

Sustainability
(Initiatives for sustainability)

Yamaha Motor's Sustainability



Top Message



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

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

[Read full message >](#)



Approach to Sustainability

Activities for Stakeholders



Customers



Employees



Business Partners



The Environment

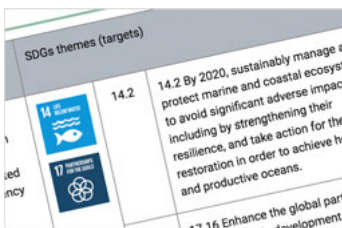


The Community



Shareholders and Investors

Addressing Materiality (Material Social Issues)



Cooperating with International Initiatives



- > Sustainable Development Goals (SDGs)
- > Participating in the UN Global Compact
- > Commitment of Participation in the Science Based Targets initiative (SBTi)
- > Supporting the TCFD

External Assurance



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



Environmental, Social, and Governance Issues

Environment

| | | |
|--|--|------------------------------------|
| Approach to Global Environment > | Overview of "Yamaha Motor Group Environmental Plan 2050" > | Initiatives for "Climate Change" > |
| Initiatives for "Resource Recycling" > | Initiatives for "Biodiversity" > | Environmental Management > |
| Data Collection > | | |

Social

| | | |
|--|---|---|
| Contributing to Local Communities > | Human Rights > | Nurturing Personnel > |
| Diversity > | Occupational Health and Safety > | Workforce > |
| Responding to Customers > | Supply Chain > | Creating Healthy Society through Sports (Yamaha Motor Foundation for Sports) > |

Governance

| | | |
|---|--------------------------------------|---------------------------------|
| Corporate Governance > | Risk Management > | Compliance > |
| Anti-Corruption > | Tax Matters > | |

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[Downloads >](#)

Updates

- July 19, 2021
Presentation of Environmental technology briefing uploaded
 - June 15, 2021
The Basic Policies of CSR has been revised to the Sustainability Basic Policy.
 - January 6, 2021
Green Procurement Guidelines (20th revision) uploaded
 - June 5, 2020
Sustainability (Initiatives for sustainability) web-site updated
 - December 19, 2018
Yamaha Motor Group Environmental Plan 2050 uploaded
- > [ISO26000 Reference Table](#)

Top Message

To realize a sustainable society



Yoshihiro Hidaka

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

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

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

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

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

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

In 2020, the spread of COVID-19 infections around the world has impacted all kinds of activities on a global scale, rocking the global economy to its foundations. Under these circumstances, we will work hand in hand with society to overcome this major challenge and, with our eyes set on life after the end of the COVID-19 crisis, contribute to the creation of a world where people can live fulfilling lives with peace of mind.

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

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

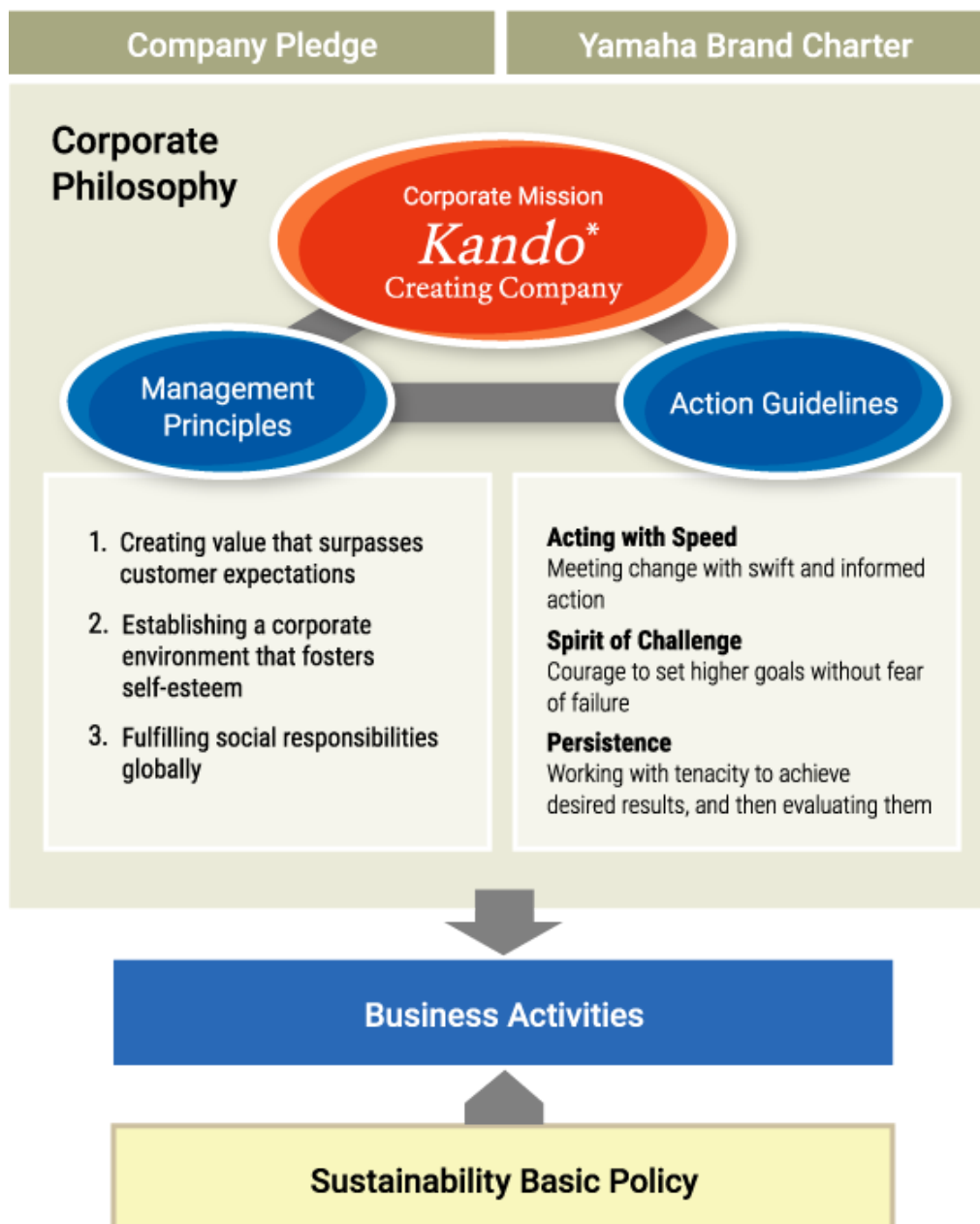
Approach to Sustainability

Introducing Yamaha Motor Group’s stance on sustainability and its philosophy

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

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

The Yamaha Motor Group believes the Corporate Social Responsibility (Sustainability) 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 Sustainability reflect the especially important social responsibility we owe to our stakeholders.



Yamaha Motor Group Sustainability Basic Policy

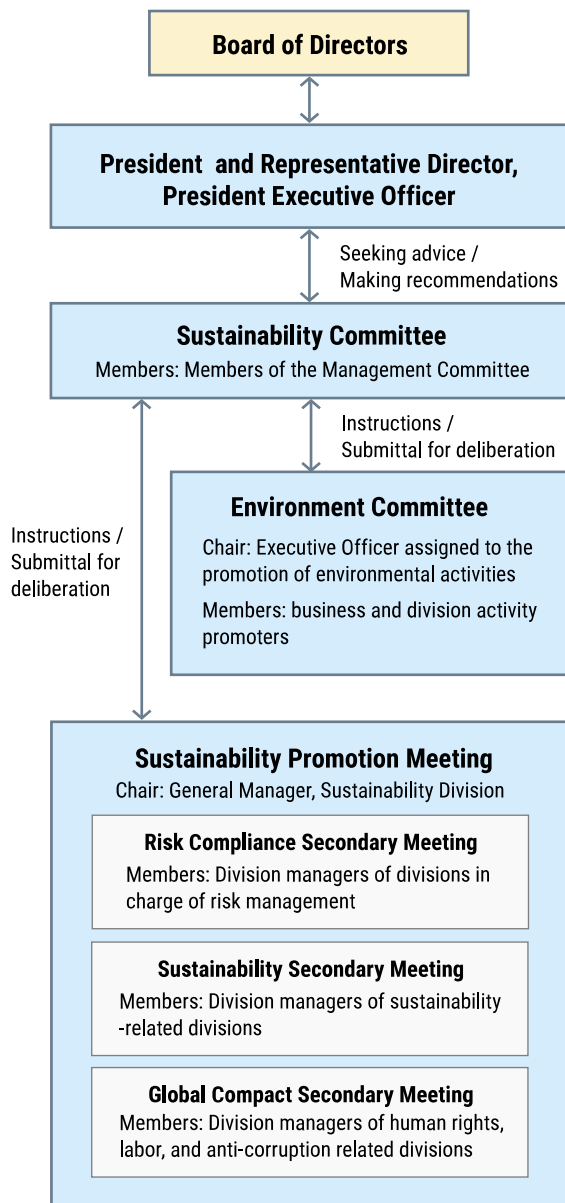
Yamaha Motor Group's corporate mission is to be a "Kando creating company." We aim to offer the people all over the world joy, amazement, elation, fulfillment and happiness through our products and services while maintaining harmony with society and the global environment. To achieve this, we will leverage the empathy arising from connections between people as an engine for creating new value. As a company trusted by society, we will, under appropriate corporate governance, contribute to the resolution of social issues and sustainable development through innovative and diverse products and services, in ways that take the unique style of Yamaha.

We ask our business partners to uphold this policy and act on its basis.

- We will comply with international rules, laws and ordinances, and at the same time, we will work to prevent corruption, and execute our operations with fairness and integrity.
- We will respect human rights, will not discriminate, and will not use child labor or carry out forced labor under any form.
- We will value our relationships with our stakeholders and disclose information in a timely and appropriate manner.

| | |
|----------------------------|--|
| Customers | We will provide high quality products and services that can be used safely and with a peace of mind by anyone, and will be working to educate people on the proper ways to use our products, and spreading this knowledge to create good environments for their use. |
| Employees | We think that health and safety of our employees is a foundation of the company's growth. We will be improving working environments, respect and promote diversity and inclusion, and engage proactively in talent management. We will also respect the freedom of association and the right of collective bargaining. |
| Business Partners | We will have our doors wide open to all partners, regardless of nationality or size, and with long-term perspective we will be engaged in achievement of mutual prosperity. |
| The Environment | We will develop technologies in a way to prevent global warming, and work to minimize environmental loads. Furthermore, we will undertake the conservation of biodiversity and sustainable use of natural resources. |
| The Community | We will respect the cultures and customs of each country and region, and work to achieve harmony with communities. |
| Shareholders and Investors | We will aim to enhance corporate value through long-term stable growth based on mutual dialogue. |

Sustainability Promotion Structure



The Sustainability Committee, chaired by the President and Chief Executive Officer, and comprised of members of the Management Committee, was established as part of the sustainability promotion structure. The Sustainability Committee deliberates on and determines the response to issues related to sustainability and risk compliance.

The Environment Committee, chaired by the Executive Officer assigned to the environment, was established as the subordinate committee to deliberate on and review, from specialist perspectives, policies and visions for the future concerning environmental initiatives, medium- and long-term environmental plans, investment, and monitoring.

In regard to sustainability issues other than those related to the environment, the Sustainability Promotion Meeting has been established as the subordinate council of the Sustainability Committee. Issues are addressed by organizing the Risk Compliance Secondary Meeting, the Sustainability Secondary Meeting, and the Global Compact Secondary Meeting for each issue, with members consisting respectively of persons from related divisions.

[Corporate Philosophy](#)



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



Activities for Stakeholders

Introducing Yamaha Motor's relationships with stakeholders.



Customers



Employees



Business Partners



The Environment



The Community



Shareholders and Investors

Customers

Introducing our ongoing activities with regard to how we engage with our customers

Aiming to offer new excitement and a more fulfilling life for people all over the world

The Yamaha Motor Group's corporate mission is to be a "*Kando* creating company." With the aim of "offering new excitement and a more fulfilling life for people all over the world," we strive to use our ingenuity and passion to realize peoples' dreams and always be the ones they look up to for "the next *Kando*."

To this end, we listen sincerely to the voices of our customers in every step, from manufacturing processes including product planning, development, design, and production to sales and after-sales services, so that our customers will say, "I'll purchase a Yamaha again," or "My next purchase will be a Yamaha."

We continue to take on new challenges every day.

**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.



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Offering New Excitement

We will share some examples of our activities from the Moving You (Yamaha engineers smiles) page.



Vol. 15 Sharing Dreams

Australia

September 30, 2019

Children's dreams know no bounds. Once they find something they can't take their minds or eyes off of, somewhere they want to go or what they want to be, that genuine aspiration becomes what drives them as they grow and mature under the watchful and caring eyes of their parents. Zane Burchell has his eyes fixed on one thing—going to the AMA in the United States to compete with some of the best dirt track racers in the world. And one man from Yamaha Motor is the one working this field of dreams, nurturing the seeds of Yamaha Blue and helping them grow on dirt bike tracks across Australia.



Vol. 14 Hands Like His Father: Inheriting Skills and Spirit

Taiwan

December 25, 2018

At the biennial Yamaha World Technician Grand Prix, there was still a youthful look to the motorcycle mechanic representing Taiwan. This story is about a father and son who strove to be the best in the world at their profession, the respect and gratitude held by the young man for his father, and of their passion and pride as motorcycle mechanics.



Vol. 12 Quenching Thirst, Hand in Hand

Republic of Senegal

June 22, 2018

The Senegal River flows from headwaters in the Guinea Highlands and at each of ten villages scattered around the river's watershed in northern Senegal, work is underway for installing new Yamaha Clean Water Supply Systems. Permanent access to the clean water the systems will provide means healthier, happier lives for everyone. If the water changes, lives will change. The water station is a gathering place for the villagers and is lively again today with laughter and conversation.



Vol. 6 Supporting lives and livelihoods of peoples of the Far North

Russian Federation

January 31, 2014

In the harsh natural environment of Russia's northern regions, the peoples here continue to follow their traditional nomadic lifestyle of raising and herding reindeer. For these peoples, snowmobiles are necessities of life, and a recently opened Yamaha dealership in a city north of the Arctic Circle is now there to supply them. This is the story of a Yamaha man who came to the land of the northern peoples, with a respect for their native lifestyle and a desire to learn their ways and customs as he supplies the Yamaha products and service they want and need.



Vol. 2 Grow up strong and healthy! Fifty-two Miles of Adventure at Sea

Japan

October 18, 2012

Summer vacation's last training session for open-sea sailing. The children attending the yacht school at Hayama set off on a challenging adventure at sea, heading for the island of Oshima. Working together with their fellow sailors, the children went on to become stronger and stronger through their experiences in the natural environment out on the water.

Customer satisfaction regarding Yamaha Motorcycles

| | 2017 | 2018 | 2019 | 2020 |
|---------------------|------|------|------|-------|
| Satisfied customers | 95% | 95% | 90% | 98% * |

Figures are the percentage of customers in each year who purchased a major motorcycle model in the previous year and gave a customer satisfaction rating of 4 or higher on a scale of 1 (lowest) to 5 (highest) in sampling surveys. At Yamaha, we continue activities aimed at further increasing customer satisfaction through surveys like these.

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

* Held only in one ASEAN country in 2020 due to the COVID-19 pandemic.

Initiatives on Safety

Philosophy

The Yamaha Motor Group's corporate mission states that we "must strive to find success by always surpassing customer expectations with safe, high-quality products and services," reflecting our belief that safety of our customers comes first.

Under this philosophy, management and the employees of all Group companies work each day always putting "safety of customers" first in every stage, from planning, development, design, and production to sales and after-sales services.

To ensure safety of our products, we also work together with the governments and industry groups of each country in pursuit of the ideal in terms of safer products by joining related organizations and actively participating in the development of safety standards, let alone observing them.

Major Affiliated Organizations

- International Motorcycle Manufacturers Association (IMMA)
- Japan Automobile Manufacturers Association (JAMA)
- Japan Marine Industry Association
- Japan Snowmobile Safety Association
- Specialty Vehicle Institute of America® (SVIA)
- Personal Watercraft Industry Association (PWIA)
- Recreational Off-Highway Vehicle Association (ROHVA)
- Federal Chamber of Automotive Industries (FCAI)
- Snowmobile Safety and Certification Committee (SSCC)
- Connected Motorcycle Consortium
- Car 2 Car Communication Consortium
- Safer Motorcycling Research Consortium

Safety Risk Assessment and Advanced Safety Technologies

Yamaha Motor operates a wide range of product businesses, and they include efforts to create new products that differ from existing offerings.

When creating new products, relevant divisions conduct safety risk assessment at the planning stage to determine how to reduce risks and whether development can be continued. Of course, further assessment is carried out at each stage of the subsequent development process using failure mode and effect analysis (FMEA), fault tree analysis (FTA), and other analytical methods. We then spend considerable time on experiments using the actual testing units to eliminate risks anticipated until a new product becomes available.

In addition to these initiatives, we also make ongoing efforts to study advanced safety technologies that may be incorporated into future products.

See below for recent examples of our efforts in the area of advanced safety technologies.

