

Latest News

More Information

July 10, 20152015 CSR website PDF releasedJune 10, 2015CSR website updated

> Approach to and Basic Policies of CSR

Introducing Yamaha Motor Group's approach to CSR and its underlying principles





Customers

Striving to Bring Kando to Our Customers



**Business Partners** 

A Spirit of Fairness and Cooperation



Shareholders and Investors

Engaging in Active Communication



The Community

The Bonds for Creating and Sharing Kando



Employees

Sharing Value from a Global Perspective



The Environment

Growth that Harmonizes with the Environment

Corporate Governance







Download Back Number

> ISO26000 Reference Table

Questionnaire (We value any comments or suggestions you may have)

# Approach to CSR

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.



\*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.

# **Basic Policies of CSR**

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> <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><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> <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> <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> <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> <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>



The Yamaha Motor group is engaged in strengthening and establishing corporate governance. In addition, we are working to promote CSR and manage risk as the foundation to earning society's trust; and to reinforce compliance.

Please click here for details of our basic policies and implementation measures. >>>

# **Initiatives for Advancing CSR**

Aiming for steadfast advancement of CSR, the Yamaha Motor Group shares our approach to CSR with all employees so that each and every one of them can implement it in their work. To this end, we include items in the Basic Policies of CSR which express the social responsibilities of each major stakeholder. In 2011, the Corporate Planning Division, which is responsible for driving management strategies, established supervisory departments for each stakeholder and compiled the main results and issues of initiatives conforming to the Basic Policies of CSR from each department's work plan. It then incorporated them into a CSR Activity Plan, striving to conduct CSR through business activities.

In addition, the Yamaha Motor Group prioritizes its CSR initiatives and undertakes all related activities based on ISO 26000, an international guidance on social responsibility launched in November 2010.

ISO26000 Reference Table http://global.yamaha-motor.com/about/csr/iso\_reference\_table/

#### **Risk Management**

We have the Risk Management and Compliance Committee, chaired by the President and Chief Executive Officer, as a system for managing risk. The role of the Committee is to comprehensively manage risks faced by the Yamaha Motor group and it acts to prevent determined major risks by identifying and evaluating risk, as well as handling measures to deal with risk if it arises.

In addition, it has established risk management regulations and initial emergency response regulations as common risk management procedures across the group. Based upon these, the Committee endeavors to prevent or quickly identify compliance-related misconduct, disasters, accidents, etc., and to take swift and appropriate responses upon discovery or revelation of such matters.

# **Corporate Governance**



#### **Revised Business Continuity Plan**

Yamaha Motor has revised its Business Continuity Plan (BCP) to reflect changes in the simulation estimates of damage caused by the Nankai Trough earthquake as well as its contingency plan to back up production systems and to quickly identify rehabilitation procedures for the early revival of business. To improve the effectiveness of planned procedures, we have conducted emergency response drills under our contingency plan since 2012. We have also revised the BCP with regard to measures for dealing with pandemic outbreaks.

#### **Compliance Awareness and Consistency**

The Yamaha Motor group is continually implementing compliance activities based on its annual plans. We aim to raise awareness and understanding of the Code of Ethics, which stipulates standards of behavior which should be adhered to in view of the Company Pledge, passed down since the company's foundation, and the Management Principles. In addition, we hope to serve as a model trusted by society through encouraging each and every employee to practice the Code in their daily work.



Yamaha Motor's the Code of Ethics

Please click here to view the Code of Ethics. >> (PDF will open in a new window)

#### **Implementation of Training in Compliance and Regulations**

We regularly conduct rank and division-specific education and training for executives and employees of Yamaha Motor and group companies in Japan, with the intention of ensuring a thorough understanding of the Code of Ethics and the laws and regulations related to work practices.

		2014FY
Target category		Total participants
Ethics seminars	Officers, managers, supervisors, general employees	14,936
Compliance cominare	Group training	5,978
Compliance seminars	e-learning	40,220

#### **Internal Reporting Systems (Hotlines)**

At Yamaha Motor, we have established a Compliance Hotline for notification of behavior which violates the Code of Ethics, and for discussion or inquiry concerning compliance in general; as well as a Harassment Hotline. The Compliance Hotline is the common contact point for notifications and inquiries for group companies in Japan and strives to prevent illegal or improper behavior or enable its early detection.

## **Corporate Governance**



#### **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 The "STC Associate Examination" is 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 The "STC Expert Examination" is an accreditation exam demanding a higher level of ability compared to the "STC Associate Examination."

\*3 Substances prohibited for use in manufacturing, etc. are substances indicated in item 1, Article 16 of the Enforcement Order of Industrial Safety and Health Law.

#### **Initiatives for Protection of Personal Information**

Under the "Privacy Policy" established in 2003, the Yamaha Motor group has created a system to appropriately manage personal information provided to us by customers and is promoting policies related to the protection of personal information. However, on November 22, 2011 it was determined that a portion of customer information managed by a group company had been leaked externally. As a result, in addition to making a formal apology to customers, we reaffirmed efforts to ensure consistent management of private information. In order to prevent a recurrence, we are reinforcing examination of case studies pertaining to the handling of personal information that are a part of the compliance training we conduct annually. Furthermore, we renewed a webpage regarding the handling of personal information on the company intranet and are strengthening measures to raise awareness among each and every employee. (No damage or unauthorized use of the leaked customer information has been confirmed.)

Privacy Policy http://global.yamaha-motor.com/policy/



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

We believe that Yamaha's product quality is enhanced through ongoing, close relationships with our customers, and we expect all employees to constantly strive to enhance the quality of our products. To strengthen our customer-oriented approach and ensure that customers' views are reflected in our engineering, manufacturing and marketing, the Yamaha Motor Group will continue to pursue improvements in quality so that we can deliver products with an even higher level of customer satisfaction. Our relationship with customers is one of the core components of our CSR policy, and the following are some of our priority initiatives related to customers.

\* *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.

#### **Working to Improve Quality**

YMTT\* invited 39 major Taiwanese suppliers to attend one of the Quality Conferences held in Taipei and Kaohsiung in July 2014. At these conferences, YMTT gave presentations on the "quality activities" of 2014, and introduced the Purchased Products Quality Assurance Manual. From these presentations, Taiwanese suppliers gained a good understanding of the background and purpose of each activity, and are now set to move ahead as one in terms of quality improvement and customer satisfaction, and to continue supplying good quality parts to global Yamaha.

