been working with the CSR activities for some time primarily focused on the environment. Please read this guideline and work with us in taking responsible actions to the demands and expectations of the society. I expect that this guideline will help you implement your CSR activities, and I also expect that you will take the same actions to your suppliers to ensure that your suppliers fulfill their parts of CSR.

Masahiro Inoue
Executive Officer
Procurement Center

2. Positioning and outline of the Guideline

YAMAHA Motor Group Policies



3. CSR issues

① Safety/Quality

-Provide the products/services which meet the consumer/customer needs

Know the consumer/customer needs and develop/provide useful products^(*) for the society.

* Products readily usable by anybody irrespective of age, sex, or disability or products which are friendly to the earth, such as energy-saving, resource-saving, environmentally friendly products, etc.

-Provide relevant information concerning the products/services

Provide consumers/customers with relevant information concerning the products/services.

-Ensure safety of the products/services

Produce/provide such products/services which are compliant to all local laws and regulations concerning safety.

-Ensure quality of the products/services

Build/run a company-wide system to ensure quality.

② Human Rights and Work Environment

-Non-discrimination

Eliminate discrimination in all aspects^(*) of employment including, but not limited to, race, ethnicity, nationality, religion, or sex.

* Job application, hiring, promotion, wages, termination, retirement, job assignment, disciplinary action, etc.

-Respect to human rights

No tolerance to harassment of any sort in the work place arising from, but not limited to, race, ethnicity, nationality, religion, or sex.

-Non-use of child labor

No children under the legal age for working as defined by all local laws and regulations shall be placed for work.

-No forced labor

All works shall be voluntary. Employees shall be guaranteed of termination of employment by their free will. No labor shall be forced upon any person.

-Non-use of Conflict Minerals^(*)

Aim at non-use of raw materials, such as Conflict Minerals, that could cause human rights infringement or other social issues and take appropriate actions to avoid using such materials.

* Minerals produced in the conflict region to fund the activities of armed groups.

-Fair wages

Comply with all local laws and regulations regarding the minimum wages, overtime wages, wage deductions, performance wages, or other remunerations.

-Fair work-hour management

Comply with all local laws and regulations regarding the employee's work hours (including the overtime), holidays, annual holidays with pay, etc.

-Dialog and negotiation with employees

Negotiate/communicate in good faith with the employees or their representatives. Respect all local laws and regulations regarding the employee's freedom of association or freedom of non-association.

-Provide safe/healthy work environment

Place top priority to the safety/health of the employees and make efforts to prevent accidents/injuries.

③ Consideration to environment

-Practice environmental management

To promote a broad range of the environmental activities, comply with all local laws and regulations and build and seamlessly run/improve a company-wide environmental management system.

-Reduce emission of the greenhouse effect gases

To contribute to the prevention of global warming, manage and reduce emission of the greenhouse effect gases. Promote effective utilization of energies.

-Prevent contamination of the atmosphere, water, and soil

Comply with all local laws and regulations regarding prevention of the atmospheric, water, and soil contamination. Prevent environmental contamination by continuously monitoring and reducing the contaminants.

-Save the resources and reduce wastes

Comply with all local laws and regulations regarding proper waste processing, recycling, etc. and reduce the final disposal of the wastes by effective utilization of the resources.

-Proper management of chemicals

Identify and apply safe management of the chemicals which can seriously affect the human health or the environment. Products of a country or a region shall be free of all chemicals that are banned by the local laws and regulations. No banned chemicals may be used in the production processes. All restricted chemicals shall be handled in compliance to the local laws and regulations, and certain designated chemicals shall be measured in accordance with the laws and regulations and reported to the authority. Manage the chemicals Yamaha has identified in its “Green procurement guideline.”

④ Risk management (Business Continuity Plan)

-Prepare for emergencies

Prepare the basic policies and action guideline for emergencies, discuss how to deal with various types of emergencies in advance, and clarify the responsibility and authority in the event of such emergencies.

(BCP is created)

-Actions to emergencies

Make a reporting flow chart for emergencies and create a system which ensures dissemination of correct information in a timely manner. Build a system which utilizes such information to quickly evaluate, make a decision, and generate appropriate advice.

-PDCA of risk management

Build a system which, upon conclusion of an emergency, evaluates and analyzes the activities, stores the know-how, and turns the PDCA cycle.

⑤ Compliance

-Compliance to laws and regulations

Comply with all local laws and regulations and their spirit therein.

Build and run a compliance system which includes the compliance policies, organizations, code of conduct, reporting system, training, etc.

-Fair trade

Comply with all local anti-monopoly laws and engage in no personal monopoly, unjust trade restrictions (cartel, illegal conferences, etc.), unfair trade practices, or abuse of one's authority.

-Prevention of corruption

Make political contribution, donation, etc. within the limits of all local laws and regulations. Make efforts to establish transparent and fair relationship with the politicians and the government officials. Don't offer or accept any entertainment, gifts, or cash to or from the business partners for the purpose of obtaining, providing, or maintaining unjust profit or preferential treatment.

-Management/protection of confidential information

Confidential personal information about the customers, third parties, or about own employees and confidential information about the customers and the third parties must be obtained through the legal means. Such confidential information must be managed in strict confidence, utilized for reasonable purposes, and protected.

-Full observance of security trade control stipulations

Take appropriate procedures and control over import or export of the technologies, products, etc. that are subject to any local laws and regulations.

-Protection of intellectual properties

Protect all intellectual property rights owned by or belonging to the company. Don't illegally obtain or use any intellectual properties of any third party or infringe the rights thereof.

⑥ Disclosure of relevant information

-Disclose relevant information to the stakeholders in a timely manner

Disclose relevant information regarding the company's financial status, performance, and business activities to the stakeholders in a timely manner. Make efforts to establish, maintain, and nurture mutual understanding and trust with the stakeholders through open and fair communication.

4. Self check Sheet

We have prepared a basic template of the self-check items for your convenience. This check sheet is designed to assist you with self-diagnosis and improvement regarding your CSR activities.

Please use this basic template as you set up the “Questions” and the “Answers” for the CSR categories and issues.

Basic template

	Question	Answer (selection)
Laws and regulations	Do you know all laws, regulations, and rules that must be complied with?	①Latest information is always available. ②Almost all necessary information is available. ③Information is obtained when necessary.
Organization	Is the responsible department or individual appointed?	①Responsible department or individual is identified by the rules. ②Responsible department or individual is identified, though no rules are established. ③Responsible department or individual is appointed when necessary.
Prevention	Have you established policies, organization, rules, or procedures to enforce compliance?	①Document exists which specifies the policies, organization, rules, and the procedures. ②No document exists, but the policies, organization, rules, and the procedures are established. ③The policies, organization, rules, and the procedures are established when necessary.
Education	Do you provide CSR education to your employees?	①Regular education is provided. ②Irregular education is provided or education is provided to some employees. ③Education is provided when necessary.
Current status	Do you conduct an internal survey to grasp the status?	①Regular survey is conducted to grasp the status at all times. ②Irregular survey is conducted in an effort to grasp the status. ③A survey is conducted when necessary.