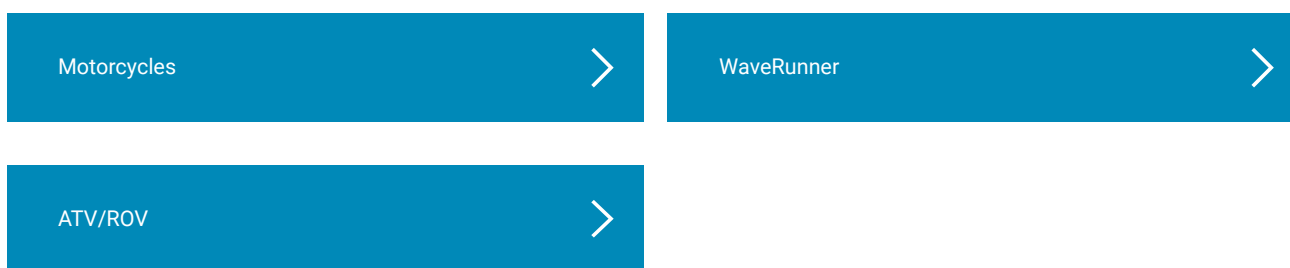
- > Connected Motorcycle Consortium
- > Yamaha Motor Starts Capital Alliance with AI Computing Company – Strengthening intelligence technology development in product automation and automatization –

Safety Communication with Customers

We make every effort to prevent accidents by conveying relevant information using various communication channels. This includes explaining the correct way to use each product in its instruction manual, of course, and highlighting particularly important items by attaching warning labels to the products to indicate proper usage. Our dealers also communicate such information to the customers in person.

Should we become aware of a nonconformity product that may put our customers at risk, we immediately announce that information using every possible means and respond appropriately through our global system established for this purpose.

We pursue global activities to promote safety with the aim of reducing accidents, sharing accident information with the government agencies and international organs such as the United Nations mentioned above. The following is a list of some of our safety promotion activities.



Initiatives on Quality

Approach to Quality

At Yamaha Motor, we always take a customer-oriented approach in our efforts to achieve safety and reliability through high-quality products and services, and to constantly provide peace of mind, confidence, and a sense of excitement to customers.

By high-quality products and services, we mean that our offerings fully reflect the quality demanded by customers, ensure safety, match their application, and have a service life of an appropriate length, in addition to being designed and manufactured to ensure they serve their functions continuously during use, and provide a high level of confidence, peace of mind, and excitement to the customers who use them.

Our factories in Japan and abroad are ISO 9001 certified and audited to ensure that all activities are carried out appropriately.

Quality Management System

We have established and implemented a quality management system based on ISO 9001 standards and our unique Groupwide quality policy declared by the President.

These global efforts are based on the three-year Medium-term Management Plan developed at the headquarters, with each Group company planning their activities and setting medium-term targets in line with this plan. The medium-term plan created by each Group

company and its progress are reviewed at our annual global meeting where issues are discussed to arrive at a solution, thereby running the PDCA cycle of our quality management system.

We also have a committee that monitors whether quality information is being processed appropriately in the market based on the product problem information and warranty repair information in each market. This committee ensures timely investigations and reporting to management.

Collecting and Responding to Market Information

We have a system in place to collect information about quality issues that arise in the market through dealers around the world and ensure the factory where the product was manufactured has access to the information. The information is delivered to the design and manufacturing divisions as well as the development and production departments of suppliers, so that coordinated efforts can be made to determine the cause and implement countermeasures, while handling the issue appropriately for the customers and developing measures to prevent recurrence.

We also have in place an escalation flow that ensures information quickly reaches management in the event of a product incident or a nonconformity product that may infringe on laws and regulations, as well as a system that enables deliberations, so that timely judgment and decisions can be made.

When it is determined that market measures are necessary, we quickly notify the relevant authorities of the country where the incident or nonconformity product occurred according to its laws and regulations, then our dealers notify the users of the product that free repairs will be provided by direct mail, phone, announcement on the website, or other means.

Quality Improvement Training

We provide stratified quality improvement training each year to employees in manufacturing and quality management divisions to ensure they have ingrained, quality-related knowledge and skills. Employees in development divisions take various skill enhancement courses on methods for designing safe products, risk assessment, and other topics.

We also pursue various other efforts aimed at quality enhancement based on the knowledge and skills developed through training. One example is the "I am Yamaha" activities that we have been conducting globally since 2015. These activities encourage a strong sense of ownership in every employee, so that each individual believes, "It is I, and no one else, who is personally responsible for making the Yamaha brand shine." This attitude, along with a customer-oriented approach, allows employees to refine their powers of perception (ability to make discoveries) and to enhance the quality of not only products but also their work.

As part of these activities, we set up an exhibition space dubbed "Learning from Mistakes," where examples of past market quality problem are showcased with the aim of transferring past experience to future generations. This activity enables sharing of information between business divisions and with overseas manufacturing sites.

After-sales

Training After-sales Service Staff

The Yamaha Motor Group views after-sales such as Technical service and Parts supplying are important activity.

With regard to Technical service, we have introduced the slogan "One to One Service" for the active creation of positive relationships with each individual customer. Accordingly, we operate the Yamaha Technical Academy (YTA) program around the world to train service technicians as per our proprietary unified global standard.

Trainers in each country who have been trained in Japan hold classes that run for a certain period of time for the service staff in their country, so that they acquire technical skills that are up to Yamaha's unified global standard.

This program has three levels of accreditation – Bronze, Silver, and Gold – and we have standards defined for the number of staff that dealers have to fill for each level of accreditation. By having Yamaha-accredited service staff perform maintenance and inspection work, we continue to ensure the safety and reliability of Yamaha products for customers.

We also operate a similar global training program called Yamaha Parts & Accessories Academy for staff who handle parts.

Yamaha World Technician Grand Prix

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

- > News Release
- > Details of the Yamaha World Technician Grand Prix

Customer-oriented Activities

We want customers to use our products with peace of mind for a long time. This makes a quick and stable supply of parts indispensable. To prevent shortages, we maintain a minimum of a 10-year supply of parts, and have built a system where customers can order parts online and have them delivered quickly.

For customer convenience, we also keep a parts list published on the website.

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

These are examples of our customer-oriented activities, but all activities Yamaha undertakes are based on a customer perspective.

Use of Customer Information

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

Our Customer Communication Centers (CCCs) ^{*} set up at sales offices in Japan and abroad handle customer inquiries related to our products and services.

Comments received from customers are collected by YMC Service through service channels, and reported to related departments and development and manufacturing sites, with instructions for improvement given as needed, as part of our efforts to develop and improve our products and enhance our services.

* The name differs from country to country, such as "Customer Relations."

Promoting Safety

We will introduce some of the safety promotion activities undertaken by Yamaha Motor, including details of YRA for motorcycles and initiatives in various countries.

← Customers

YRA - Yamaha Riding Academy

↓ contents

1. YRA: For Safe Riding, Now and Going Forward
2. YRA Instructor Hierarchy
3. Basic YRA Programs (Case Study)
 - Taiwan - Brazil - Japan - Thailand - India - Pakistan

YRA: For Safe Riding, Now and Going Forward



Yamaha Riding Academy (YRA) is a safety and promotion activity that we develop around the world to ensure our customers use Yamaha products "properly," "safely," "enjoyably," and "usefully" so that they can experience the value they expect.



> Sustainable Development Goals (SDGs)

YRA Instructor Hierarchy

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

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

The YRA instructor hierarchy has three levels of certification:

Master Trainers

Master Trainers are responsible for the training and certification of trainers.

Trainers

Trainers provide training and certification for instructors.

They hold and conduct YRA classroom lectures.

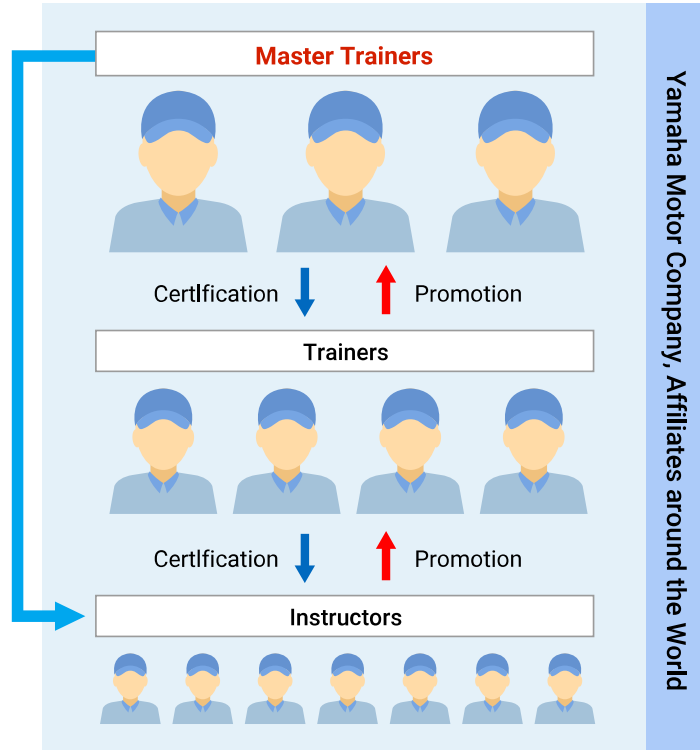
They create local programs.

Instructors

Instructors hold and conduct YRA classroom lectures.

They instruct customers how to ride according to the manual.

YRA Instructor Certification



Examples of Activities in Various Countries

Although various restrictions were placed in various countries in 2020 due to the COVID-19 pandemic, there were more classes than usual due to the holding of safety classes at dealers, or through the introduction of online classes.



Taiwan

Safe riding courses at schools



Brazil

Safety courses at dealers



Japan

Motorcycle lessons - learning without actually riding a bike



Thailand

Riding Academy training facility and license acquisition courses



India

Road safety program for school children and families



Vietnam

Safety education for high school students

Taiwan

We will introduce our initiatives on the promotion of safe riding and more.

Taiwan

In addition to the usual YRA activities, YMT (Taiwan) is also focusing on safe riding by dispatching instructors to high schools and universities through the Yamaha Safety Riding Foundation. In the theoretical instruction, students learn the characteristics of motorcycles, points related to safe driving, the psychology of safe driving, the characteristics of motorcycle accidents, and how to enjoy riding motorcycles. In practical skills training, they learn about motorcycle riding gear, hear explanations about each part of the driving device, vehicle inspection, basic riding posture, braking, and cornering. In 2020, the courses were held 74 times with the participation of 11,829 students. We have been told by participants that it has been highly educational.

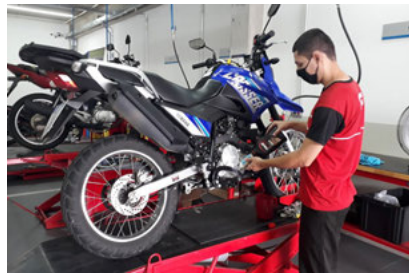


Brazil

We will introduce our initiatives on the promotion of safe riding and more.

Brazil

In Brazil, the high rates of fatal motorcycle accidents have become a social issue, calling for the need of increased safety awareness among users. To help address this situation by enhancing safety training at dealers, YMDB is encouraging them to have YRA instructors available. In 2020, efforts were focused on the Educational Pit Stop Campaign, which consisted of safety education toward delivery riders known locally as moto boys. Using the time it takes to wait for a periodic inspection to be completed, instructors at dealers taught basic knowledge for riding safely. Such instruction was held 2,893 times with the participation of a total of 3,358 riders.



Japan

We will introduce our initiatives on the promotion of safe riding and more.

Japan

In Japan, motorcycle lessons for adults, primarily targeting beginners and returning riders, are being held as one of the measures to spread safe riding. With lessons taking the customer's perspective as the emphasized theme of activities, the content of the lessons is tailored to match the riding skills of participants as well as respond to requests.

Such lessons were held for 15 days in 2020 with the participation of 135 people. Thoroughgoing measures were implemented to prevent COVID-19 infections, such as reducing the number of people who could participate.

In FY2020, we implemented the "motorcycle lessons - learning without actually riding a bike" blog series as a new initiative. In line with the increase in the number of people switching from public transportation to commuting by motorcycle to prevent being infected with COVID-19 as well as the growing number of people newly acquiring motorcycle licenses, the lessons were designed to be easy to understand, even for beginners, and included the use of Manga. Thirteen lessons were posted to the blog, including posts to help relieve riding-related anxieties as well as to provide information on safe, protective attire, and the need for maintenance.



> More about YRA in Japan

Thailand

We will introduce our initiatives on the promotion of safe riding and more.

Thailand

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



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



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



Even outside the facility, the YRA has signed a comprehensive agreement with vocational training schools concerning safety training operations. Yamaha Riding Academy instructors train local instructors hired by the vocational training schools, who engage in various activities across the country, such as promotion of safe riding and holding kid's mini-bike classes at various events.

Customers who need support for obtaining a motorcycle license, particularly in rural areas, can take a course at a vocational training school held with cooperation from a local Yamaha dealer and the Thai Ministry of Transport.



India

We will introduce our initiatives on the promotion of safe riding and more.

India

The Yamaha's Children Safety Program (YCSP) is an activity that was launched in India to make children aware of traffic manners and safety from a young age. So as to contribute to a safe and responsible road safety culture, the activities are being promoted in a way to be of good influence as well to the children's guardians, who, as drivers and riders, are also members of the transport society. The number of children who have participated in YCSP is expected to increase from the current 40,382 kids to 373,871 over the next four years. Zippy, the program's original safety mascot supports the activities, visiting each site and serving as an assistant, sparking children's interest, and helping them enjoy themselves while learning about road safety and traffic rules.

In 2020, we had more than 10,670 kids participate in 52 activities.



India is also promoting the Call of the Blue Fiesta (COTB) initiative as an activity to provide training for safe, responsible riding as well as to prevent traffic accidents. It targets people riding motorcycles for the first time as well as those regularly using two-wheelers to commute. Road safety is the priority of the COTB activities.

COTB offers various programs that cover a broad range of participants, including youths and women, and are designed to be attended by families. There are also lessons at the venue limited to participation by women, and efforts are being focused to provide opportunities for women to ride two-wheelers as well as to enhance their awareness of safety.

In 2020, we had more than 822 women participate in 13 activities.



Vietnam

We will introduce our initiatives on the promotion of safe riding and more.

← Promoting Safety

Vietnam

In Vietnam, YMVN is holding High School YSRS safe riding classes at various locations around the country. It targets students in their final year of high school.

In the classroom course, students learn about the advantages and risks of two-wheelers as well as regarding traffic conditions and risk prediction. In practical skills training, they acquire the knowledge and skills needed to obtain a motorcycle license.

In 2020, the courses were held at 45 schools with the participation of 25,350 students.



Employees

Introducing the approach and policies related to employees

Global perspective and respect for diversity

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



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Human resource system linked to achievements and performance

Under the belief that a company can build a win-win relationship with its employees only when it becomes a group of independent individuals, we support the development and active participation of our employees and adopt a human resource system linked to achievements and performance, regardless of gender, age, nationality, and other such factors.

Specifically, each individual sets work targets at the beginning of the fiscal year in light of the Companywide policy and division policy, then finalizes the targets following a review with his or her supervisor. These targets are used as a base for managing progress and directly reflected in the base salary and bonus in year-end evaluations.

Multifaceted Human Resources Development

In keeping with our business development, which is being carried out increasingly at a global scale, we believe that we need to undertake the hiring of human resources based on diverse values as well as to take an eclectic approach to human resources development.

In regard to hiring, we work to secure global human resources while engaging in hiring various types of human resources and respecting diverse values. We also promote the strengthening of such matters as our industry-academia partnerships. As for internships, we make calls for interns under a variety of business themes, and we provide opportunities to many students to gain work experience and further their understanding of our Company.

In regard to human resources development, we offer stratified training, training to refine specialized functional skills, and training systems that develop human resources who are able to work at the global level through fourth-year-employee overseas experience and working as an overseas trainee, as well as coaching to enhance performance as an organization with cohesive teamwork.

This coaching was implemented full-scale in 2017 as a tool to make managers fully functional as the middle management in the organization, and is producing solid results.

Training hours per employee to enhance employees' capabilities (total training hours / No. of Yamaha Motor employees) in 2020 were 4.0 hours excluding compliance training, training related to health and safety laws and regulations, and training for new hires, and the amount (total training expenses/number of Yamaha Motor employees) was 14,000 yen excluding internal personnel expenses, facility operation expenses, etc.