\* Yamaha Motor Taiwan Trading Co., Ltd.



#### **Offering New Excitement**

The "TRICITY" is a next-generation city commuter equipped with Yamaha's exclusive Leaning Multi-Wheel (LMW) mechanism, which enables the two front wheels to lean with the chassis when cornering. Both front wheels feature independent suspensions with a link mechanism that provides excellent adaptability to changes in the road surface for a more comfortable ride, even with a tandem passenger or on cobblestone streets or other types of rough road surfaces.

Yamaha's desire to build a model that radiates an attractive sense of familiarity to as many people as possible revealed itself in all aspects of the TRICITY's development process. It began by designing a chassis that was compact and lightweight for greater ease of use (chassis width comparable to the current Yamaha 125cc class scooter models), and it is also seen in features like the flat footboard that makes getting on and off the model especially easy for women. Throughout the model are specifications and functions selected and designed with a wide range of users in mind.

The TRICITY represents Yamaha's idea of a new standard for next-generation city commuter bikes. This standard will expand the world of personal mobility for a smarter, more comfortable and more enjoyable riding experience in cities around the world.

#### **Customer Service**

Yamaha Motor held the "6th Yamaha Technician Grand Prix 2014." Twenty Yamaha motorcycle service people (mechanics from both dealers and distributors) from 18 countries and regions competed in all aspects of service skills and knowledge.

This contest is part of the unique Yamaha Technical Academy (YTA) program launched by Yamaha Motor in 2000, with the aim of providing Yamaha customers worldwide with the same superior technical service and fostering a spirit of "One-to-One Service" that strengthens Yamaha's relationship with customers. With the important goal of providing quality service that helps build loyalty and customer



6th Yamaha Technician Grand Prix 2014

satisfaction, service mechanics from Yamaha dealerships around the world participate in the YTA program and compete in local and regional contests designed to improve their service skills and heighten their sense of pride as part of the global Yamaha Motor Group.

http://global.yamaha-motor.com/news/2014/1006/wtgp.html



#### **Riding Safety Promotion Activities**

#### Yamaha's involvement in a children's event in Spain

In October 2014, the largest children's event in Europe was held in Barcelona, Spain, with the two-day event attracting more than 350,000 people. At the event, YMESM\* hosted a rider training area for children between the ages of 2 and 6. Around 3,000 children participated, which included an explanation of the benefits of commuting by motorcycle in Barcelona. All of the participants then got the opportunity to ride the Yamaha Kids' Wooden Bikes in the Yamaha Academy circuit.



The largest children's event in Europe (Barcelona)

\* Yamaha Motor Espana Marketing S.A.

# Shareholders and Investors



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 quarterly earnings briefings and the annual shareholders' meeting, the division visited and held meetings with overseas investors, provided information via the IR website, and operated a website to provide information to individual investors. To even more proactively disseminate information, the division held a business briefing for analysts and journalists, and made a video of the briefing publicly available on the Company's website to enable all shareholders and investors better understand Yamaha Motor's business strategy.

Materials from the business briefing (September 12, 2014) http://global.yamaha-motor.com/ir/report/pdf/2014/Yamaha-motor\_Business\_information\_session\_en.pdf

Video of the business briefing http://youtu.be/Oih-M2a6hzM





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

Disclosure Policy http://global.yamaha-motor.com/ir/policy/ Dividend Policy http://global.yamaha-motor.com/ir/shareholder/dividend/ For Investors (index page) http://global.yamaha-motor.com/ir/





# Creating an organization to facilitate co-ownership of value from a global perspective

The Yamaha Motor Group strives to create workplaces that respect diversity, with the aim of achieving an organizational structure based on sharing ideas and the same high ambitions and spirit, cooperation and joy in our work among the Company and its employees from a global perspective.

#### **Nurturing Personnel and Supporting Their Careers**

#### Developing human resources for global leadership

Yamaha Motor Co., Ltd. set up a committee to discuss and share business challenges with top managements of Group companies and is urgently pursuing aggressive initiatives to nurture personnel for positions with global responsibility in the worldwide Yamaha Motor Group, by promoting talented employees at overseas Group companies to the top management positions and accelerating overseas work experiences among Japanese employees, in line with the globally growing business.



The second Global Executive Program (GEP) commenced in January 2014. The GEP is a training program aimed at nurturing talented individuals for future leadership roles within the Yamaha Motor Group and creating a global network among students who are attending lectures under this program. Fifteen trainees from nine countries were selected for this year's GEP, which involved participating in discussions that focused on the future image of the Yamaha Motor Group.

### Employees



#### **Workplaces Thriving on Diversity**

Based on our fundamental belief that "all corporate activity originates first of all with and for people," the Yamaha Motor Group has clearly defined its stance on human rights in its Basic Policies of CSR and Code of Ethics.

In accordance with our policy of "operating workplaces where the disabled can work together with the able-bodied," Yamaha Motor has established the Disabled Employment Promotion Committee, and is working to improve the workplace environment through measures such as having analyses of organizational work and other tasks conducted by committee members assigned to each division. As of December 31, 2014, the Company employed 78 severely disabled persons and 65 mildly disabled persons, thus achieving a disabled employment rate of 1.96% (143 persons in total). From April 1, 2013, the Japanese government raised the legally mandated disabled employment rate to 2.0% from 1.8%, and Yamaha Motor is implementing additional measures to raise the number of employees with disabilities. We will continue to promote the hiring of persons with disabilities going forward, as we seek to create a society in which persons with and without disabilities can live and work together.

Yamaha Motor has always striven to create workplaces that emphasize diversity, through in-house child care facilities, parental leave programs, and flexible working hours, and has received various awards including the Prefectural Governor Prize regarding Activities for Promoting the Equal Participation of Men and Women in Society and the Family Friendly Company Award. Going forward, we will continue to actively work to increase opportunities for women to participate in the workforce, while at the same time promoting systematic human resource development, with the aim of a twofold increase in women in management positions by 2020 and a threefold increase by 2025.\*

#### **Main Activities**

1. Raise the percentage of women hired

2. Provide a working environment that is more hospitable to employees with young children

3. Support career planning and the development of broader and deeper capabilities to increase women's participation in the workforce.