YMC HR Development Program

| | Self Value Design | | | | | | Stratified Trainings | Professional | | | Teamwork | Global | Selection | |
|----------|-------------------|---|----------------------------|--|--|---|--|-----------------------------|----------------|------------|--------------------|--------------------------------|-----------|---------------|
| Managers | | | | | | | Trainings for Newly Assigned Executives for Subsidiaries | Specific Skills by Function | | | Coaching | Global Executive Program (GEP) | | |
| | | | | | | | Newly Promoted General Manager Trainings | Marketing | Administration | Technology | | | | Manufacturing |
| General | Career Survey | YAMAHA Flex School (Correspondence Education) | Language Class (Voluntary) | Finance, Accounting and Computer Trainings | Self Value Design Developing Trainings (SVD) | Self Value Challenge (SVC In-House Recruitment) | Newly Promoted Manager Trainings | | | | Domestic Sales OJT | | | |
| | | | | | | | Newly Promoted Foreman Trainings | | | | | | | |
| | | | | | | | Team Management Trainings for Senior Supervisors | Study Abroad | | | | | | |
| | | | | | | | Team Leadership Trainings for Supervisors | | | | | | | |
| | | | | | | | Skill Up Trainings for Clerical Workers | YAMAHA Business School | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | New Employee Trainings | | | | | | | |

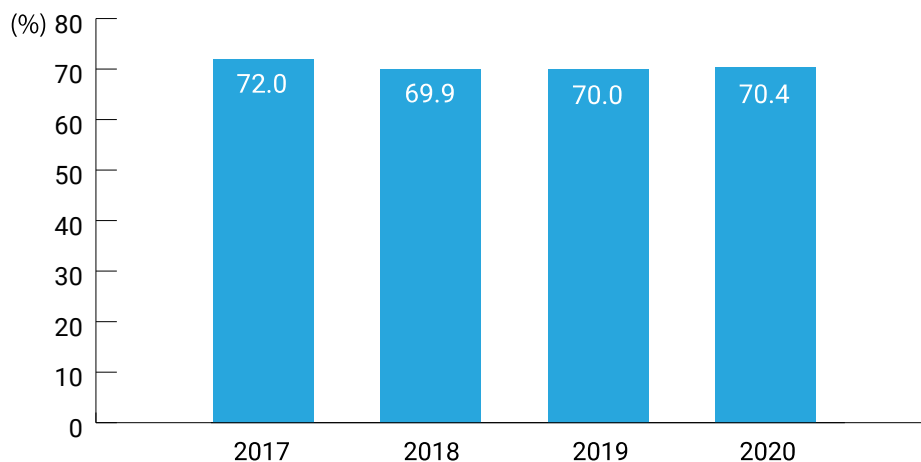
The Number of Participants in YMC HR Development Program 2020

| | |
|---|-----|
| Global/Selection (Except "Study Abroad" and "Overseas Trainees") | 152 |
| Professional | 229 |
| Stratified Trainings (Except "New Employees Trainings") | 522 |
| Self Value Design (Except "Self Value Challenge" and "Career Survey") | 833 |

Employee Motivation

Since the 1980s, the Company has carried out annual employee awareness surveys, and measured their satisfaction levels and motivation at work, as well as identified current issues. In 2020, we made significant changes to our previous methods, strengthening the significance of the indexes that indicate the degree of employee engagement (the state in which they are voluntarily undertaking matters while feeling an emotional commitment toward the organization or their work). Specifically, we are focusing on four questions related to engagement, and feeding results back in real time so as to enhance engagement. Each division swiftly formulates plans and implements measures to solve their respective issues, with the human resources management division providing follow up.

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



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

2017: 72.0%, 2018: 69.9%, 2019: 70.0%, 2020: 70.4%

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

Workplaces Thriving on Diversity

Based on our fundamental belief that “all corporate activity originates first of all with and for people,” we have clearly defined our thinking in the Basic Policies of Sustainability and Code of Ethics. We believe it is important that our workforce incorporates diverse viewpoints and values, reflecting different experiences, skills, and attributes.

To achieve this, the President & CEO communicates messages to all employees regarding diversity and inclusion. We are also promoting inhouse awareness-building through e-learning (via the Web) for managerial employees. Furthermore, we have developed and implemented common management development programs around the world and introduced global human resource systems to train and hire talented staff, as we work to build an organization that utilizes global experience and knowledge.

Utilizing Global Human Resources

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

In addition, we established the Global Execution Transformation (GET) initiative in 2020. Executive officers in charge and globally capable human resources with high specialist expertise are jointly responsible for promoting global activities related to financial services, manufacturing, procurement, and human resources development. GET is undertaking such matters as the standardization and enhancement of management methods as well as advancing work on issues, and cultivating human resources.

For management positions, we will promote the recruitment of competent personnel regardless of their nationality or place of birth. At overseas subsidiaries in particular, we will actively appoint local managers to fill management positions, aiming at a localization rate of 60%. Meanwhile, in 2016 we started appointing individuals employed at overseas subsidiaries to general manager or higher posts at the headquarters as well. Currently, we are working to promote the placement of the right people in the right jobs at the right time by going beyond the relationship of “the headquarters and overseas subsidiaries,” and expanding the scope of international transfers between Group companies to include non-executive employees.

Promoting Women's Active Participation

To promote active participation by women, we have set targets of doubling the number of women hired for managerial positions in 2014 by 2020 and tripling it by 2025. We have already achieved our target for 2020.

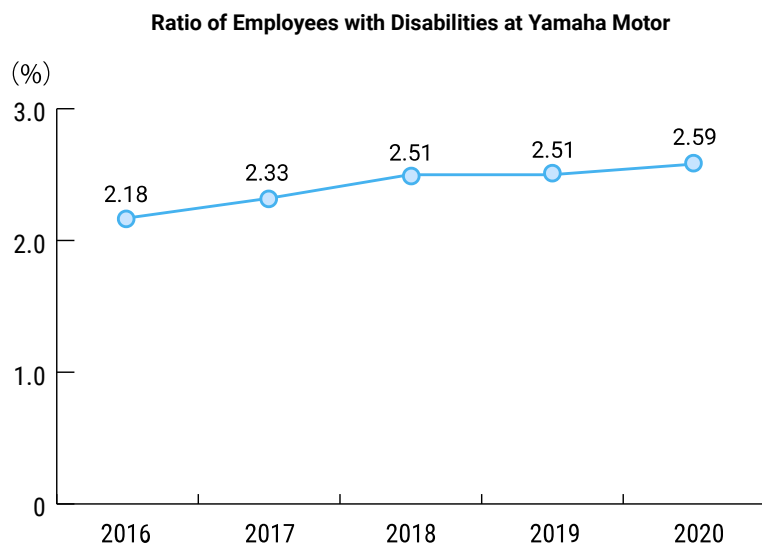
Currently, we provide a work-life balance support workshop for pregnant female employees where they can discuss how to position maternity leave while keeping their eyes set on a long career. We also provide personal branding training, which enables women to understand their tendencies and enhance their ability to motivate themselves, leadership training for women, and training on managing female subordinates. We now also allow employees to take a leave of absence to receive fertility treatment.

What is more, we are holding seminars for managerial employees to help them deal with diversifying values toward work, irrespective of their gender, and promoting the active participation of women in such ways.

Opportunities for women to play an active role are being created on the front lines of business. For example, in India, women are serving as leaders in e-commerce task activities.

Promoting Employment and Raising Motivation for People with Disabilities

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



Supporting Work-Life Balance

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

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

Since 2021, under a new human resources system, we have incorporated teleworking and staggered office hours to accommodate diversity. We have also introduced special leave in hourly units and shortened working hours for injury or illness. We continue to increase work style options so employees can meet challenges with vitality and passion at any stage of life.

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

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

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

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

| Programs | Details |
|---------------------------|---|
| Child care leave | Employees may take leave until the child's second birthday. |
| Family care leave | Employees may take leave for up to one year on request. |
| Family illness leave | Employees taking care of children up to the third grade can take up to 5 days per year in the case of 1 child, and up to 10 days if they have two or more preschool-aged children. |
| Life Support Leaves | Employees can take up to six days worth of paid special leave in day, half-day, or hourly units for the reasons of injury, illness, to provide nursing care for a family member, to nurse a child, or to receive fertility treatment. |
| 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 up to the third grade and employees caring for a sick or aged family member. |
| Short-time work system | In addition to shortened working hours for childcare or nursing care, employees who are returning to work from sickness or injury leave arising from cancer, cerebral vascular disease, mental disease, etc., can have their working hours reduced by two hours or one hour. |
| Teleworking System | Teleworking, which had been tentatively implemented with the objective of preventing COVID-19 infection, will be established as a new working style and system. A teleworking allowance will be paid to help cover the communications, heating, and lighting costs for working from home. |
| Staggered Office Hours | We implemented a two work shift (early shift and late shift) system with the objective of preventing COVID-19 infection by avoiding the Three Cs at the workplace. |
| Other | Establishment of no overtime days (day before the Company's holiday, payday, and bonus day) Three-consecutive-day paid vacations (Five-consecutive-day paid vacations granted every five years from age 30.) |

Occupational Health and Safety

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

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

We monitor situations with regard to occupational illnesses (caused by exposure to chemical substances, organic solvents, dust, etc.) through workplace patrols, special health examinations, and other measures. In addition, regular checks based on ergonomics are carried out to ensure that workplaces are safe and comfortable.

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

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

We are focused on developing human resources that can support workplace safety and a healthy occupational environment through job-specific stratified education and training to improve the skills of safety managers, supervisors, and operations chiefs, and by holding occupational safety and health meetings. The following training programs on workplace safety were held during 2020.

| Training | No. of participants |
|---|---------------------|
| Training for newly appointed floor managers (2-day legally mandated training) | 15 |
| Training for persons appointed as safety managers (1-day legal and regulatory training) | 36 |
| Special training for operations involving dust (1-day legally mandated training) | 36 |

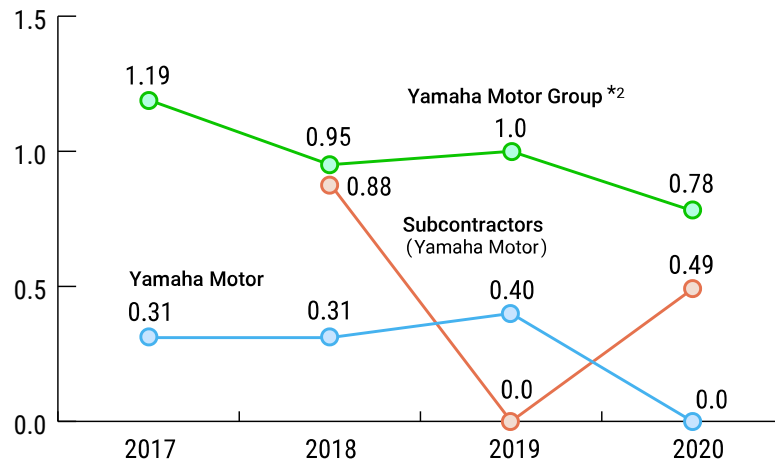
We also thoroughly manage lighting, noise, air quality, temperature, and humidity overseas as well, based on laws, regulations, and in-house standards, and proactively implement occupational health and safety education and training.

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

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

Lost Time Injury Frequency Rate

External Assurance



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

*2 Calculated from data for a total of 32 companies, comprising Yamaha Motor and its consolidated subsidiaries and affiliated companies with manufacturing functions.

During 2020, there were a total of 12 accidents at Yamaha Motor, including 0 accidents that resulted in lost work time. In regard to workplace accidents, we are seeing a marked occurrence of accidents in which there had been no standards set, or the standards were not being complied with. We disseminate information about accidents Companywide in an effort to prevent recurrence.

There were no incidents of occupational illness that resulted in lost work time in 2020 (Occupational Illness Frequency Rate: 0%).

External Assurance

Employee Health

Yamaha Motor Health Declaration

"Health" is by no means something that can be taken for granted, even though we may have thought so before.

The COVID-19 pandemic has brought home to me as a corporate manager the fact that the continuation and development of business depend on the health of the employees and stakeholders.

With the belief that employees' health and safety are the foundation of a company's growth, Yamaha Motor will promote health and productivity management.

Unless we constantly maintain a physical and mental state that allows us to be full of vigor and excitement, we will be unable to deliver Kando to people.

Take good care of yourselves and stay healthy.

October 1, 2020

Yoshihiro Hidaka *President and Chief Executive Officer*

Policy

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

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

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

Promotion System

To promote health measures, we have established the Central Safety and Health Committee (chaired by executive officer and chief general manager of Human Resources & General Affairs Center and comprising occupational health physicians, representative supervisors of manufacturing, technology, and administrative divisions, and the labor union, among others). We evaluate how well we are promoting health and productivity management, make any necessary improvements, and formulate medium-term and annual plans. We discuss implementation of specific measures at the Health Promotion Team Meeting (comprising the Human Resources Division, occupational health physicians, the Health Promotion Center, and occupational health nurses, among others), and we use achievement indicators to review the implementation status as we move forward. We also hold monthly health policy joint promotion meetings with the health insurance society to discuss collaboration on measures.

Health Checkups and Follow-up Measures

We conduct statutory health checkups with the goal of achieving a 100% participation rate. We also emphasize following up on the results of health checkups, and have occupational health physicians provide thorough health guidance to prevent aggravation and assess whether an individual is fit for employment according to internal regulations on follow-up measures. Occupational health physicians assess employment categories for all checkup results (assessment rate of 100%).

Measures against Overwork and Maintenance of Work-Life Balance

The human resources management division and health promotion division work together to promote proper working hour management, and ensure thorough implementation of health maintenance measures at the workplace. Employees who work excessively long hours are given guidance in consultations with an occupational health physician that follow more stringent standards than what is required by law. The average number of days of paid leave taken has increased from 14.3 days in 2010 to 16.8 days in 2020.

Response to COVID-19

With the aim of giving first priority to the lives and health of our stakeholders, including employees, we are responding to the outbreak of the COVID-19 pandemic in 2020 in accordance with our Business Continuity Procedure (Pandemic Influenza section) that was established in 2014. Specifically, we swiftly set up a COVID-19 Task Force headquarters led by the President and a COVID-19 Task Force Office headed by the General Manager of the Human Resources & General Affairs Center, which carried out the collection of information, determination of response policies, and communication of information. As for overseas operations, we gave instructions to Yamaha Motor employees and their families residing in some countries to return to Japan in accordance with the state of the spread of COVID-19 infections and local medical risks in the relevant country. As for employees working at headquarters, we introduced teleworking and staggered office hours systems. We also built a site on our intranet for the sharing of information between headquarters and Group companies, and we are thoroughly implementing measures to prevent infections.

Measures against Lifestyle-related Diseases

Employees who were found to be at risk for a lifestyle-related disease in a health checkup receive ongoing health guidance (specified health guidance) by nursing staff and registered dietitians. As for anti-smoking measures, we created an internal rule that prohibits smoking during working hours, and we provide guidance and various support tools to help employees quit smoking.

The smoking rate among employees has dropped from 33.4% in 2010 to 25.9% in 2020.

Health Promotion

As part of our Companywide "Well-Be " health activities, we conduct various health programs including walking events and a "health mileage" program in which employees can earn points by improving lifestyle habits, such as exercising and eating well. We also support employees' health from a nutritional aspect as well by, for example, providing a cafeteria menu tailored to each workplace based on an analysis of the health checkup results.

Health Support for Women

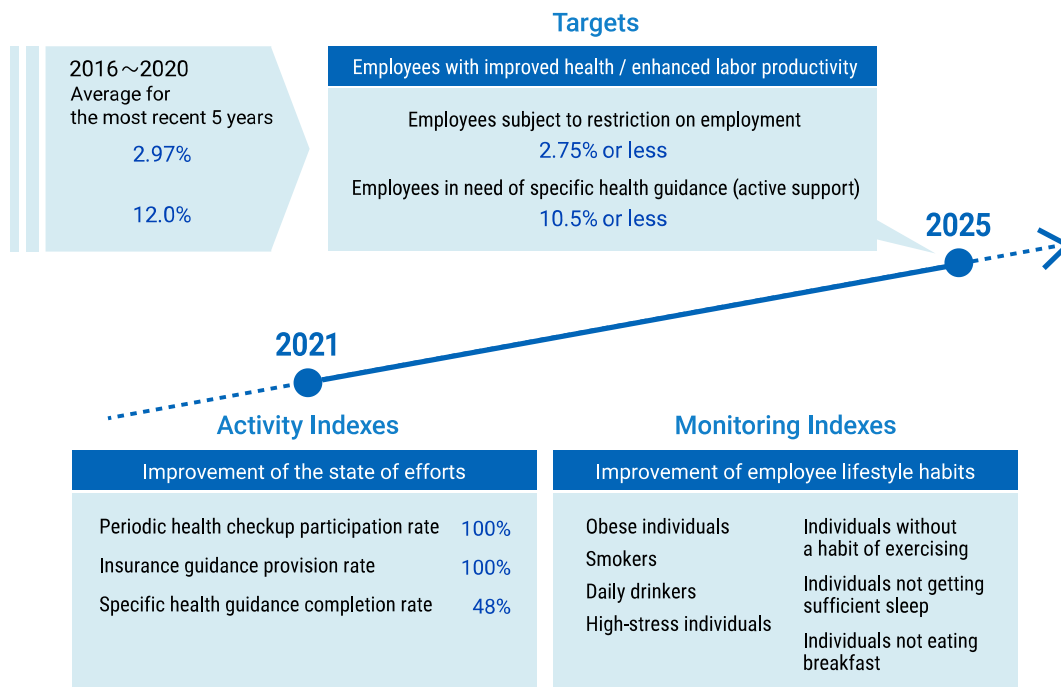
To address health issues unique to female employees, we have a special consultation desk and seminar programs. We also coordinate with the health insurance society regarding gynecological exams to make it easier for female employees to take the exams, while also ensuring they receive the follow-up support they need.

Health Support for Employees Stationed Overseas

In addition to making sure employees stationed overseas take health checkups, we send occupational health physicians to overseas subsidiaries to monitor the local healthcare situation and living environment. Before sending employees overseas to take a new post, we provide vaccinations and training on health management including preventing infectious diseases such as viral hepatitis. We also provide prophylactic medications to employees who are traveling to areas where there is a risk of contracting endemic diseases such as malaria.

Performance Indicators for the Promotion of Health and Productivity Management

In promoting health and productivity management, reducing the risk of lifestyle-related diseases among employees is one of the biggest issues at present. We are taking a comprehensive approach to addressing this issue by setting numerical and achievement targets with the aims of preventing aggravation among those at high risk and improving the health literacy of all employees.



Support for Mental Health

System

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

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

Training

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

Expanding the System Overseas

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

Relationship with Labor Union

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

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

An agreement dedicated to maintaining minimum wages is also concluded between the labor union and management each year. Yamaha Motor adopts a union shop system in which non-managerial employees are members of the labor union, where the participation ratio is 85% of all employees, and 63% globally. Domestic Group companies have also established labor unions or labor committees and engage in labor-management dialog through those bodies. Labor unions of Group companies including the Yamaha Motor Labor Union are members of the Federation of All Yamaha Workers Unions, and are pursuing mutual cooperation through the federation. Overseas Group companies have established structures for engaging in appropriate labor-management dialog based on the labor practices of the respective country or region, and wages are paid in compliance with local regulations.

Addressing Overseas Labor Risks

Many of our production sites are located in ASEAN member states, India, and China, where the risk of labor disputes is high. Accordingly, situations in these countries must be watched closely as we carry on our business activities. For this reason, we incorporate "shutdown due to labor disputes (strike, etc.)" into a risk management ledger employed across the Group, so that we can use it to monitor self-inspections and development of countermeasures.

Manufacturing companies regularly collect information about the legislation in each country and regional labor issues, work to strengthen labor-management relations, and ensure people know where to report and discuss labor issues. At the headquarters, we are working on sharing the know-how within the Group and maintaining and strengthening the communication system for emergencies, leveraging the knowledge accumulated over the years on labor dispute cases.

In 2020, there was no noteworthy occurrence of any labor issues.

Employee-Related Data



Employee: Related Data

Introduces data related to employees.

← Employees

Employee data

| Item | | Unit | 2018 | 2019 | 2020 |
|--|--------|-------|--------------------|--------------------|--------------------|
| Number of employees (consolidated) <Non-Japanese> | | | 53,977 <43,730> | 55,255 <45,154> | 52,437 <42,204> |
| Number of employees (non-consolidated) <Non-Japanese> ^{*1} | | | 10,346 <99> | 10,208 <107> | 10,359 <126> |
| | Male | | 9,199 | 9,001 | 9,146 |
| | Female | | 1,147 | 1,207 | 1,213 |
| Average age (non-consolidated) | | age | 41.5 | 41.3 | 41.4 |
| | Male | | 41.7 | 41.6 | 41.8 |
| | Female | | 39.6 | 39.2 | 38.9 |
| Years of continuous service (non-consolidated) | | years | 17.9 | 17.6 | 17.7 |
| | Male | | 18.0 | 17.7 | 18.2 |
| | Female | | 16.4 | 16.2 | 15.6 |
| Number of new graduates hired (non-consolidated) | | | 278 | 244 | 188 |
| | Male | | 214 | 174 | 130 |
| | Female | | 64 | 70 | 58 |
| Total number of managers (non-consolidated) | | | 1,401 | 1,647 | 1,663 |
| | Male | | 1,367 | 1,610 | 1,625 |
| | Female | | 34 | 37 | 38 |
| Number of managers (non-consolidated) | | | 1,001 | 1,165 | 1,177 |
| | Male | | 972 | 1,135 | 1,149 |
| | Female | | 29 | 30 | 28 |
| Number of general managers or higher (non-consolidated) | | | 400 | 482 | 486 |
| | Male | | 395 | 475 | 476 |
| | Female | | 5 | 7 | 10 |

| Item | | Unit | 2018 | 2019 | 2020 | |
|--|-------------------------------|---------------|-----------|-----------|-------------------------|------|
| Number of general managers or higher (consolidated) | | | — | 566 | 570 | |
| | Male | | — | 555 | 554 | |
| | Female | | — | 11 | 16 | |
| Number of managers other than corporate (non-consolidated) | | | 1,288 | 1,495 | 1,515 | |
| | Male | | 1,268 | 1,474 | 1,489 | |
| | Female | | 20 | 21 | 26 | |
| Average annual salary (non-consolidated) | | yen | 7,598,026 | 6,963,859 | 6,631,520 ^{*2} | |
| Number of temporary employees (non-consolidated) | | | 91 | 76 | 52 | |
| Status of employees leaving the Company (non-consolidated) | Used early retirement program | | 0 | 59 | 53 | |
| | | Male | 0 | 52 | 49 | |
| | | Female | 0 | 7 | 4 | |
| | Voluntary | | 81 | 94 | 79 | |
| | | Male | 65 | 84 | 63 | |
| | | Female | 16 | 10 | 16 | |
| | Involuntary | | 0 | 0 | 0 | |
| | | Male | 0 | 0 | 0 | |
| | | Female | 0 | 0 | 0 | |
| | Transfer | | 0 | 2 | 0 | |
| | | Male | 0 | 0 | 0 | |
| | | Female | 0 | 2 | 0 | |
| | Other | | 1 | 3 | 11 | |
| | | Male | 1 | 2 | 11 | |
| | | Female | 0 | 1 | 0 | |
| Ratio of female employees (by region) | | Japan | % | 14.0 | 14.4 | 15.5 |
| | | North America | | 30.5 | 29.7 | 30.1 |
| | | Europe | | 24.9 | 24.7 | 21.2 |
| | | Asia | | 26.5 | 32.2 | 27.1 |
| | | Other | | 20.2 | 20.2 | 22.0 |

| Item | | Unit | 2018 | 2019 | 2020 |
|------|-----------|------|------|------|------|
| | (Overall) | | 22.9 | 25.9 | 23.5 |

*1 The "non-consolidated" include the number of Yamaha Motor Co., Ltd. employees dispatched to other companies.

*2 The ratio to the annual compensation amount of the President and Representative Director in 2020 was 19:1.

*3 As for the global status of employees who left the Company in 2020, the turnover rate (including mandatory retirement) was 5.3%, of which 2.6% was voluntary retirement.

Business Partners

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

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

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



Contents

1. Two Policies Underpinning Procurement
2. Structure for Promoting Policy Development
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6. Addressing Procurement Risk
7. Working Together on “Procurement for Engineering, Manufacturing and Marketing”
8. Activities at Dealerships

Two Policies Underpinning Procurement

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

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

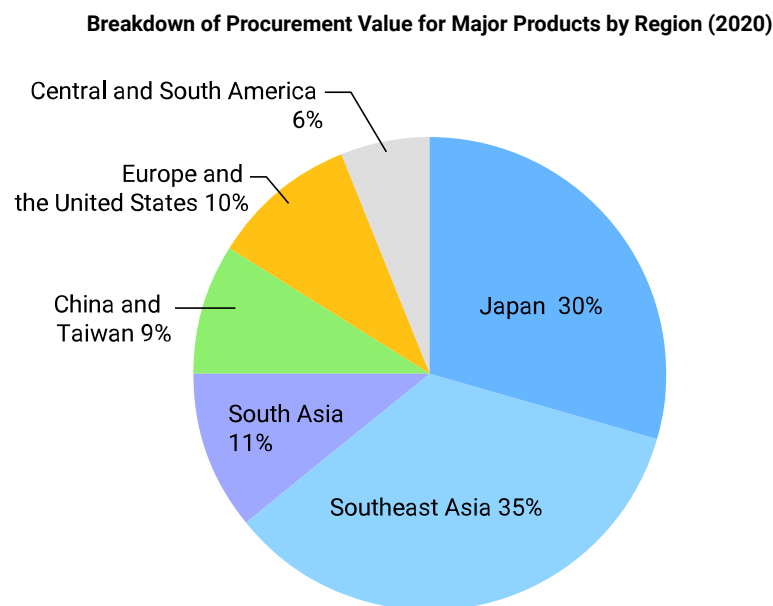
The Basic Purchasing Policies and CSR Procurement Policies play an important role as the basis for understanding all aspects related to procurement, from the conclusion of new contracts to procurement activities and ongoing transactions.

Structure for Promoting Policy Development

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

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

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



Important Partners in Supporting the Supply Chain

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

Promoting Sustainability Throughout the Entire Supply Chain

Under the Yamaha Motor Group's Basic Policies of Sustainability, we ask our business partners to support the intent of the policies and to act accordingly. To have suppliers engage in sustainability activities that enable them to respond appropriately to the demands and expectations of society, our CSR Guideline for Suppliers informs our suppliers around the world of our policies with regard to issues including safety and quality, human rights and work environment, consideration for the environment, risk management, and compliance from the perspective of the environment, society, and governance (ESG), and we obtain a Commitment form from each supplier and promote sustainability activities throughout the entire supply chain. For the Medium-term Management Plan (2019–2021), we provided

the CSR Guideline for Suppliers to more than 1,000 suppliers targeting approximately 90% of our global supply chain in purchase value terms, and we received a Commitment form from about 650 of them.

Matters stated in the CSR Guideline for Suppliers are evaluated by the suppliers themselves, and in 2020 of the Medium-term Management Plan, about 60% of the business partners that submitted a Commitment form completed their self-assessment.

Going forward, we will review the figures obtained through self-assessments and incorporate them into our evaluation system for business partners, thereby promoting more effective measures. Based on issues identified through this process, our subsidiaries in each region will create a risk control activity schedule outlining improvements for the entire supply chain. Information will be shared with the headquarters to help manage progress.

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

We use the International Material Data System (IMDS) as evidence for conformity with the Yamaha Motor Technical Standards, which is required for drawings and specifications. We have registered 23,000 parts as of the end of 2020. Going forward, we aim to complete the registration of existing mass-produced parts as well as also register all new parts so as to strengthen our system.

※ IMDS: International Material Data System An online system for sharing data on automobile and two-wheeler materials

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

Meanwhile, for procurement staff at headquarters, we invite specialists to hold workshops on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors as well as hold other awareness-raising activities. We also carry out sustainability-related education that meets changes to the external environment. It includes courses on laws and regulations concerning substances of concern, and on sustainability.

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

> [CSR Guideline for Suppliers](#) PDF

> [Green Procurement Guideline](#) PDF

Addressing Human Rights Issues at Suppliers

Approximately 35% (in value terms) of the parts used for our major products are sourced from Southeast Asia, and this region is generally said to be at high risk for human rights abuses. For these reasons, in 2019 we had a third party conduct trial assessments of our suppliers' labor environment including issues of human rights abuses.

Specifically, we chose three suppliers in Indonesia, the largest production base for Yamaha motorcycles, from sectors that are said to be at high labor environment risk, and assessed the status of policy creation and promotion; interviewed top management; investigated labor practices, actual work situations, remedial actions, etc.; and conducted on-site inspections. We fed back recommendations for improvement to the relevant suppliers, tier 1 suppliers that place orders, and our Group companies.

Going forward, focus will be placed on human rights issues unique to various countries, and sequentially widen the regions of implementation. We would also like to hone our implementation methods.

Addressing Procurement Risk

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

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

In addition, a supply chain risk management system is used to clarify the supply chain, from raw materials to the completion of procured parts in order to analyze and understand risk factors. In regard to global procurement risks, we are also promoting the expansion of a stable procurement system that is prepared to handle emergency situations.

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

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

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

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

Activities at Dealerships

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

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

Furthermore, to boost awareness and our activities related to sustainability, we have created opportunities from 2020 at dealer meetings in Europe, which has where there is a high awareness of sustainability, to explain the importance of sustainability.






The Community

Introducing the approach and policies related to local communities

Coexistence and Mutual Prosperity of the Company and Local Communities

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

Important Areas of Activities

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

Amounts Used in Social Contribution Activities



Developing Future Leaders Social Contribution Activities

Introducing examples of activities that contribute to local communities and society at large

Helping Female Middle and High School Students Choose Career Options

An NPO in Hamamatsu, Shizuoka Prefecture, that promotes equal opportunity and treatment between men and women held a career event for female middle and high school students to help them get to know the appeal of engaging in technical work. Yamaha Motor cooperated with the event. On the day, 14 female middle and high school students from Hamamatsu City gathered at the Yamaha Communication Plaza and met for a chat three young female Yamaha engineers involved in marine products, commuter vehicles, and manufacturing. The participants had many questions for the three women, including how they chose their career paths, spent their student days, and what they felt was rewarding about their jobs. After the event, the students said, "The female Yamaha employees were very vibrant, and I got the sense that they enjoyed their work," and "The event triggered me to start thinking about what I wanted to do in the future."



Environmental Conservation Social Contribution Activities

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

← The Community

Creating New Rider Friends Through Beach Cleanups

The annual beach cleanup activities being held by YMT (Taiwan) have welcomed its fifth year. In this CSR activity, dealers and customers work together to carry out beach cleanup. The number of participating dealers has increased to seven. It is defined as a voluntary local contribution activity in which riders become engaged in protecting the environment. It is helping to raise the impression of motorcycle riders held by society and has even become an opportunity for riders to make new friends. In 2020, the cleanup was held on the beaches of Jinshan, a port city on the northern coast of Taiwan. Despite the sweltering heat of 35°C, a total of roughly 120 participants, which included not only riders and dealer staff members but also their families, friends, and children, worked energetically to pick up trash on the beach.

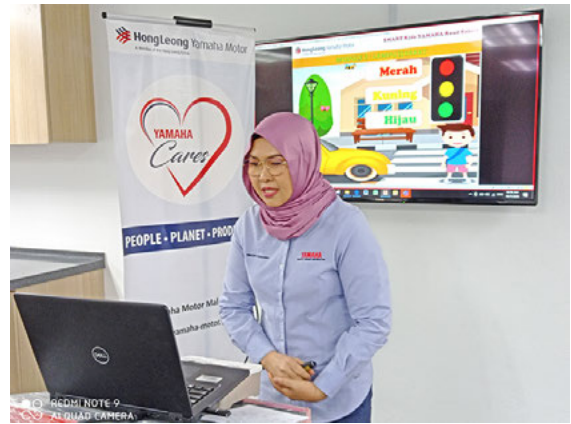


Improving Traffic Safety Social Contribution Activities

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

Road Safety Classes for Preschoolers Held in Malaysia

In 2020, HLYM (Malaysia) launched SMART KIDS ROAD SAFETY, a program for preschoolers between the ages of four and six. Due to the COVID-19 pandemic and MCO restriction, the classes could not be held in-person and was carried out online instead. The topics covered included basic road safety signage, the traffic light song, and crossing the road safely. Going forward, HLYM will continue reaching out to the whole of Malaysia, utilizing its official Facebook and Instagram accounts to raise awareness related to road safety.



Resolving Local Community Issues Social Contribution Activities

Introducing examples of activities that contribute to solutions for community issues

← The Community

YMA (Australia) Makes Donation to Families of Bushfire Victims

YMA held a fundraiser event to assist two young families that were struck by tragedy during the Australian bushfires. Volunteer firefighters Geoffrey Keaton and Andrew O'Dwyer died when the truck they were driving hit a fallen tree and overturned. Both left young children under two years old. The firefighters were part of the crew who look after YMA's head office community in Wetherill Park, NSW, and YMA staff were eager to donate. YMA also chipped in, which resulted in \$10,000 being raised for each family.



Amounts Used in Social Contribution Activities

Disclosing the amounts used in social contribution activities

← The Community

(Yamaha Motor; Unit: million yen)

| | 2017 | 2018 | 2019 | 2020 |
|-------------------------------|------|------|-----------|-----------|
| Total | 355 | 288 | 296 (397) | 283 (581) |
| Charitable donations | 221 | 202 | 196 (255) | 202 (398) |
| Voluntary employee activities | 99 | 50 | 60 (83) | 39 (92) |
| Provision of goods | 8 | 6 | 5 (24) | 23 (66) |

* Figures in parentheses indicate amounts including major Group companies

Shareholders and Investors

A page with links to IR information

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

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

Since 2019, Yamaha Motor has been issuing integrated reports as part of its efforts to be actively engaged with shareholders and investors through constructive dialog. It also holds events like small meetings with several institutional investors to discuss environmental, social, and governance (ESG) issues. In addition, it also engages directly with overseas shareholders and institutional investors in the United Kingdom, the United States, and elsewhere to discuss such matters as environmental, social, and governance (ESG) issues.

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

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

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

※ Due to the COVID-19 pandemic, the business environment changed significantly from the time that the Medium-term Management Plan was formulated. For this reason, we have dropped the numerical targets of the FY2021 Medium-term Management Plan.

Information for shareholders and investors is available on the websites below

Disclosure Policy



Dividend Policy



For Investors (index page)



The Environment

Introducing the approach and policies concerning the global environment

| | | |
|---|---|---|
| Approach to Global Environment > | Overview of "Yamaha Motor Group Environmental Plan 2050"  > | |
| Initiatives for "Climate Change" > | Initiatives for "Resource Recycling" > | Initiatives for "Biodiversity" > |
| Environmental Management > | Data Collection > | |

Approach to Global Environment

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

Initiatives to achieve harmony with the global environment

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

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

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

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

The Yamaha Motor Group discloses important information related to climate change according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board, an international organization.