#### **Supporting Work-Life Balance**

#### Aiming for a workplace environment that fosters autonomous creativity

The Yamaha Motor Group defines its relationship with employees as a business partnership, and the Company's role as providing an attractive workplace for autonomous individuals. We aim to create workplaces that maintain a diversity of working styles and a positive work–life balance by supporting career advancement plans based on mutual assumptions, providing programs for child and nursing care leave, among other efforts. We are also expanding the options for employees so that they can work in ways that suit their individual circumstances.

# Employees



Main Child Care and Family Care Support Programs (Yamaha Motor Co., Ltd.)

Programs	Details
Child care leave	Employees may take leave until the child's second birthday (used by 83 women, 6 men in 2014).
Family care leave	Employees can take leave for up to one year on request (used by 2 men in 2014).
Family illness leave	Employees taking care of preschool-aged children 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. *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 of preschool age 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 (used by 102 women, 1 men in 2014).
Others	Designated "no overtime" days (every Wednesday; day preceding a company holiday; paydays; and bonus payment days). 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).

#### **Workplace Safety and Health**

Led by its Central Safety and Health Committee, Yamaha Motor is promoting the establishment of safer working environments globally. Risk assessment is performed in accordance with the Occupational Safety and Health Management System (OSHMS) to detect potential dangers or harmful conditions at workplaces, and measures are taken to prevent occupational accidents. Through job-specific education and training, such as safety manager training programs and skill improvement programs for supervisors, as well as holding occupational safety and health meetings, we are focused on developing human resources that can support occupational safety.



#### Supporting Employees in Maintaining a Healthy Mind and Body

Yamaha Motor promotes a wide range of initiatives for helping employees maintain and improve their emotional and physical health.

We are committed to creating healthy and vital workplaces for the prevention of and recovery from lifestyle-related diseases. For instance, we support endurance improvement and obesity prevention through exercise habits, such as by hosting walk rally events and holding the Walk, Walk Campaign twice a year. In partnership with a health insurance association, we have also been providing antismoking products and are teaching smoking cessation skills to interested employees to help them in their efforts to quit smoking.

Measures to reduce smoking rates and prevent second-hand smoke during 2014 included restricting smoking to certain times, setting up smoking areas outside offices, and creating support programs for persons trying to give up smoking, which resulted in a decrease in the smoking rate among employees, to 29.7%. In terms of support for mental/emotional health, we have continued to engage in efforts such as health guidance given by occupational health physicians, mental/emotional health seminars for new managers and supervisors, and support for expatriates and mid-career recruits.

### **Business Partners**



Activities in Supply Chains

Activities at Dealerships

# 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 benefit. 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.

#### **Activities in Supply Chains**

The Yamaha Motor Group regards its relationship with the supply chain not just as conducting procurement, but as procurement that emphasizes the incorporation of both cost and quality into its engineering, manufacturing and marketing. 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 engineering, manufacturing and marketing together with suppliers and then working together to find more ways to improve cost competitiveness. We have trained some of our employees to serve as "theoretical-value instructors" in order to promote the implementation of "theoretical-value-based production" at suppliers inside and outside Japan as an initiative to strengthen our cost competitiveness in concert with them. In addition, we are promoting fair and clean procurement activities globally through training programs covering our Green Procurement Guidelines (detailing how to reduce our environmental impact and ensure the efficient use of resources and energy) and CSR Guidelines for Suppliers (which cover areas related to safety, quality and compliance).

#### **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



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 carries out activities to fulfill its corporate social responsibility in four main areas: developing future leaders, environmental conservation, improving traffic safety, and community issues. By focusing the social contribution activities carried out by Group companies on these areas and sharing information internally, we are continuously fostering an awareness that will lead to the creation of common social value (CSV). The following are some highlights of our social contribution activities in 2014.

	Key Themes	Activities
Global Issues	Developing Future Leaders	<ul> <li>Promoting mental/emotional and physical health through sports</li> <li>Promoting creativity through engineering, manufacturing, and marketing</li> </ul>
	Environmental Conservation	<ul><li>Environmental education for local communities</li><li>Respecting biodiversity</li></ul>
	Improving Traffic Safety	<ul><li>Providing traffic safety education to the community</li><li>Raising awareness</li></ul>
Local Issues	Community Issues	<ul> <li>Supporting the community with Yamaha Motor's products, human resources, and know-how</li> </ul>

#### Important Areas of Activities Contributing to Society

# **Social Contribution Activity Examples**



In addition to contributing to society through its business activities, the Yamaha Motor group also undertakes social contribution initiatives by communicating with stakeholders in all countries and regions where group companies operate.



India Supporting women's increased social participation

### **Environmental Conservation**



Japan Using Yamaha products in cleanup activities

### Improving Traffic Safety



India Holding Yamaha Riding Academies around the world

#### **Community Issues**



Thailand / Argentina Supporting local schools

Click on the pictures to view examples of activities in 2014.



#### Supporting women's increased social participation

To raise the social position of women in India and encourage their employment, IYM\* has partnered with the government of Uttar Pradesh in northern India since September 2012 in holding worker training programs for women. Under these programs, 160 women have received training in engine and body assembly on the scooter manufacturing line at our factory in Surajpur, Uttar Pradesh.

During this apprenticeship, trainees are paid wages and are also eligible for the same benefits as employees, including lunch, medical services, and transportation allowances.



After three years of on-the-job training (OJT), participants who pass a test receive a certificate of qualification from an industrial training facility, which they can present to prospective employers. Top trainees are hired as employees by IYM.

In addition to providing an opportunity for women to earn wages to support their families, IYM is helping to raise the social position of women in India by giving them the confidence to know that they are able to contribute to society.

\* India Yamaha Motor Pvt. Ltd.



#### Using Yamaha products in cleanup activities at Lake Hamana

Yamaha Motor's personal watercraft business uses Yamaha products to protect the natural environment through cleanup activities at Lake Hamana. Yamaha personal watercraft, sports boats and utility boats approach from the lake and land on the shore on the day of cleanup activities. Using boats on the water to clean the shore areas makes it possible to clean shore areas that cannot be approached by land, expanding the area that is cleaned.