[> Yamaha Motor Agrees with Task Force on Climate-Related Financial Disclosures \(News\)](#)

Overview of "Yamaha Motor Group Environmental Plan 2050"

Introducing an overview of the Yamaha Motor Group Environmental Plan 2050



Contents

■ Environmental Plan 2050

Overview of This Plan

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Risks concerning Global Reduction of Greenhouse Gases

Identification of Material Issues (Materiality)

Selected Social Issues

Climate-related Risks and Opportunities

Impact of CO₂ Emissions

■ Task Force on Climate-related Financial Disclosures (TCFD) items

1. Governance

2. Strategy

World in a 1.5°C Scenario and 2°C Scenario

Scenario Analysis

Major Risks Associated with Transitioning to a Low Carbon Society

Short-term, Medium-term, and Long-term Risks and Opportunities

Yamaha Motor's Adaptation Measures

Yamaha Motor's Mitigation Measures

Yamaha Motor's Net-zero CO₂ Emissions (Carbon Neutrality) Strategy

3. Risk Management

Process of Identifying and Evaluating Climate-related Risks

Process of Managing Climate-related Risks

4. Indicators and Targets

■ Environmental technology briefing

Environmental Plan 2050

The expectations of international society are mounting toward those companies that proactively undertake Environmental, Social, and Governance (ESG) issues, such as the signing of the Paris Agreement on climate change, and the UN's Sustainable Development Goals (SDGs).

Yamaha Motor has a diverse range of products that are actively used outdoors in nature, whether on land, sea, or in the air. Yamaha's strength is creating lightweight, compact products with smaller environmental footprints, and the Company has achieved growth by providing freedom, mobility, and richness to the lives of people around the world.





Going forward, Yamaha Motor will continue aiming for achievement of a sustainable society. As a company that proactively addresses ESG issues, we established the Yamaha Motor Group Environmental Plan 2050.

In the Yamaha Motor Group Environmental Plan 2050, we set up goals to achieve by 2050, with climate change, recycling of resources, and biodiversity as priority action areas, as well as targets to achieve by 2035 as milestones. We will be promoting our activities by

formulating a medium-term plan every three years. We will offer new excitement and a more fulfilling life for people all over the world by achieving our targets.

Overview of the Plan

Yamaha Motor aims for net-zero CO₂ emissions (carbon neutrality) for the whole product life cycle.

| Action Themes | 2050 Targets | | Priority Actions |
|---|--------------|--|--|
| Climate Change  | 1 | 1. Reduction of CO ₂ emissions from use of products by users by 90% or more as compared to 2010 | <ul style="list-style-type: none"> • Improve the fuel efficiency of the ICE[*] system • Expand the lineup of BEV • Develop power trains in response to diversification of energy sources, such as CN fuels ※ICE: internal combustion engine ※CN (carbon-neutral) fuel: fuels such as Hydrogen, Biofuel, and Synthetic Liquid Fuels, which are derived from renewable energy sources. |
| | 2 | Net-zero CO ₂ emissions (carbon neutrality) for the entire life cycle | <ul style="list-style-type: none"> • Reduction of CO₂ emissions generated in operation of production (t-CO₂/net sales) • Reduction of CO₂ emissions in logistics |
| Resource Recycling  | 3 | Effective utilization of limited resources and promotion of recycling | <ul style="list-style-type: none"> • 3R designs and promotion of product recycling • Reduction of waste generated at the manufacturing stage • Promotion of the reduction of water consumption amounts based on the water stress scenario |
| Biodiversity  | 4 | Strengthening of environmental conservation and biodiversity promotion activities in various countries and regions | <ul style="list-style-type: none"> • Activities to protect the places (land, sea and air) where our products are used • Activities that contribute to solving environmental issues in various countries and regions |
| Management  | 5 | Management | <ul style="list-style-type: none"> • Strengthening of compliance with environmental laws and regulations, strengthening of the control of chemicals in products • Contribution to the improvement of the air pollution of various countries and regions • Reduction of VOC emission through production activities • Promotion of environmental activities in collaboration with suppliers • Building awareness on environmental conservation through global environmental education |

2050 Society

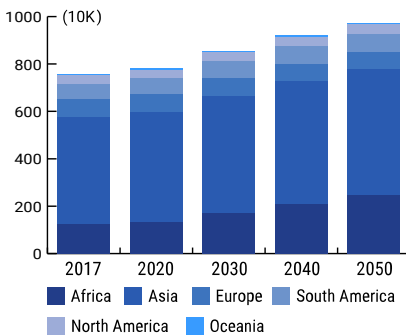
The current global population of 7.7 billion is predicted to reach 9.7 billion by 2050, increasing 2 billion over the next three decades. Economic growth in Africa and India, among other regions, will drive the world's consumption of primary energy, increasing 1.4-fold from the current level of 13.9 billion tons to 19.2 billion tons by 2050. Based on these predictions, it is assumed that the world will face a significant shortage of resources and energy in 2050.

In terms of the global environment, the world is moving toward decarbonization in an effort to reduce CO₂ emissions—believed to be the primary cause of global warming—shifting from fossil fuels to alternative energy sources in the use of primary energy. In light of these predictions and assumptions concerning society and our business environment in 2050, we identified long-term environmental issues.

Population Growth

2017
7.5 billion ▶ 2050
9.7 billion

x1.3



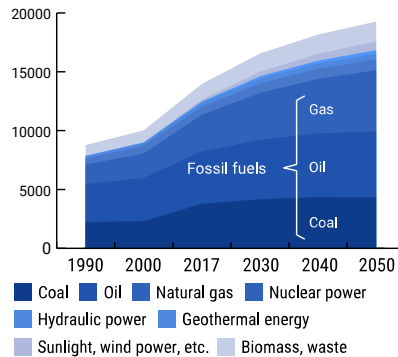
Africa, India, and China combined account for 55% of the total population. (Africa: 2.4 billion / India: 1.6 billion / China: 1.4 billion)

Source: Based on data from World Population Prospects 2019

Increased Primary Energy Consumption

2017
13.9 billion tons ▶ 2050
19.2 billion tons

x1.4

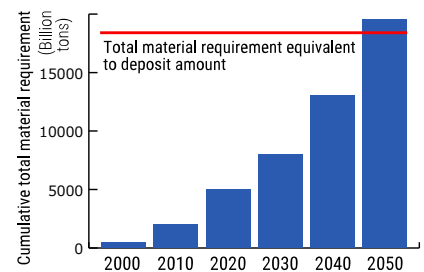


Use of fossil fuels, which cause global warming, makes up 83%.

Source: Based on data from IEA's World Energy Balances

Depletion of Resources

Some experts predict that if the economic development of emerging nations continues to drive the rapid growth of demand for mineral and fossil resources, all known deposits of underground mineral resources will be exhausted by 2050.



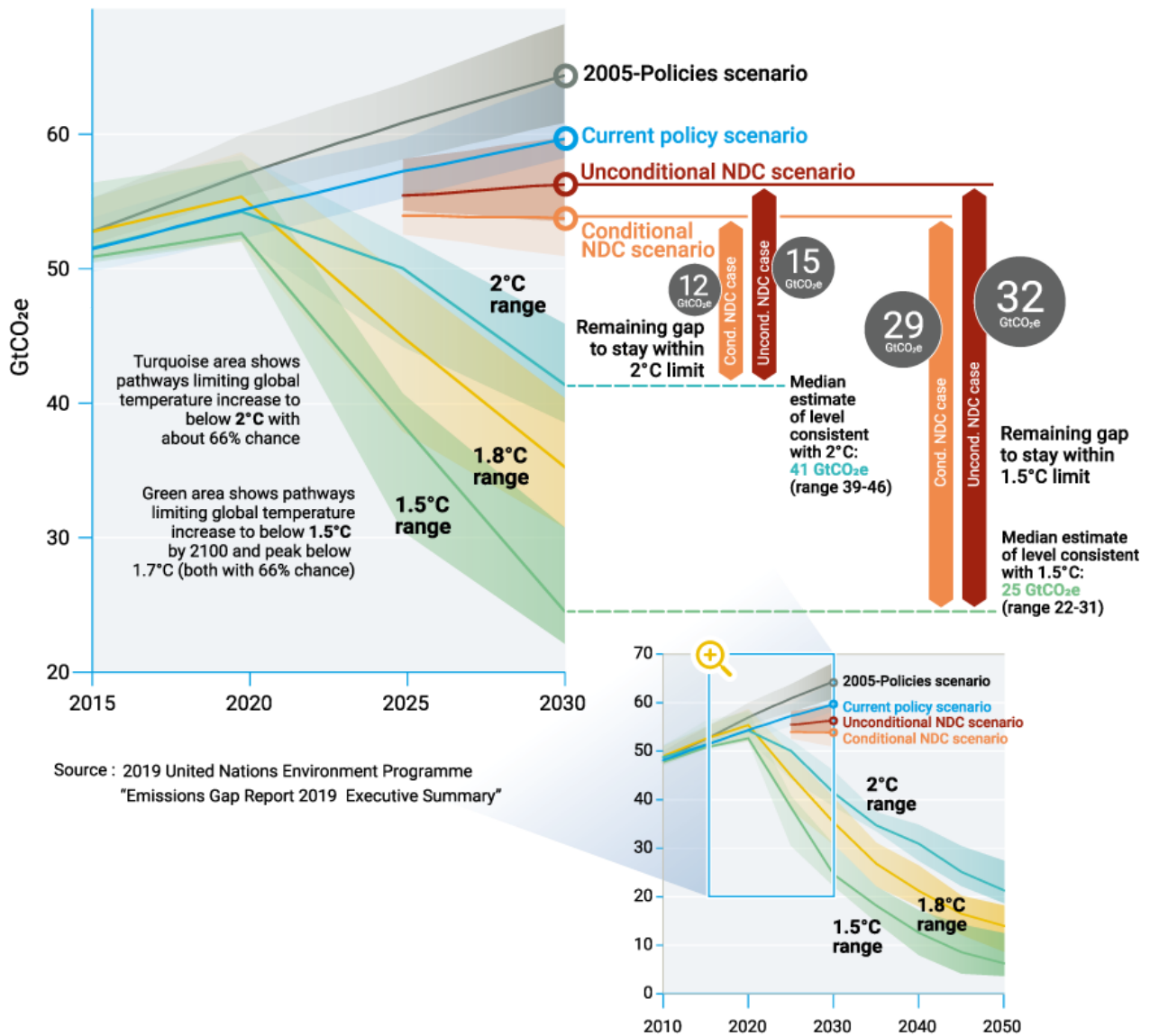
Stacked bar graph: Representing different metals

Red line: Total material requirement of deposit amount

Source: Based on National Institute for Materials Science data

Risks concerning Global Reduction of Greenhouse Gases

The Paris Agreement, an international treaty adopted at the 21st Conference of the Parties (COP21) to the UN Framework Convention on Climate Change, was ratified by 185 countries on April 26, 2016. With the aim of enhancing worldwide efforts against the threat of climate change, the Paris Agreement established "mitigation" through reduction and absorption of greenhouse gas emissions and "adaptation" to the impacts of greenhouse gases as two key elements in achieving the goal of keeping the rise in the global average temperature to well below 2°C above pre-industrial levels, or to limit it to 1.5°C by the end of the 21st century. According to the "Special Report on Global Warming of 1.5°C," even if all the countries fulfilled the nationally determined contributions (NDCs) for 2030 that they submitted in connection with the Paris Agreement, we will still be 12 gigatons short of achieving the 2°C target, and 29 gigatons short with regard to the 1.5°C target.












Identification of Material Issues (Materiality)

We intend to address not just climate-related risks but also a variety of social issues in ways that embody the unique style of Yamaha. Resolving social issues is also very important for Yamaha Motor's sustainable growth, and therefore, in formulating our long-term vision and medium-term management plan, we have used the steps shown below to identify material social issues that we can resolve using our strengths.

| step 1 ▶ | step 2 ▶ | step 3 ▶ | step 4 |
|--|---|--|---|
| <p>Selection of social issues</p> <p>The Corporate Communication Division and the Sustainability Division looked at the wide range of social issues referenced in the SDGs and the Global Risks Report, and selected those that will have the greatest impact on our use and procurement of management resources, and for which the resolution will make the greatest contribution to the enhancement of our corporate value. We also evaluated the materiality of social issues from the perspective of stakeholders, referencing the valuations of ESG rating institutions.</p> | <p>Categorization of social issues</p> <p>Through consultation with operating divisions, functional divisions, and corporate divisions, the divisions clarified the relationships between the issues selected in Step 1 and each division's policies and activities, and those that should be addressed Companywide were aggregated and categorized.</p> | <p>Identification of material social issues</p> <p>All of the Company's officers deliberated social issues aggregated and categorized in Step 2 at the Management Committee and the Board of Directors meetings, and identified "material social issues" that should be addressed Companywide using our strengths, corporate philosophy, and unique capabilities.</p> | <p>Incorporation into medium-term management plan</p> <p>Initiatives to resolve the identified material social issues have been incorporated into the medium-term management plan. The rigorous implementation of these initiatives will be monitored going forward.</p> |









> Addressing Materiality (Material Social Issues)

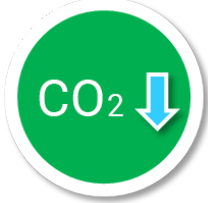


Importance to stakeholders ↑

| | | Material issue areas | |
|--|--|--|--|
| <ul style="list-style-type: none"> Financial crisis in important economic zones Unmanageable inflation Failure of national governance Failure of regional or global governance Inter-government conflict over regional problems Deepened social uncertainty Abuse of technological progress | <ul style="list-style-type: none"> Introduction of industrial processes taking into account clean technologies and efficient use of resources Heightened awareness of sustainability Promotion of economic growth based on fair work environments Reduction of waste materials Curtaiment of corruption and bribery   | <ul style="list-style-type: none"> Improved energy efficiency (including promotion of use of renewable energy) Promotion of use of inexpensive, reliable energy Promotion of safe and secure work environments Advancement of diversity and inclusion Effective use of water resources and prevention of pollution Securing of clean water resources   | |
| <ul style="list-style-type: none"> Abolition of inequality Responses to multi-stakeholders Promotion of innovation (active use of global partnerships) Implementation of fair taxation Promotion of sustainable industrialization | <ul style="list-style-type: none"> Elimination of discrimination against women/protection of human rights Use of women's skills Strengthened disaster prevention and response Eradication of forced labor, human trafficking, and child labor Increased employment for socially vulnerable people  | <ul style="list-style-type: none"> Prevention of pollution and damage from harmful chemical substances Strengthened measures to address climate change Sustainable use of natural resources Promotion of innovation (promotion of sustainable industrialization) Promotion of innovation (promotion of sustainable forms of consumption and production in developing countries)   | |
| <ul style="list-style-type: none"> Strengthened support for emerging and developing countries | <ul style="list-style-type: none"> Promotion of protection and recovery of land ecosystems Provision of stable living environment Halting of deforestation Protection and recovery of marine ecosystems   | <ul style="list-style-type: none"> Expansion of educational systems (including vocational training) Enhanced education environment in developing countries Promotion of social infrastructure development Prevention of traffic accidents Protection of small-scale agricultural and fishing industries Advancement of sustainable fishing industry Improved access to fishing areas and markets in least developed countries | |

Importance to Yamaha Motor →

Climate-related Risks and Opportunities

| | | | |
|---|---|---|---|
| Material environmental and social issues | <ul style="list-style-type: none"> Strengthened measures to address climate change Improved energy efficiency   | <ul style="list-style-type: none"> Effective use of water resources and prevention of pollution Reduction of waste materials Introduction of industrial processes taking into account clean technologies and efficient use of resources Sustainable use of natural resources     | <ul style="list-style-type: none"> Promotion of protection and recovery of land ecosystems Halting of deforestation Protection and recovery of marine ecosystems   |
| | ▼ | ▼ | ▼ |