At the most recent event, the fourth of these cleanup activities, 64

participants including Yamaha Motor employees used personal watercraft to cover approximately 5.5 kilometers of beach area at the Osaki shore, and in roughly two hours collected 85 bags (about 100 kilograms) of garbage, which were delivered to the Kosai City sanitation department for disposal.



#### Holding Yamaha Riding Academies around the world

Yamaha Riding Academies (YRAs) are held primarily in Asia, but also in Europe and the Americas, for people who intend to obtain a motorcycle license as well as for people who already have licenses, from elementary school to high school students. In addition to motorcycles, YRAs for all-terrain vehicles, snowmobiles, and personal watercraft are held in some regions.

In India, taking advantage of the fact that scooters are purchased by families, we held a riding training program targeting housewives.



Programs are also held regularly across India in residential areas with condominiums, with the aim of preventing accidents by teaching safe riding and compliance with traffic regulations.

# **Community Issues**



#### **Supporting local schools**

In addition to donating scooters and motorcycles and providing technical guidance to schools and kindergartens, the Yamaha Motor Group also helps to solve issues directly faced by nurseries, schools, and foster care homes for children near its companies.

One of these projects was undertaken by TYM<sup>\*1</sup> in Thailand to make bricks for the construction of a library at Wat-Sammakan school. Around 100 employees and Yamaha Club members worked together to mix the clay, shape the bricks, and dry them in the sun.



Also in Thailand, 60 employees of YPMT<sup>\*2</sup> went to Watsrihalothai

school in Chonburi Province, which had been damaged by floods in September 2014, to repair and paint fences and gates.

In Argentina, YMARG<sup>\*3</sup> donated school items to a foster care home for children, and each year the Company visits a foster care home to make repairs to the facilities and visit with the children.

\*1 Thai Yamaha Motor Co., Ltd.

\*2 Yamaha Motor Parts Manufacturing (Thailand) Co., Ltd.

\*3 Yamaha Motor Argentina S.A.

## **Employee Volunteer 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. Some specific initiatives from Japan are discussed below.

#### Volunteering through sports activities

The Yamaha Motor Group has held the "40,000 People's V Campaign" since 2004 to raise awareness among employees about volunteering and provide an impetus for participating in volunteer activities. The aim is for each employee to participate in one volunteer program annually, which translates to 40,000 people across the Group making a social contribution each year.

Shizuoka Prefecture, where Yamaha Motor is headquartered, is one of Japan's best-known regions for soccer and baseball, and more



than one-third of our roughly 39,000 employee volunteer programs each year are related to sports. Yamaha Motor supports employees' volunteer activities with a site on our internal intranet that enables employees to establish groups with a shared interest. One of the groups that has been created via this site is the Yamaha Motor Rugby School.

The Yamaha Motor Rugby School is primarily run by former members of the Yamaha Motor Rugby Club, and uses rugby instruction and activities to cultivate a sense of cooperation with friends and consideration of others, and promote physical fitness.

# Growth that Harmonizes with the Environment

Introducing the approach and policies concerning the global environment



# Growth that Harmonizes with the 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.

The Yamaha Motor Group believes that the social responsibility of enterprises involved in the global supply of products which support mobility requires substantive measures to address these issues. We recognize that personal mobility, which constitutes the core of our business, will play a substantial role and we take into account harmony with the environment in all our business activities. 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.

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

# Growth that Harmonizes with the Environment



	Yamaha Motor Group Environmental Plan 2020							
	Action Areas	Priority Actions	2020 Targets					
Eco	Raise environmental attractiveness through product development from the	In the Eco Products area, implement the Frontier 2020 Groupwide long-term vision						
Products	perspectives of the environment and customers	<ul> <li>Reduce risks from environmentally hazardous substances</li> <li>Implement green procurement</li> </ul>	Identify environmentally hazardous substances and support the use of alternatives					
		Reduce emissions of greenhouse gases	Reduce CO <sub>2</sub> emissions per unit of sales by 1% (annual average)					
Eco Operations	Environmental preservation through global business activities that aim to minimize environmental impact	<ul> <li>Implement the 3 R's through the 3 E's</li> <li>Reduce water consumption (3 E's: Easy to make, Easy to repair, Easy to disassemble) (3 R's: Reduce, Reuse, Recycle)</li> </ul>	Support the effective use and recycling of limited resources					
Eco Management	Environmental management through reinforcement of Group environmental governance systems	Create and operate Groupwide environmental management systems	Link Groupwide operations with local activities					
		Change attitudes through continuous environmental education	Have all Group employees actively undertake environmental measures with a high awareness of targets					
Eco Mind	Environmental contributions through diverse initiatives that seek to create a sustainable environment	<ul> <li>Improve sensory environments (odors, noise, etc.)</li> <li>Communicate with local communities</li> <li>Preserve ecosystems</li> </ul>	Be trusted and respected as a corporate citizen by local communities					
		Proactively disclose information from an environmental perspective	Well received by the community as an environmentally advanced company					

# 2014 Plans and Performance



Action Areas	Priority	Actions	2014 Plans	2014 Performance
Eco Products	Raise environme	ental prough product m the the	Develop products to raise environmental attractiveness	Implemented in the medium-term plans of each business unit
	Reduce risks from environmentally hazardous substances	CO <sub>2</sub> emissions assessment and reduction	Each Group company to reduce emissions by 1% (annual average) per unit of sales	Group companies have set a target of a 1% reduction in CO <sub>2</sub> emissions intensity per year and are working to reduce greenhouse gases in their overall business activities Reduced by 17% per unit of sales compared with 2013 (goal achieved)
		Reduction of CO <sub>2</sub> emissions from manufacturing processes	Reduce by 4% per unit of sales compared with 2009	
	Reduce emissions of greenhouse	Reduction of CO <sub>2</sub> emissions from	Reduce by 1% (annual average) per unit of sales	4.0% improving (year on year)
	gases	distribution	Reduce by 5% compared with 2006	0.3% worsening (compared with 2006)
			Maintain level of VOC emissions per consumption rate to prevent deterioration from 2010	Continuation of reduction activities
Eco	Implement green procurement	Green procurement activities	Adhere to rules regarding prohibited or restricted substances (zero harmful substances in our products)	Continued to maintain green procurement activities
Operations		Promotion of 3Rs in product development	Reusing/recycling initiatives	Continued initiatives
		Promotion of 3Rs in manufacturing	Keep waste materials for direct/indirect landfill disposal to 0 tons	0 tons
			Achieve recycling rate of 100% in manufacturing processes	100%
	3Fc	Waste materials in manufacturing processes	Continue super-zero emissions	Achieved super-zero emissions again
		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	Reduce packaging materials, making 68% of packaging materials returnable	Goal achieved with 73.6% returnable rate
	Reduce water consumption	Reduce water consumption	Understand actual water consumption status of Group companies	Investigation of water consumption status completed at 83 of 84 target companies (99%)

# 2014 Plans and Performance



	i	i	
		Increase number of companies using integrated certification system (target: 14 companies)	Result: 13 companies Provided Group EMS activities to 26 companies using integrated certification system
Eco Management	wide environmental management systems	Reassess self- certification system and transfer to customized review in cooperation with	Agree with external institutions on basic schemes of customized review
		external institutions emphasizing on-site review	
	Expansion and support of	Achieve 67% participation rate in eco-commuting	Participation rate in eco-commuting reached 73.7%
	diverse Eco activities	Establish the Eco Point system	Number of persons participated in activities under the Yamaha Eco Point system: 6,825 (system firmly in place)
	Change attitudes through continuous environmental education	Provide environmental education in each segment	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 2014, with participation by 39,557 persons, up 104.8% from 2013 (aim: 98.9%)
		Give lectures on corporate environmental initiatives at community events and schools	Gave lectures on corporate environmental initiatives at two universities in Shizuoka Prefecture Gave environmental lessons at two junior high schools nearby
Eco Mind		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 to prevent weevil damage in Enshunada windbreak forest areas and other programs
		Participate in events intended to improve communication with local communities	Held dialogues with local governments 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 Eco-system monitoring activities	Cooperation in loggerhead sea turtle preservation activities and monitoring aimed at protecting endangered orchids and Penthorum chinense at Kikukawa Test Course site and in natural parks
	Communicating environmental information in relation to	Disclose information on environmental products	Exhibited environmental products at Yamaha Communication Plaza
	products, technologies, and services	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.



#### **Organizational Structures for Promoting Environmental Management**

The Yamaha Motor Group has established an Environment Committee, chaired by the Executive Vice President, 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 Yamaha Motor Group Organizational Structure for Environmental Planning and Promotion



#### Strengthening Environmental Governance Through Unified Certification

"Eco management" is one of the action areas in Yamaha Motor Group Environmental Plan 2020, and based on this the Group has pursued global environmental ISO 14001 unified certification, which strengthens the Group's environmental governance framework and achieves efficient environmental management operations, at locations in Japan and overseas since April 2012.

This program covers main manufacturing centers representing 39 companies in Japan, Europe, ASEAN, China, Taiwan, India and South America, and as of the end of 2014 unified certification had been obtained by 26 companies (67%).



Team that introduced unified certification at YIMM in 2014

The Yamaha Motor Group has introduced its own environmental management approval system and is pursuing environmental initiatives globally, even at Group companies with relatively low environmental impact. Accordingly, the activities of each Group company are now reported to the Yamaha Motor headquarters via management reviews and the like, and details are shared by relevant parties. By sharing information about nonconformance and case studies of improvements across the Group, we are raising the level of correctional improvements. By also promoting unified certification, we are delivering benefits on the efficiency side, including lower Groupwide inspection costs.

We will step up initiatives with the aim of applying unified certification to all 39 Group companies.

#### **Global Environmental Information Network System (GYECOS)**

The Yamaha Motor Group uses its proprietary global environment information network system, called G– YECOS, to promote two-way communication about environmental management system (EMS) activities within the Group. Even since starting unified certification, we are enhancing G–YECOS in order to make it more user-friendly on a global basis, while making EMS activities easier to visualize.

#### **Integrated Management System Operation**

Since launching its integrated environmental and safety management system in 2011, Yamaha Motor has achieved significant improvements in efficiency compared with the previous method, in which tasks were undertaken individually. Since 2013, we have placed priority on processes linking risk assessment with target-setting, as well as legal compliance and corrective action processes, resulting in greater effectiveness of workplace improvements.

#### **Integrated Management System Audits**

Yamaha Motor has incorporated process-oriented audit techniques into its auditor training sessions, in order to identify risks inherent in business processes and conduct audits with a focus on business efficiency. We also promote regular training of young employees to maintain appropriate number of auditors and audit levels.



#### **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) so that it can conduct more effective environmental management.

Total environmental costs, including capital investment and operating costs, were approximately 23.8 billion yen in 2014, an increase of approximately 255% from the previous year. This was greatly impacted by the Company's business growth strategy, which led to an increase in R&D costs, as well as a reassessment of the coverage and appropriateness of activities and a consequent rise in management activity costs. Pollution prevention costs (41%), administration costs (7%), R&D costs (294%), and social activity costs (59%) increased. Resource recycling costs (10%) and global environment preservation costs (7%) decreased.

# **Environmental Management**



2014 Environmental Costs and Economic Effects (The scope of environmental accounting is the YMC integrated management system.)

		Enviro	nmental Co	osts	Economic Effects		
	Category			Cost	Total	Within FY	Full-Year Equivalent
	Pollution prevention cost	Exhaust gas processing/test, water contamination prevention, odor prevention	138	415	553	21	21
Business area costs	Global environment preservation cost	Energy preservation at plants, energy preservation in logistics	206	151	357	27	49
	Resource recycling cost	Industrial waste processing (waste oil, sludge, waste plastic, grindstones, etc.), operation of incineration facility	7	130	137	24	26
	Subt	otal	351	696	1,046	72	96
Upstream/Downstream costs		Implementation of decommissioned ship recycling system, reduction of packaging sent to Europe, green purchasing, and allowance for Eco- commuting	0	4	4	0	0
Administr	ation costs	Implementation of environmental ISO, environmental staff costs	2	1,120	1,122	0	0
R&D costs		Development of eco power unit and lightweight materials, future development of environmental products	157	21,491	21,649	0	0
Social activity costs		Beach cleanup programs, events including the Baby Turtle Release program, and tree- planting management	0	5	5	0	0
		Cleanup of contaminated soil	0	3	3	0	0
	Tot	al	510	23,320	23,830	73	97