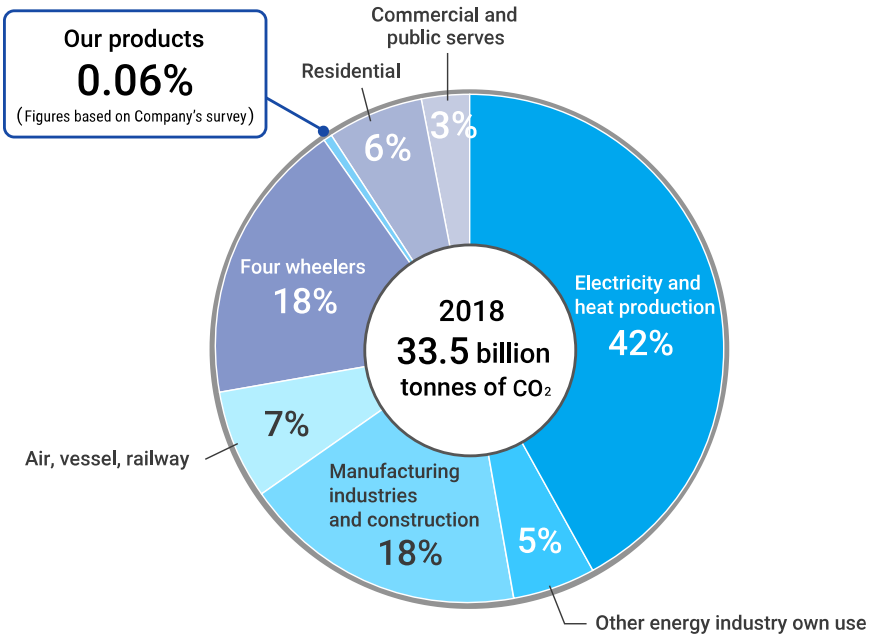
| | | | |
|------------------|---|--|--|
| Action Themes | <h3>Climate Change</h3>  | <h3>Resource Recycling</h3>  | <h3>Biodiversity</h3>  |
| Risks | <p>Short-term Costs for addressing regulations may increase significantly, with each country and territory moving to tighten motorcycle emission standards, and the U.S. introducing more stringent EPA and CARB emission standards for marine engines.</p> <p>Medium-term Growth of demand in India, Africa, and other regions may increase CO₂ emissions from the distribution of goods, and the introduction of carbon tax may increase logistics costs.</p> <p>Long-term Heightened environmental awareness may lead to decreased sales of products that use fossil fuels. Introduction of carbon tax may increase manufacturing costs.</p> | <p>Short- to medium-term The global trend toward carbon neutrality throughout the life cycle may depend on carbon-free initiatives in the procurement of raw materials. As the electrification of mobility accelerates globally as a response to climate change issues, scarce resources such as nickel and cobalt required for storage batteries may become shortage, and procurement costs may increase.</p> <p>Long-term Increased consumption of resources accompanying the economic growth of emerging nations may heighten procurement risks, including a shortage of resources and cost increase.</p> | <p>Short- to long-term Climate change will cause abnormal weather events, including forest fires, droughts, extreme temperature changes, storms, and snowfall, destroying the ecosystems of the oceans, mountains, and forests where our products are used.</p> |
| Opportunities | <p>Short- to medium-term Sales of models with improved fuel economy may increase. In emerging nations, motorcycles may be widely adopted as an inexpensive means of transportation with minimal social infrastructure costs.</p> <p>Long-term</p> | <p>Short-term Lightweight and compact low-speed mobility vehicles (land cars) may be widely adopted as a means of transportation that helps minimize social infrastructure resources and costs.</p> <p>Medium-term</p> | <p>Short- to long-term Increased awareness of the need to conserve the natural environment may trigger growth of the outdoor market where people seek and cherish interaction with nature.</p> |

| | | | |
|--|---|--|--|
| | <p>Electric models may be widely adopted.</p> | <p>Motorcycle and marine rental business may grow.</p> <p>Long-term In terms of engineering, manufacturing, and marketing, ultra-compact mobility vehicles that are small, lightweight, and resource-saving may be incorporated into the social infrastructure.</p> | |
|--|---|--|--|

Impact of CO₂ Emissions

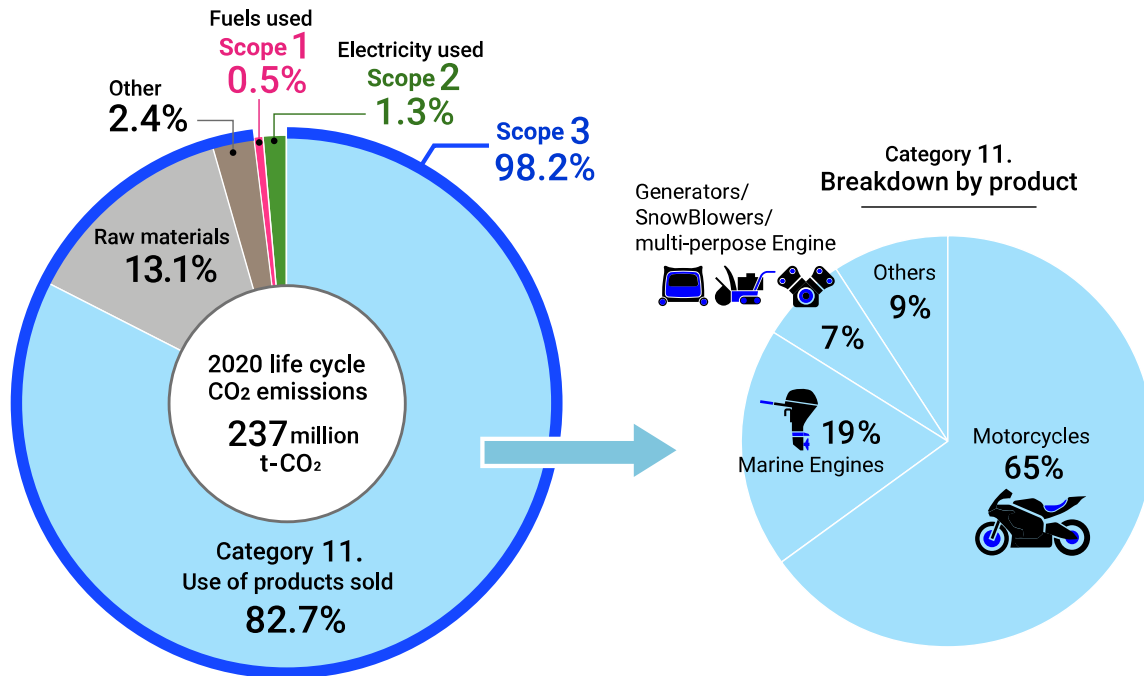
The world produced 33.5 billion tons of CO₂ emissions in 2018. Of this amount, products accounted for just 0.06% of the total as a source of emissions and are therefore a mobility option with an extremely low environmental impact. In 2020, CO₂ emissions across the Yamaha Motor Group's entire supply chain were 130,174 t-CO₂ for Scope 1, 312,359 t-CO₂ for Scope 2, 23,293,403 t-CO₂ for Scope 3, and 23,735,936 t-CO₂ overall. Scope 3 "Category 11. Use of products sold" accounted for 82.7%, followed by "Category 1. Purchased products and services (Emissions associated with sourcing of raw materials)" at 13.1%. In setting reduction targets for CO₂ emissions, we recognize the importance of improving the fuel (electric) efficiency of our products, promoting the adoption of next-generation mobility vehicles, and using resources efficiently.

The world CO₂ emissions - Source of emissions



Source : IEA "CO₂ Emissions from Fuel Combustion 2020 Highlights"

Breakdown of CO₂ emissions for the entire life cycle



Task Force on Climate-related Financial Disclosures (TCFD) items

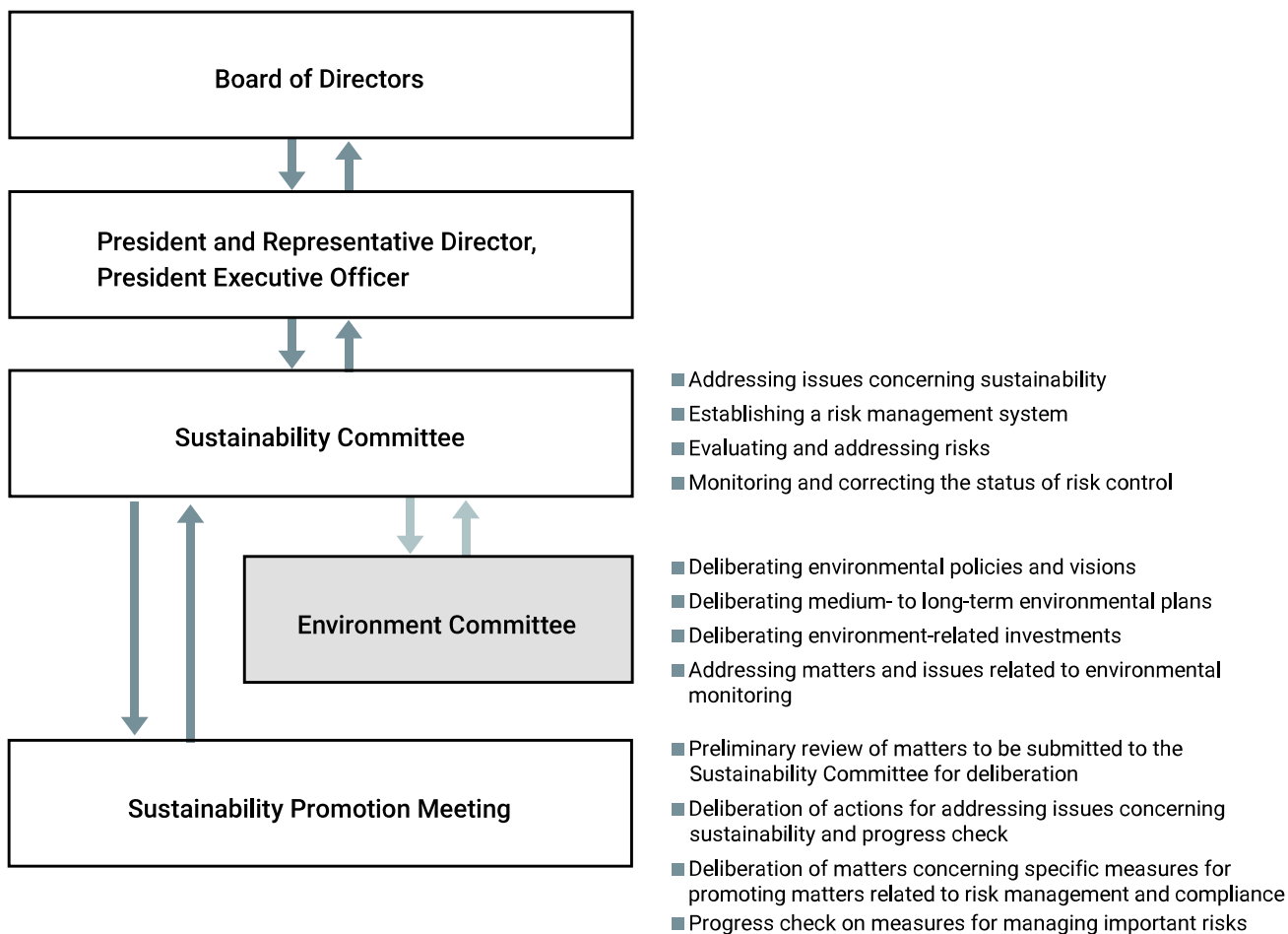


1. Governance

Roles of the Board of Directors of an Organization in Overseeing Climate-related Issues

Yamaha Motor contributes to solutions to issues that involve realizing a sustainable society in a variety of countries and regions by utilizing its businesses and human resources, tangible assets and know-how built through its business operations. At the same time, we aim to be a sustainable company, as a member of the global society. Therefore, under the Groupwide "Sustainability Basic Policy," we position "environment and resources," "transportation, education and industry," "innovation" and "issues related to the promotion of human resources utilization" as material social issues that require the attention of Yamaha Motor in the medium- to long-term growth strategies in order to achieve the internationally agreed targets of the SDGs. We also set the KPIs associated with the goals of each business to seize growth opportunities. Meanwhile, we believe that dealing with social issues is an important part of risk management. We have signed the UN Global Compact, and we appropriately deal with global risks that impede sustainability by practicing the principles of "human rights," "labor," "environment" and "anti-corruption." We properly disclose information so that our stakeholders can easily obtain information on these initiatives.

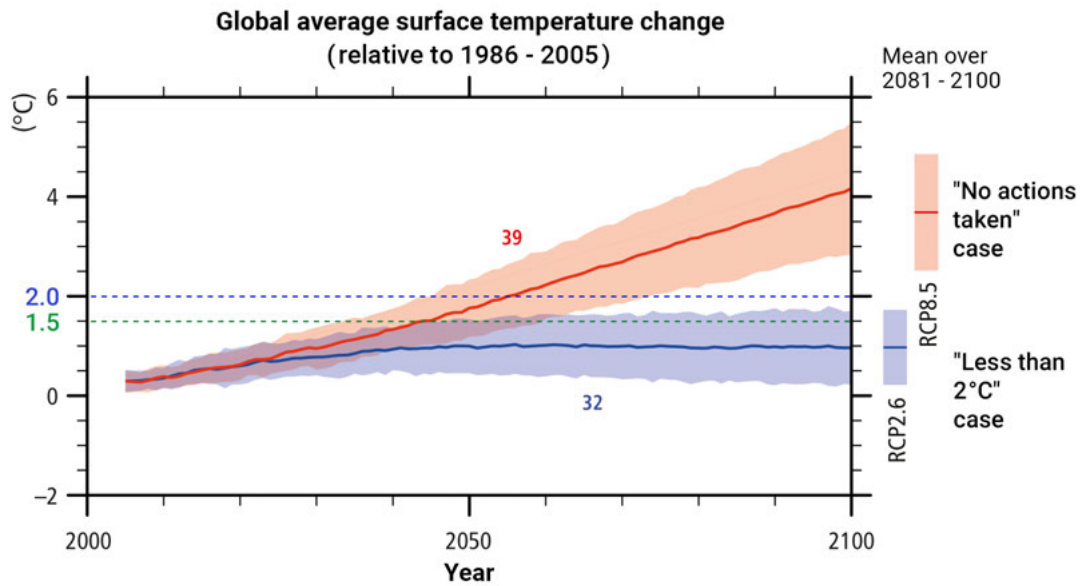
The Board of Directors formulates policies on dealing with issues concerning sustainability and regularly reviews their implementation status. With regard to issues concerning sustainability, the Board of Directors oversees the Sustainability Committee, chaired by the President and Chief Executive Officer and comprising executive officers appointed by the Board of Directors.



With regard to issues concerning sustainability, we positioned the environmental field in particular as an important area to be tackled by management, and established the Environment Committee, chaired by an executive officer in charge of environmental activities. The Environment Committee meets three times a year to discuss policies concerning the environment (e.g., policies on how to respond to recommendations from the TCFD) and visions, formulate the Yamaha Motor Group's long-term environmental plan (Environmental Plan 2050), and conduct annual reviews of how each operating division has performed against its targets. It reports its findings to the Board of Directors at least twice a year.

2. Strategy

World in a 1.5°C Scenario and 2°C Scenario



Source: Based on data from the IPCC Fifth Assessment Report

In the scenario corresponding to the pathway with the highest greenhouse gas emissions (RCP8.5 scenario), the global average surface temperature is predicted to rise by up to 4.8°C by 2100, causing a significant impact on human society and the ecosystem. The impact will vary considerably depending on to what degree the global temperature rise can be kept relative to pre-industrial levels. According to the IPCC's "Special Report on Global Warming of 1.5°C," in order to limit global warming to 1.5°C, CO₂ emissions must be reduced by 45% from 2010 levels by 2030, and net zero emissions must be reached by 2050. Human activities have caused the global average temperature to rise by about 1°C from pre-industrial levels (likely in the range of 0.8°C to 1.2°C), and the impact on nature and human activities is already evident. (Abnormal weather, rising sea levels, and declining volume of Arctic sea ice, for example.) If global warming continues at the current rate, temperatures are likely to rise by 1.5°C between 2030 and 2052, and its possible impacts and risks have been reported.

Scenario Analysis

Physical Risks Associated with Climate Change

1. Sea level rise, coastal flooding
2. Flooding in megacities
3. Disruptions of infrastructure services, etc., due to extreme events
4. Deaths and illnesses due to heat waves
5. Threats to food security due to temperature rise, droughts, etc.
6. Income loss in rural areas due to water shortage and reduced agricultural production
7. Loss of marine ecosystems essential to the livelihoods of coastal areas
8. Loss of terrestrial and inland freshwater ecosystem services

Major Impacts

Sea Level Rise

[1.5°C] Global mean sea level rise is projected to be in the range of 0.26 to 0.77 m by 2100 (M), approximately 0.1 m less than for a global warming of 2°C (M), and up to 10 million fewer people would be exposed to related risks (M).

[1.5–2°C] Main ice sheet instability in Antarctica and/or irreversible loss of the Greenland ice sheet could result in multi-meter rise in sea level over hundreds of thousands of years.

Flooding

The percentage of major rivers impacted by flooding will increase with global warming. Relative to 1976–2005 levels, population affected by flood hazards is projected to increase by:

[1.5°C] 100% (M).

[2°C] 170% (M).

Food

A rise in temperature by more than 4°C from the level at the end of the 20th century, combined with an increase in food demand, may pose a significant risk to global and regional food security (H). This risk is greater in low-latitude regions.

[1.5°C] Compared with 2°C, smaller reductions in yields and less quality deterioration of cereal crops in sub-Saharan Africa, Southeast Asia, and Central and South America (H).

[2°C] Compared with 1.5°C, reductions in food availability are larger in the Sahel, southern Africa, the Mediterranean, central Europe, and the Amazon (M).

Ecosystems

Global warming is expected to alter the global distribution of marine species. In susceptible areas, biodiversity is expected to decline (H). Experts believe that many species will be unable to follow the climate suitable for habitation at a medium to high rate of climate change (M).

[1.5°C] Coral reefs are projected to decline by a further 70–90% (H). 6% of insects, 8% of plants, and 4% of vertebrates are projected to lose over half of their habitats.