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



- R&D costs do not include product development premised on sales.
- 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)	9,743	15,631					
Reduced CO <sub>2</sub> (t-CO <sub>2</sub> )	2,108	2,635					
Conserved water (t)	2,600	31,200					
Reduced waste (t)	4,471	4,474					
Reduced VOC (t)	40	40					

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 reducing CO<sub>2</sub>: effect of reducing energy origin CO<sub>2</sub>

#### Change in Environmental Costs

Category		Environmental Costs								
		Investment		Cost			Total			
		2012	2013	2014	2012	2013	2014	2012	2013	2014
	Pollution prevention cost	15	69	138	314	321	415	329	390	553
Business area costs	Global environment preservation cost	100	172	206	102	212	151	202	383	357
	Resource recycling cost	13	1	7	190	151	130	203	152	137
	Subtotal	128	241	351	606	684	696	734	925	1,046
Upstream/Do	wnstream costs	0	0	0	9	8	4	9	8	4
Administratio	on costs	7	8	2	367	275	1,120	374	283	1,122
R&D costs		189	203	157	3,847	5,285	21,491	4,037	5,488	21,649
Social activity costs		0	0	0	3	3	5	3	3	5
Environmental remediation costs		0	0	0	17	9	3	17	9	3
	Total	325	452	510	4,849	6,264	23,320	5,174	6,717	23,830

Unit: Millions of yen



#### Change in Economic Effects

Category		Economic Effects							
		2	2012		013	2014			
		Fiscal year- end	Calendar year-end	Fiscal year- end	Calendar year-end	Fiscal year- end	Calendar year-end		
	Pollution prevention cost	18	18	17	17	21	21		
Business area costs	Global environment preservation cost	31	53	19	43	27	49		
	Resource recycling cost	24	27	42	42	24	26		
	Subtotal	73	98	79	103	72	96		
Upstream/D	ownstream costs	1	1	3	3	1	1		
Administrati	on costs	1	1	0	0	0	0		
R&D costs	R&D costs		0	0	0	0	0		
Social activity costs		0	0	0	0	0	0		
Environmental remediation costs		0	0	0	0	0	0		
	Total	75	100	82	106	73	97		

Unit: Millions of yen

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



As a manufacturer of motorcycles and other transportation machinery, the Yamaha Motor Group considers the reduction of greenhouse gas emissions to be the most critical environmental issue facing the world today.

We are targeting an annual 1% reduction in  $CO_2$  emissions per unit of sales as a common goal for the entire Group, and are working to reduce emissions in all of our business activities including product development and manufacturing.

We began working to reduce global utility costs in 2013, with the aim of establishing both economic and environmental considerations ( $CO_2$  reductions). We are also increasing the efficiency of the overall Group by providing the energy-saving technologies developed in Japan to Group companies in Japan and overseas. In 2014, we reduced  $CO_2$  emissions per unit of sales by 17% compared with 2013, resulting in cost reductions of roughly ¥2.3 billion. The Group's  $CO_2$  emissions were reduced by 35 thousand tons, to 584 thousand tons. Going forward, we will step up efforts to reduce energy consumption at domestic and overseas Group companies, aiming to raise our environmental and economic performance on a global scale.









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

Yamaha Motor's 2014 target for all of its manufacturing facilities was a 5% reduction in  $CO_2$  emissions per unit of sales compared with 2009 (equivalent to 101 thousand t- $CO_2$  in total  $CO_2$  emissions). However, we easily surpassed that, achieving a 26% reduction in  $CO_2$  emissions per unit of sales (down to 78 thousand t- $CO_2$ ). In addition, new energy sources such as solar power and natural gas cogeneration accounted for 38 thousand MWh (19% of total electric power consumption), resulting in a 13 thousand t- $CO_2$  reduction (thermal power generation conversion). We are committed to continuing the introduction of energy-saving devices and improving our operational management system.

 $\mathrm{CO}_2$  emissions and  $\mathrm{CO}_2$  emissions per unit of sales at the manufacturing stage at Yamaha Motor



(1,000 MWh) 50 44 45 41 38 40 35 30 25 20 15 10 5 0 2012 2013 2014

Use of new energy sources\* by Yamaha Motor

\*In accordance with Japan's "Act on Special Measures for the Promotion of New Energy Use, etc.," Yamaha Motor regards solar power, wind power, and natural gas cogeneration as three innovative technologies with a high degree of application and refers to them as "new energy."

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



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

Yamaha Motor is installing power generation systems that use solar and wind power. The Nakaze Factory, which forms and paints motorcycle exterior parts, installed solar and wind power generation systems for concurrent operation in 2008, the first installation of its kind by Yamaha Motor. Along with the solar generation systems installed at other factories, 354 MWh of total power was generated, reducing CO<sub>2</sub> emissions by approximately 244 tons in 2014. The power is used for lighting and air conditioning in the office buildings at the factories.



Solar generation system introduced through a joint research project with NEDO (Nakaze Factory)



Vertical wind power generation system, which is quieter than the propeller type (Nakaze Factory)



Fukuroi Factory



Morimachi Factory

Installation of a New Heat Pump Heating System (Factory in Chennai, India)

In 2014, the Yamaha Motor Group installed its first heat pump-type\* heating system at an overseas factory, to reduce electrical consumption in surface processing. This was the Group's third heat pump system installed, following the Fukuroi Minami Factory in 2011 and the Hamakita Factory in 2013.

We plan to install heat pump systems at other factories in Japan and overseas going forward. We will also work to more precisely measure direct and indirect emissions in each location, and to further reduce emissions at all factories and offices.



\* A heat pump uses the natural principle that vapor becomes warm when compressed and cools when expanded, to pull in and use heat from the surrounding air. This energy-saving technology creates a large amount of thermal energy with only a small amount of energy input.


### **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  $CO_2$ -limiting impact while balancing the energy conservation benefit with cost benefit. Yamaha Motor has also established a working group that centrally promotes  $CO_2$  emissions reduction in distribution.

In 2014, emissions improved by 4.0% over the previous year due to termination of shipments of traditional-style boats to the Tohoku region, as well as a reorganization of factory layouts and logistics and more efficient distribution of products transported over long distances. We will continue working to improve transportation efficiency in the future.



CO<sub>2</sub> emissions in distribution at Yamaha Motor





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



### **Reducing CO<sub>2</sub> Emissions from Products**

The Yamaha Motor Group comprehensively assesses the environmental impact of its products throughout their entire life cycle, including their development, production, usage, and disposal phases. Since the actively taking steps to reduce the amount of  $CO_2$  emitted during use.

Going forward, we will continue our efforts to reduce  $CO_2$  emissions by improving product fuel efficiency.

#### Development of electrical power drive units for bicycles based on GREEN CORE concept

Yamaha Motor has developed next-generation electrical power assist drive units for bicycles based on the GREEN CORE concept for smart power drive units. These units deliver an enjoyable ride with superior environmental performance due to their compactness, light weight, and high-performance capability—and are being successively rolled out in 2015. These new models achieve a compact, ultra-light weight for a chain resultant force-type unit, with a significant reduction in the amount of rare earth metals used, for high performance in a compact drive unit that achieves the same maximum power as existing units. The weight of the bicycle is further reduced with the use of a lightweight aluminum frame, which, combined with the drive unit's low center of gravity, makes it easy to drive. These stylishly designed drive units will be successively installed in major 2015 PAS models, beginning with the Natura series, and will also be supplied to electrically power assisted bicycle manufacturers in Japan. We will also continue to develop new drive units based on the GREEN CORE concept going forward.

#### Main features of GREEN CORE-based next-generation drive units

- Compact and lightweight: Reductions of roughly 16% in size and 20% in weight
- Low center of gravity: New structural design with center of gravity lowered by 12mm
- High-performance and power: The same 100Nm maximum torque as existing drive units
- Environmental considerations: Reductions of 35% in the amount of rare earth metals, 28% in the amount of aluminum, and 40% in the amount of copper wire used





### Yamaha Motor Group CO<sub>2</sub> Emissions Data



Yamaha Motor Group  $CO_2$  Emissions Data (By Energy Source)

Yamaha Motor Group CO2 Emissions Data (By Area)

	Japan	North America	Europe	Oceania	Asia	Central and South America	China	Total Emissions
Manufacturing	135,468	51,208	7,339	0	319,724	11,021	39,673	564,433
Non- manufacturing	2,640	8,481	3,388	1,161	2,395	34	1,745	19,843
Total	138,108	59,689	10,727	1,161	322,119	11,056	41,417	584,277

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

Note: Totals may not add up due to rounding.

Yamaha Motor Group CO2 Emissions Data (Top 10 Countries)

Indonesia	Japan	India	USA	China	Thailand	Vietnam	Taiwan	Brazil	Malaysia
152,969	138,108	61,373	58,434	41,417	37,222	32,491	31,451	9,647	5,016

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

Note: Totals may not add up due to rounding.



### **Reducing PRTR\* 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\*\*, most of which are generated in painting processes.

We upgraded the painting booth at our main Iwata Factory, which now uses low-VOC paints. 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.



#### Trends in VOC release

\*PRTR: Pollutant Release and Transfer Register \*\*VOCs: Volatile Organic Compounds

#### **Complying with the REACH Regulation**

In response to the enactment of Europe's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation in June 2007, the Yamaha Motor Group is strengthening its chemical substance management. We will continue to share pertinent information throughout our entire supply chain, and strive to further enhance the management of chemical substance information.

### 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 recyclingoriented 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 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 2014, Yamaha Motor generated a total of 24 thousand tons of industrial waste. Waste is appropriately processed through material recycling and thermal recycling. As a result, Yamaha Motor has been able to continuously achieve 0 tons of direct/indirect landfill waste (a recycling rate of 100%).

Waste generation at the manufacturing stage and recycling ratio at Yamaha Motor







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# Reducing, Reusing, and Recycling



### **3R Designs and Product Recycling**

The Yamaha Motor Group is actively adopting designs based on the 3R concept (Reduce, Reuse, Recycle) for various products. In Japan, we are continuing operation of the Motorcycle Recycling System in cooperation with other industry firms to facilitate appropriate processing of end-of-life motorcycles by dealers.

### Example of 3R Design (model released in 2014)



# Reducing, Reusing, and Recycling



### **3R Initiatives in Spare Parts Distribution**

Yamaha Motor's Component Business Department promotes the 3Rs (Reduce, Reuse, Recycle) in order to save and recycle resources. In the packaging of products for export, for example, we endeavor to reduce number of containers by increasing loading density. We also emphasize recycling by making returnable pallets from the plastic resins discharged from our business sites, while increasing the number of regions that use returnable pallets. In 2014, we achieved a 74% returnable rate for export containers, compared with our target of 70% or higher.



Percentage of returnable Yamaha Motor parts containers for overseas shipment

Recycling through the use of returnable shipping pallets



#### **Measuring and Reducing Water Resources**

The Yamaha Motor Group endeavors to measure the amount of water resources it uses. The Group reduced its use of water resources in 2014 by 0.58 million  $m^3$  compared with 2013, to 6.18 million  $m^3$ , the main components of which were 2.43 million  $m^3$  (39%) of underground water and 2.35 million  $m^3$  (38%) of industrial water.

We strive to use limited water resources effectively, including through recycling. We will continue to strive to measure our global use of water resources, and reduce our water resource consumption through programs including the reuse of coolant water and water collection (rainwater and other sources) at factories.



#### Water resource consumption at the Yamaha Motor Group





## **Biodiversity**



In our activities aimed at promoting diversity, we are working in a systematic manner to preserve the diversity of ecosystems, species, and genes. These activities are based on the Yamaha Motor Group Basic CSR Policy and Environmental Plan 2020, with consideration for guidelines issued by the Ministry of the Environment.

#### Protecting rare plant species at the Yamaha Motor Kikukawa Test Course

Yamaha Motor is maintaining wildlife diversity as well as preserving the environment through measures such as protecting a certain swath of existing vegetation around the perimeter of the test course. In 2008, before construction started, the Company conducted an environmental assessment of the site and surrounding area. In the following year, 2009, a Natural Environment Conservation Agreement was prepared. This became the basis for the preservation of plants (six species), mammals (one species), birds (four species) and fish (one species) identified from amongst those species listed in the Shizuoka Prefecture Red Data Book (Classification: Vulnerable, and Near Threatened). Yamaha Motor submitted the agreement to the related department of the Shizuoka Prefectural Government in 2010. We continue to monitor the environmental impact of the test course, which began operation in 2013.