[2°C] Over 99% of coral reefs are projected to be lost (VH). The irreversible loss of marine ecosystems increases (H). 18% of insects, 16% of plants, and 8% of vertebrates are projected to lose over half of their habitats.

Source: IPCC's "Special Report on Global Warming of 1.5°C"

VH: Very high confidence H: High confidence M: Medium confidence

Major Risks Associated with Transitioning to a Low Carbon Society

Regulatory Risks

Leveraging our technological strengths in small, high-performance engines, we develop a wide range of products including motorcycles, outboards, personal watercraft, boats, fishing boats, ATVs, golf cars, and generators, and market them around the world. Our core business of motorcycle engines is significantly affected by the emission standards of each country and territory. If we are unable to develop a product that conforms to the standards, we face the risk of losing sales opportunities.

With regard to this risk, the regulations and certification division collects information about regulatory trends in each country and territory. In addition, the Environmental Regulation Management Committee, chaired by the executive officer in charge of the powertrain technology development division and comprising the Quality Assurance Division, Production Control Division, Powertrain Development Section, Electronics System Development Division, and Combustion System Development Division, works to accelerate decision-making on the advance development of technology to address the tightening of regulations and on the development of powertrains, and to minimize risks associated with the strengthening of emission standards in each country and territory.

New Regulatory Risks

If tighter regulations such as a ban on inner-city use of motorcycles and other vehicles that run on fossil fuels are introduced not only in Europe and other environmentally advanced countries but also in emerging countries faced with severe air pollution, we will end up losing sales opportunities unless we respond by electrifying our motorcycles and developing battery charging infrastructure.

With regard to this risk, staff in charge of the environment collect information on moves made by national governments and trends related to energy policy, and report their findings at Environment Committee meetings. Each operating and functional division discusses and determines how to respond, reports its decisions to the Board of Directors, and reflects them in specific business strategies.

We conduct manufacturing operations for our main motorcycle business at 30 locations in 20 countries, mainly in the ASEAN region. A considerable amount of energy is used during manufacturing, particularly in the engine casting process as well as painting process. If countries and territories around the world introduce regulations mandating a shift from fossil fuels to renewable energy sources, we face the risk of becoming less competitive due to increased energy costs.

To minimize risks associated with the tightening of energy standards in each country and territory, the Manufacturing and Production Engineering Center and the environmental facility division collect information on regulatory trends concerning energy costs in each country and territory. Moreover, the Environment Committee deliberates and discusses energy-related investment plans, how to procure renewable energy, and other matters, and the findings are reported to the Board of Directors following a review by the Management Committee.

Information Disclosure Risks

If we fail to disclose a sufficient amount of information on the risks associated with climate change, we face the risk of a lawsuit being filed by stakeholders. With regard to this risk, staff in charge of the environment collect information on international trends related to information disclosure on matters concerning climate change, and report their findings at Environment Committee meetings. The Environment Committee deliberated and determined long-term environmental plans targeting 2050, as well as policies on how to respond to the SBTi and TCFD as an international requirement. It reported its decisions to the Management Committee and the Board of Directors, which voted on the matters. As a result, we declared our commitment to the SBTi in May 2018,

Technological Risks

Leveraging our technological strengths in small, high-performance engines, we develop mobility products with minimal environmental impact in terms of CO₂ emissions and resource use, and market them around the world. Our efforts on the electrification of mobility vehicles date back to 1978 when we released an electric unit for golf cars, and in 1993 we launched PAS, the world's first electrically power assisted bicycle. By applying the control technology of the Robotics Business Unit, we are pursuing electrification of various product groups. For example, we released an electric unit for wheelchairs in 1995, an electric motorcycle in 2002, and an industrial-use drone in 2018.

Once manufacturers start accelerating their efforts to electrify automobiles and other vehicles, demand for rare earth will increase, potentially making it difficult to source raw materials. To address this risk, we are using materials and developing material technology that make less use of rare earth.

Market Risks

If governments introduce a ban on inner-city use of motorcycles and other vehicles that run on fossil fuels and similar regulations not only in Europe and other environmentally advanced countries but also in emerging countries faced with severe air pollution, we will end up losing sales opportunities unless we respond by electrifying our products and developing the necessary infrastructure. With regard to this risk for motorcycles, staff in charge of the environment collect information on moves made by national governments and trends related to energy policy, and report their findings at Environment Committee meetings. Each operating and functional division discusses and determines how to respond, reports its decisions to the Board of Directors, and reflects them in specific sales strategies.

Reputation Risks

Efforts made by companies to address climate change have a major impact on their corporate value such as ESG investments. If we do not address climate change issues and disclose information to stakeholders appropriately, our corporate value may decrease.

To deal with this risk, staff with the Corporate Communication Division's Investor & Shareholder Relations Group at Yamaha Motor headquarters hold company information sessions for private investors as well as consultations for institutional investors.

To help prevent the spread of COVID-19 in fiscal 2020, we switched from meeting face-to-face to online meetings.

We also held 18 interviews specifically for ESG factors, explaining the company's work on climate change as part of Yamaha's environmental and resource-focused initiatives for addressing key societal issues and in order to avoid reputational risks.

Customer Risks

We deliver products such as automotive engines, multi-purpose engines, and industrial robots to customers. Some of our corporate customers request suppliers that emit large amounts of CO₂ to set CO₂ reduction targets and disclose environmental information.

Those that cannot meet these requests risk losing business in the worst case. To avoid facing this risk, our staff in charge of the environment collect and disclose information appropriately according to each customer's requests, making sure every requirement is met.

Short-term, Medium-term, and Long-term Risks and Opportunities

We discuss short-term, medium-term, and long-term risks in the following time frames.

| | |
|-------------------|---|
| Short-term Risks | Risks that may have an immediate impact on business performance (including risks that may materialize in a period of 0 to 3 years) |
| Medium-term Risks | Risks that may have a significant impact on our business performance through the materialization of long-term climate-related impacts, and that may necessitate a major adjustment of our strategies (including risks that may materialize in a period of 3 to 6 years) |
| Long-term Risks | Risks that may radically impact the feasibility of our long-term strategies and business models (including risks that may materialize in a period of 6 years or more) |

We evaluate the materiality of climate-related risks based on whether they are likely to materialize in the short term, medium term, or long term, and the estimated scale of the resulting financial impact.

Short-term Risks (0–3 Years)

In the motorcycle market, many governments have tightened or are planning to tighten emission standards. Since our products are subject to these standards, costs required to ensure compliance will increase. If these costs cannot be absorbed, they will be passed on to retail prices, which will make our products less competitive and may reduce operating income.

In 2020, Europe has moved to more stringent Euro 5 emission standards. ASEAN, India, and China tend to introduce regulations based on European standards three to five years later. India, where 21 million new vehicles are sold in a year, is a critical market for Yamaha Motor, and increased compliance costs will pose a significant risk to our product competitiveness and have a major financial impact.

Net sales of two-wheelers in emerging countries in FY2020 were 604 billion yen. If the sales price of a new vehicle rises due to higher costs to meet regulations and sales volume of two-wheelers in emerging countries were to decline by 30%, there would be a 181.2 billion yen fall in sales.

Our regulations and certification division collects information about emission standards in each country. This information is reflected in product plans for our motorcycle business as required. In developing fuel-efficient engines and electric motor products, we seek to increase product appeal by improving power performance and rideability at the same time, instead of simply conforming to regulations. In other words, we are striving to increase profit by enhancing added value, as exemplified by our BLUE CORE engines.

In terms of risk management, local sales divisions obtain the latest information on the tightening of regulations and report the findings to development divisions. Our global models are developed to conform to European standards as a measure to minimize risks in case ASEAN, India, and other countries suddenly decide to tighten their regulations.

R&D expenses for motorcycle development to meet regulatory compliance risks were 69.8 billion yen in FY2020.

As for marine engines, the U.S. EPA and CARB emission standards, which already cover the inboard and sterndrive engine categories, are slated to be further enhanced going forward. Our outboards boast a global share of more than 40% and maintain an overwhelming advantage in the market. However, if these standards are applied to outboards and sport boats as well, compliance costs will increase. If these costs cannot be absorbed, they will be passed on to retail prices, which will make our products less competitive and may reduce operating income.

Our regulations and certification division collects information about regulations concerning air pollution in each country. This information is reflected in product plans for our marine business as required. In developing fuel-efficient engines and lighter hulls, we seek to increase product appeal by improving power performance and comfort at the same time, instead of simply conforming to regulations. In other words, we are striving to increase profit by enhancing added value. In terms of risk management, local sales divisions obtain the latest information on the tightening of regulations and report the findings to development divisions. As a leading company in the marine industry, we are pursuing plans to achieve 4 STAR Voluntary Standards (2015–2020 exhaust emission standards) ahead of time to minimize associated risks.

Medium-term Risks (3–6 Years)

If the electrification of mobility vehicles accelerates worldwide in response to climate change issues, there would be a shortage of rare resources, such as nickel and cobalt, that are needed for storage batteries, resulting in an increase of procurement costs.

CO₂ emissions from raw materials (Scope 3 / Category 1) account for 13.1% of the lifecycle CO₂ emissions of Yamaha Motor products. Including suppliers in our initiatives has become important as we aim for net-zero CO₂ emissions by 2050.

According to a Carbon Pricing Leadership Coalition (CPLC) report, if it is assumed that countries will achieve the targets that they pledged to in the Paris Agreement the carbon tax would reach 100 dollars/t-CO₂ by 2030. If CO₂ emissions for Yamaha Motor's raw materials procurement are the same as those in FY2020, the estimate using the aforementioned carbon tax amount is an annual increase of 34 billion yen in costs.

In regard to risk management, the environmental facility division and the procurement division are collaborating since 2019 to provide support for the promotion of environmental activities among suppliers. Specifically speaking, those suppliers that are thought to have a large environmental impact are chosen from among domestic and overseas Yamaha Motor suppliers, after which the environmental facility division measures power and identifies losses and offers advice and expertise toward achieving net-zero CO₂ emissions.

Long-term Risks (6+ Years)

As consumers become more environmentally aware, they may start avoiding gasoline-powered products, reducing our sales and profits. We pursue diverse business operations based on a core strength in small, lightweight engines, offering products ranging from motorcycles and outboards to golf cars and generators. As such, we will be severely impacted if the use of fossil fuels is banned.

To address this risk, we will develop mobility products that use next-generation power sources instead of fossil fuels (electric motorcycles, PAS, low-speed electric land cars, etc.) and propose sharing services in collaboration with local governments. We will also expand robotics and other solution businesses. In terms of risk management, we will push ahead with collaboration with partners to ensure our products are incorporated into the social infrastructure, keeping an eye on the CASE* trends in the automotive industry. To make sure we do not miss any opportunity in expanding market areas, we are studying combinations of our proprietary technologies, carrying out M&As as necessary, in an effort to reduce the risks that we will face if the use of fossil fuels is banned.

* CASE refers to "connected" cars, "autonomous" driving, car "sharing and services," and "electric" vehicles, which are the four major trends that the automotive industry must pursue in the next generation.

Each year, we manufacture motorcycles around the world, with Indonesia (31%), India (17%), and Vietnam (17%) accounting for 65% of the production volume. In climate pledges drafted under the Paris Agreement, Indonesia set a CO₂ reduction target of 29% (41% with cooperation from developed countries), India 33–35%, and Vietnam 8% (25% with cooperation from developed countries) by 2030. If the governments of these three countries, where our major production bases are located, make it mandatory for factories to report CO₂ emissions and introduce fines for failure to meet reduction targets, there will be major impacts on our business operation, including financial impacts. In 2020, 442 thousand tons of CO₂ were emitted from production activities.

According to a report by the Carbon Pricing Leadership Coalition (CPLC), carbon taxes will reach 100 dollars/t-CO₂ by 2030, assuming that all signatories to the Paris Agreement meet their reduction targets. Given that our CO₂ emissions from production activities are the same as in 2020, the increase in costs based on the above carbon taxes is estimated to be between 4.8 billion yen per year. The Manufacturing and Production Engineering Center at our headquarters monitors CO₂ emissions from the production activities at all manufacturing sites, and provides guidance to help them achieve reduction targets. Each production base constantly monitors trends related to environmental regulations in the country where it operates. Other environmental trends including regulations are being followed by the secretariat of the Environment Committee at our headquarters, and important relevant matters are submitted to the Environment Committee for deliberation.

Yamaha Motor's Adaptation Measures

Urgent Physical Risks

Our major manufacturing bases are concentrated in the ASEAN region, and factories located in the Philippines and Thailand, where typhoons pass over, face operational risks such as flooding of factory floors due to heavy rains.

To prepare for such risks, Companywide risks including natural disasters, violations of laws related to product quality, critical product accidents, and cybersecurity are incorporated into the activity policies of each headquarters division and overseas Group company, and those that we particularly need to focus on to prevent and address are established as significant risks at the Group level. Based on the Rules of Risk Management, we established the Sustainability Committee, chaired by the President and Chief Executive Officer, to monitor the overall risk status of the Group, as well as designating significant risks at the Group level to be tackled as priorities and checking on activities to address risks, in an effort to reduce Groupwide risks. In addition, to prepare against envisioned risks that could impact the continuity of our business, we have formulated the Rules of Business Continuity, which seek to minimize damage through appropriate response.

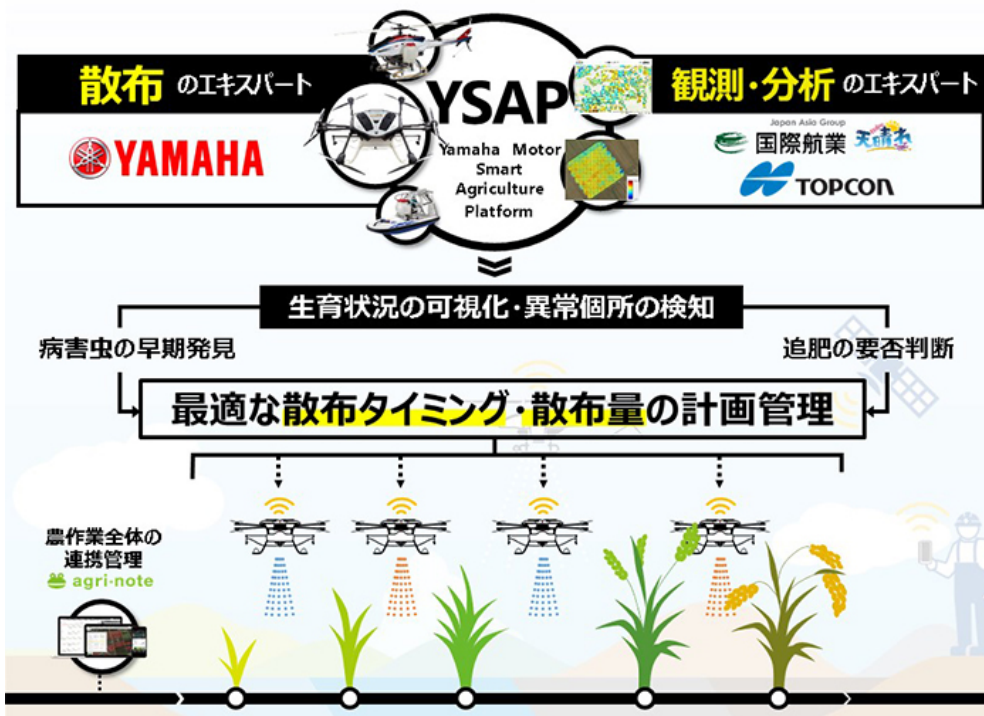
Chronic Physical Risks

Increased flood damage due to climate change spreads the pollution of water sources, deteriorating people's health conditions and adding to the number of the sick, which in turn impede social and economic development.

To address this risk, our staff in charge of the environment collect relevant information, evaluate water risks in each country based on water withdrawal and water stress using Aqueduct, a tool made available by the World Resources Institute (WRI), and implement measures according to the level of water risk to minimize water use. In addition, we developed a small water purification system called the Yamaha Clean Water Supply System to help improve people's health conditions and contribute to social and economic development through a new business, and started introducing it around the world in 2010. Adaptation measures in the area of water supply consist of addressing water pollution caused by climate change and improving people's health conditions and the social and economic environment. As of the end of March 2020, we have installed 41 units in 14 countries.

Global warming is raising concerns worldwide that it will have negative impacts on the agricultural field, such as reduction of farmland, fluctuations in yield, and movement of land suitable for cultivation due to temperature rise, droughts, floods, and other factors.

We will contribute to the realization of sustainable agriculture by providing a solution that uses our YMR-08 multi-rotor agricultural drones and industrial-use unmanned helicopters to conduct highly efficient and accurate pest control and top-dressing operations, and manage spraying data to increase the value and efficiency of spraying operations. Moreover, to enhance the value of using this service in areas such as crop growth analysis, field soil analysis, optimal fertilization planning, and load reduction of pesticide spraying work, we are collaborating with various partners. These include Kokusai Kogyo Co., Ltd., which provides Appare, a service that works to improve farming productivity using satellite image analysis; TOPCON Corporation, which offers Crop Spec, laser-based crop sensors indispensable in the operation of a variable top-dressing system; and WaterCell Inc., which offers agri-note, an agricultural support system that can unify the management of process data for a series of agricultural work.