In 2014, we confirmed the existence of two rare plant species—silane and brocade blossoms—at the Yamaha Motor Kikukawa Test Course. We also confirmed new leaves growing on calanthe and rosebay plants at the site. We use biodegradable materials for marking tape used in our monitoring.

Since 1991, the Yamaha Motor Group has held a beach cleanup and baby loggerhead sea turtle watching event at Nakatajima Sand Dunes (in the southern part of Hamamatsu, Shizuoka Prefecture), where endangered loggerhead sea turtles come to lay their eggs.



### Participation in loggerhead turtle cleanup campaign

Around 210 persons including employees, family members, and friends participated in the 25th beach cleanup event, held in May 2014.



Yamaha Motor reception area (entrance to Families participating in cleanup Nakatajima Sand Dunes)

#### Turtle observation tour and beach cleanup campaign



Sanctuary NPO representative talking about the ecosystem of loggerhead turtles



Cleanup activities

#### **Beach restoration activities**



Sand is packed into hemp bags and piled Children also help in the team effort up



Protecting loggerhead turtles through beach restoration





Inserting kobo wheat seeds into the bags

## **Biodiversity**



### Marine cleanup activities at Lake Hamana

Yamaha Motor sponsors a biannual cleanup campaign at Lake Hamana in Shizuoka Prefecture to preserve the lake's natural habitat. Using the Company's boats, personal watercraft, and other water vehicles, participants, including employees from the Water Vehicle Business Unit, collected trash and debris in and around the lake.



Personal watercraft transport rubbish to boat





Going ashore on beach inaccessible by land A traditional-style boat also carries people



Collecting rubbish that has drifted ashore



Regrouping at the pier

# **Biodiversity**



## Coral reef restoration campaign (Thailand)



Planting coral seedlings at Don Tan Beach (Chonburi Province, Thailand) to restore coral reef

### **Environmental Communication**



In order to help achieve sustainable growth for local communities and coexistence with the global environment while providing our products and services, the Yamaha Motor Group believes that it is important to promote environmental protection activities and to strengthen cooperation with all of our stakeholders through obtaining their understanding and participation. We also believe that clearly communicating to the world our approach to environmental preservation is one of our corporate social responsibilities.

With the goal of "being trusted and esteemed as a corporate citizen by local communities" in the Yamaha Motor Group Environmental Plan 2020, we are strengthening our communication with stakeholders by holding environmental symposiums in response to external requests regarding our environmental activities (such as eco-commuting, beach cleanups, and the Baby Turtle Watching Event) and by disseminating information through CSR reports and other means.

Yamaha Motor has promoted eco-commuting initiatives since 2004. It now has 12 sites registered under the Excellent Eco-Commuting Business Site Accreditation System of Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT). The Company's ongoing efforts were recognized by the Ministry, receiving an MLIT award for environmental protection excellence in the transport industry in December 2013.



One of the goals of the Yamaha Motor Group Environmental Plan 2020 is to have "every Group member strongly motivated to proactively participate in environmental programs." To help group members achieve this goal, Yamaha Motor introduced an Eco Point System in January 2008. 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 2014, participation in this program reached 6,825 persons (the number of persons who participated in activities included in the system).



Participants in eco-commuting campaign



Volunteer neighborhood cleanup in Iwata City



### 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.



Volunteers participate in 36th Lake Hamana Cleanup Campaign

#### "Green curtain" at Nakase

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



# ISO26000 Reference Table

ISO 26000 Core Subjects	Issues	Web Links		
Organizational Governance		<ul> <li>Approach to CSR</li> <li>Basic Policies of CSR</li> <li>Corporate Governance</li> </ul>		
Human Rights	1 Due diligence	•Workplaces Thriving on		
	2 Human rights risk situations	Diversity     Internal Reporting Systems		
	3 Avoidance of complicity	(Hotlines) •Activities in Supply Chains		
	4 Resolving grievances			
	5 Discrimination and vulnerable groups			
	6 Civil and political rights			
	7 Economic, social and cultural rights			
	8 Fundamental principles and rights at work			
Labor Practices	1 Employment and employment relationships	•Developing Human Resources •Supporting Work-Life Balance •Workplace Safety and Health		
	2 Conditions of work and social protecti	on •Supporting Employees in		
	3 Social dialogue	Maintaining a Healthy Mind and Body		
	4 Health and safety at work			
	5 Human development and training in t workplace	he		
The Environment	1 Prevention of pollution	•Growth That Harmonizes with		
	2 Sustainable resource use	the Environment     •Environmental Management     aBaducing CO Emissions		
	3 Climate change mitigation and adaptation	<ul> <li>Reducing CO<sub>2</sub> Emissions</li> <li>Reducing Environmentally</li> <li>Hazardous Substances</li> <li>Reducing, Reusing, and</li> </ul>		
	4 Protection of the environment, biodiversity and restoration of natura habitats	Recycling		
Fair Operating Practices	1 Anti-corruption	•Activities in Supply Chains		
	2 Responsible political involvement	•Activities at Dealerships		
	3 Fair competition			
	4 Promoting social responsibility in the value chain			
	5 Respect for property rights			
Consumer Issues	1 Fair marketing, factual and unbiased information and fair contractual practices	Offering New Excitement     Customer Service     Riding Safety Promotion		
	2 Protecting consumers' health and safe	, nording rannand rading		
	3 Sustainable consumption	Academiaroundes the world •Thorough Import and Export		
	4 Consumer service, support, and complaint and dispute resolution	Management • Initiatives for Protection of Personal Information		
	5 Consumer data protection and privace			
	6 Access to essential services			
	7 Education and awareness			

# ISO26000 Reference Table

ISO 26000 Core Subjects		sues W	Web Links			
Community Involvement and Development	1	1 Community involvement		•Important Areas of Activities		
	2	Education and culture		•GROWTH STRATEGY		
	3	Employment creation and skills development		Marine Products Business Competing in the 3-Trillion-Yer Global Marine Market		
	4	Technology development and acc	cess	Made in Mauritania		
	5	Wealth and income creation				
	6	Health				
	7	Social investment				