YSAP : Yamaha Motor Smart Agriculture Platform

A software service that uses smartphones and computers to manage data and operations of pesticide spraying and fertilization work performed by YMR-08 and industrial-use unmanned helicopters

Yamaha Motor's Mitigation Measures

Spread of the Popularization of Low-carbon and Electrified Products that Contribute to the Reduction of CO₂ Emissions

A characteristic of the family of products offered by Yamaha Motor is that they are lightweight and compact. Among mobility solutions, they not only have a low environmental load in terms of the use of resources during manufacturing, but they are also highly maneuverable during their use. The products enable free and easy movement over short distances.

The Asia region accounts for 80% of Yamaha Motor's two-wheeler sales. From the perspective of the SDGs, our products contribute to the region to fulfilling the needs for the mobility of goods and services, expanding spheres of life, and increasing occupational options and opportunities for education as a compact, convenient, and inexpensive mobility solution.

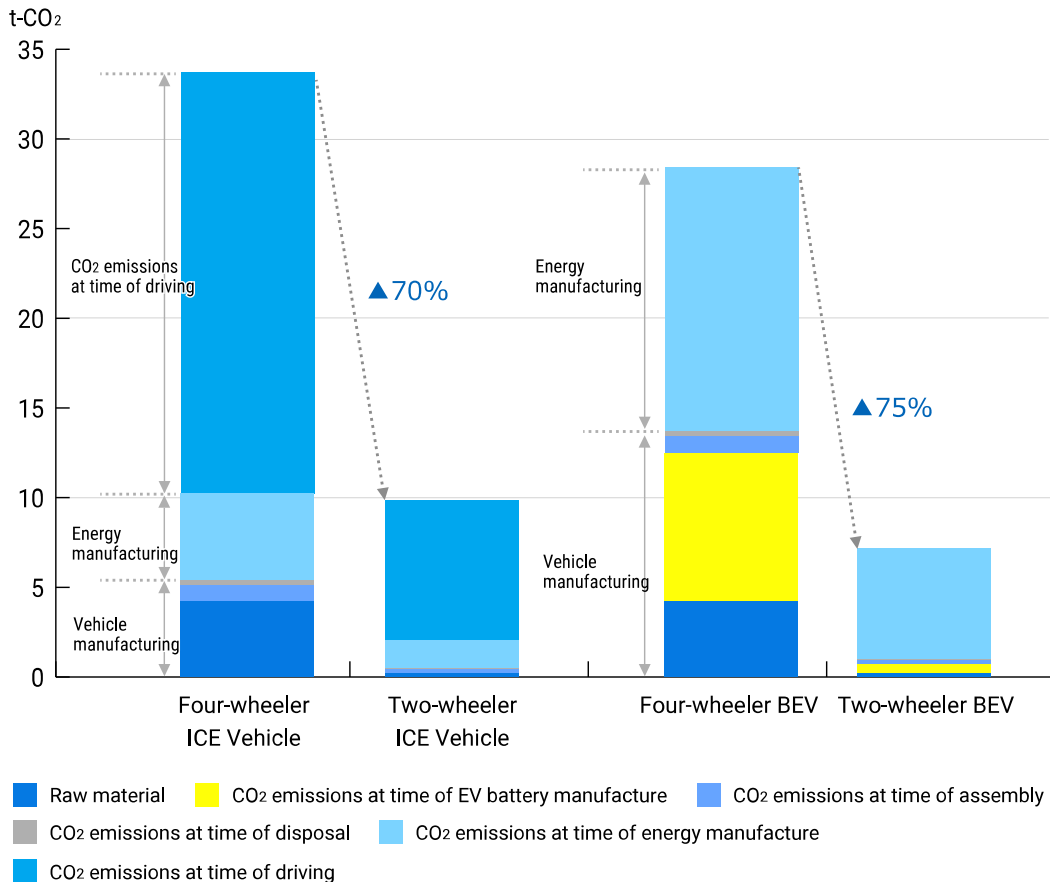
Centering on customers requiring internal combustion engines in Asia, where the majority of the owners of our products are located, we are contributing to the simultaneous achievement of both economic growth in developing countries as well as a response to environmental issues by providing products with better fuel efficiency. Going forward, we will aim toward the achievement of global, carbon neutral societies by offering a product portfolio that gives consideration to the energy policies and energy mix of various countries and regions and is most effective in reducing CO₂ emissions (e.g., through electrified models and next-generation mobility solutions that use renewable energy as power sources).

Compact Mobility Vehicles with Low environmental impact

Yamaha Motor proposes compact mobility vehicles with low CO₂ emissions and Low environmental impact throughout their life cycle, from raw materials to manufacturing, use, and disposal. For example, the CO₂ emissions of two-wheeler vehicles are less than those of four-wheelers. In terms of the whole product life cycle, CO₂ emission amounts are 70% less for ICE vehicles, and 75% less for Battery Electric Vehicles at the raw materials stage.

More effective CO₂ emission reduction can be achieved through the reduction of CO₂ emissions during the manufacture of batteries, and excellent charging facilities that utilize renewable energy sources.

Comparison of CO₂ Emission Amounts for the Product Life Cycle (ICE Vs. BEV)



[Assumptions for the Estimate]

Four-wheeler ICE/BEV: IEA standard; Two-wheeler ICE: Yamaha Motor 125 cc; Two-wheeler BEV is a Yamaha Motor BEV of a similar output class to the aforementioned; driving distance per year: 15,000 km; duration of use: 10 years

[Four-wheeler data reference] Global EV Outlook 2020 (IEA)

※ICE: internal combustion engine ※BEV: Battery Electric Vehicle

Promotion of Electrically Power Assisted Bicycles

Prompted by an awareness of global environmental issues and the social issues of a declining birthrate and an aging population, which came to the fore in the 1980s, we embarked on the development of a new vehicle that did not belong to any existing category. Our development concept: "a personal commuter that is both people friendly and environmentally friendly, and places top priority on human sensibilities." This effort culminated in the 1993 launch of the PAS, the world's first electrically power assisted bicycle. Since then, we have developed various businesses around this product, including the sales of completed vehicles and supply of drive units in Japan, as well as the global supply of system kits for electrically power assisted bicycles starting in 2012, based on enhanced and expanded collaboration with European bicycle manufacturers. In February 2019, cumulative production of drive units for electrically power assisted bicycles reached 5 million units.



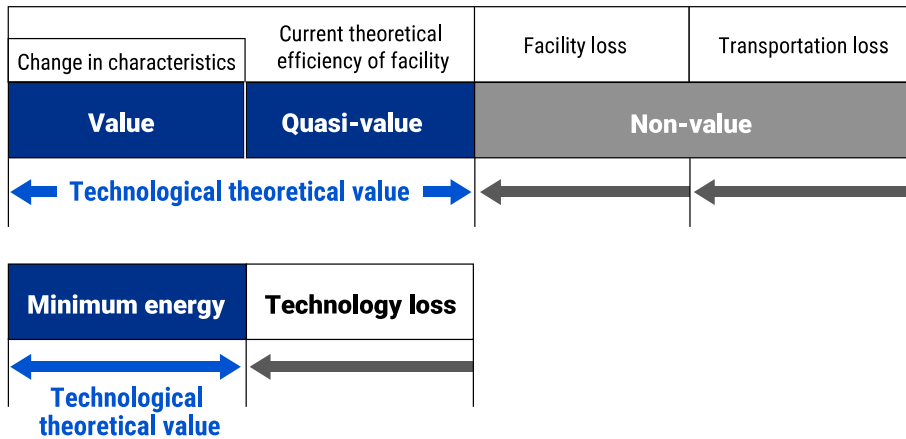
Ceremony commemorating the cumulative production of 5 million drive units for electrically power assisted bicycles
(Main Factory of Yamaha Motor Electronics Co., Ltd.)

Global Implementation of Theoretical Value Energy Activities in Production Operations

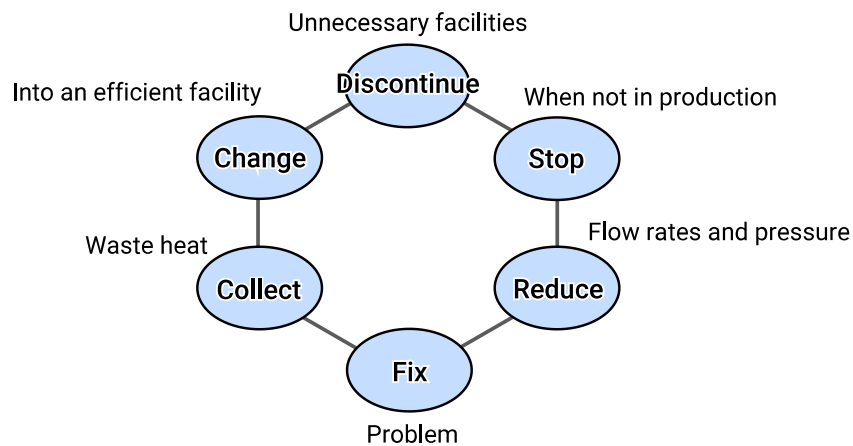
At Yamaha Motor, we are working to reduce CO₂ emissions of the entire Group by cooperating with overseas Group companies, sharing energy-saving know-how accumulated within Japan. Specifically, we are implementing a "theoretical value energy" approach, in which we define the value and quasi-value of each facility and process at our production bases in Japan and abroad, identify the essential functions, and aim to minimize loss. To date, we have visited 30 locations in 13 countries, covering 98% of Groupwide CO₂ emissions, in our effort to reduce energy loss.

Theoretical Value Energy

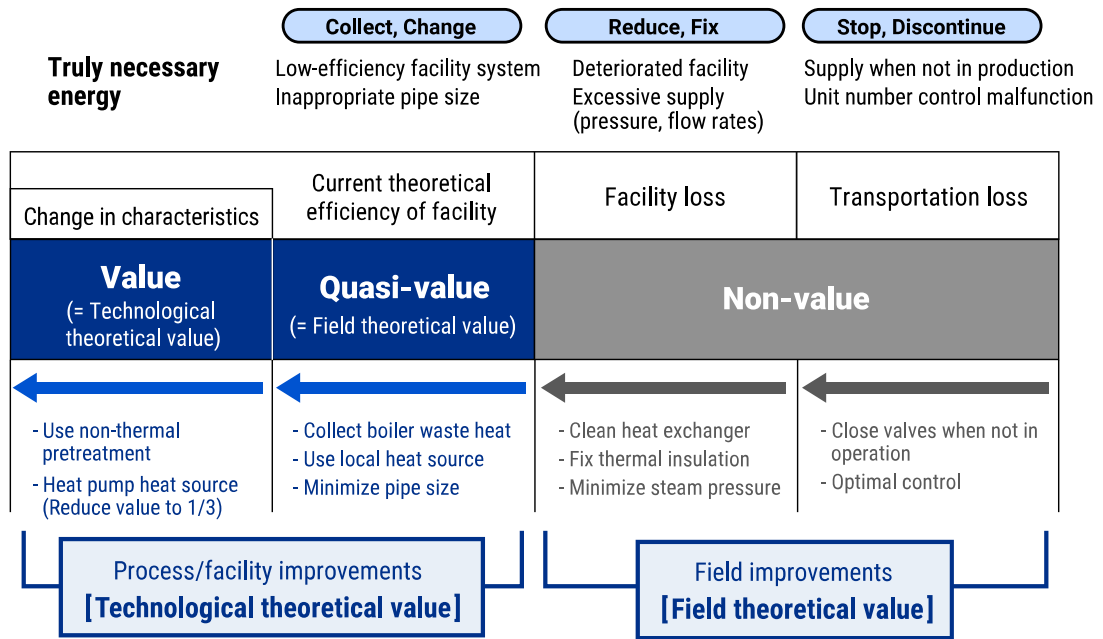
In this approach, we pursue energy minimization by defining the energy theoretically required in facilities and processes as "value energy," and thoroughly eliminating quasi-value and non-value areas through improvements in both facilities and operations. We are implementing this approach at suppliers as well as Group companies in Japan and overseas.



Six-perspective Approach



Example: Theoretical value energy approach applied to a boiler facility



Expanding Use of Renewable Energy at Production Sites

We are installing power generation systems that use solar and wind power. Following the installation of a solar power generation system at the Main Factory in 2004, these systems have been successively installed elsewhere and the use of renewable energy is expanding. Installations continue at overseas locations including in the United States, Thailand, and Taiwan, and in 2019, solar power generation systems were introduced at production sites in India. The amount of power generated in 2020 by the whole Group totaled 14,886 MWh and was used for various factory operations, office lighting and air conditioning.

Yamaha Motor's Net-zero CO₂ Emissions (Carbon Neutrality) Strategy

Yamaha Motor has been working to solve global environmental issues since the 1980s. In 1993, we released PAS, the world's first electrically power-assisted bicycle. Then in 2002, we introduced Passol, an electric scooter for urban commuters. Since then, we have continued to expand electrification to various other categories, including golf carts, wheelchairs, and outboard motors.

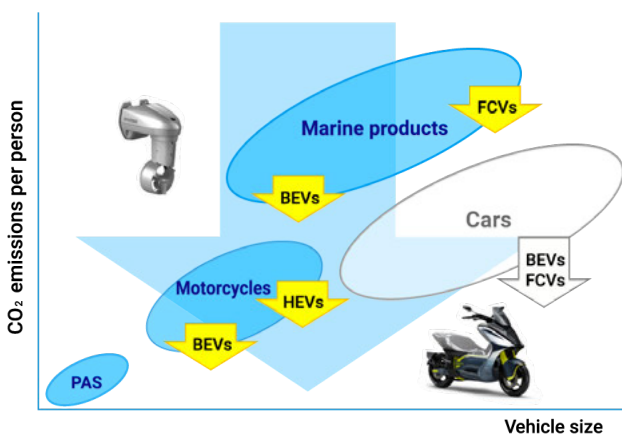
PAS, which was developed under the concept of "a personal commuter that is both people- and environmentally-friendly and places top priority on human sensibilities" created a new vehicle that did not belong to any existing category, such as bicycle or motorcycle. Today, PAS has continued its growth in Japanese urban areas as a mobility vehicle that takes the place of mopeds and mini cars. Its market is growing in Europe and the U.S. as an e-bike, a new category, for sports and leisure use. In addition to two-wheelers, we will continue proposing new value through uniquely Yamaha-like mobility vehicles toward achievement of a carbon-neutral society in 2050.

Basic Policy

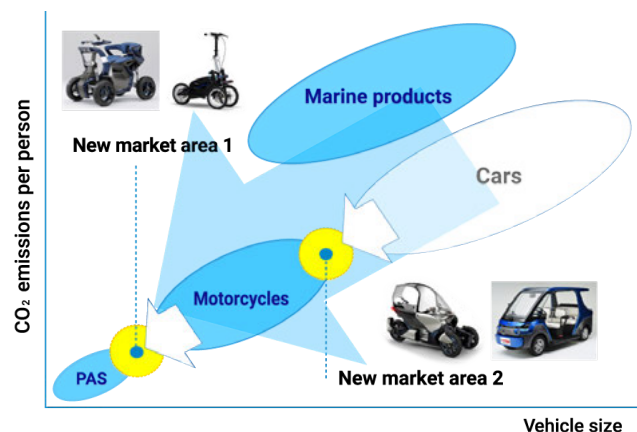
Aim for the further reduction of movement-related CO₂ emissions per passenger

- Switch to efficient sources of power with smaller CO₂ emissions.
- Promote the utilization of compact mobility vehicles with a low carbon footprint.

Promotion of the reduction of CO₂ emissions through greater efficiency achieved by optimal methods



Utilization of compact mobility vehicles



Motorcycles

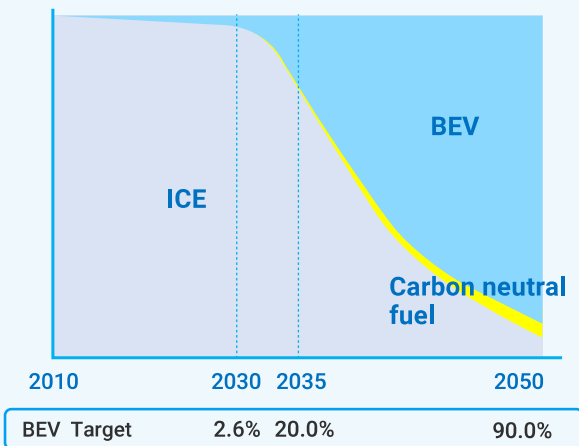


Yamaha Motor will undertake: 1. the improvement of the fuel efficiency of ICE systems, 2. expansion of the lineup of electrified models and their popularization, and 3. the development of power trains powered by renewable energy.

In regard to the Electrification Strategy, an important point related to product roll out is to take CO₂ emission reduction into consideration and consider the state of the diffusion of electricity generated through renewable energy sources and development of a supply infrastructure in a country or region.

We will work toward achievement of net-zero CO₂ emissions (carbon neutrality) by 2050 by first rolling out products in Europe, which has a high rate of the use of renewable energy to generate electricity. Between 2030 and 2035, we will then move onto the ASEAN region, which is a high-volume zone in terms of CO₂ emissions.

Powertrain ratio of motorcycles



Outboard motors



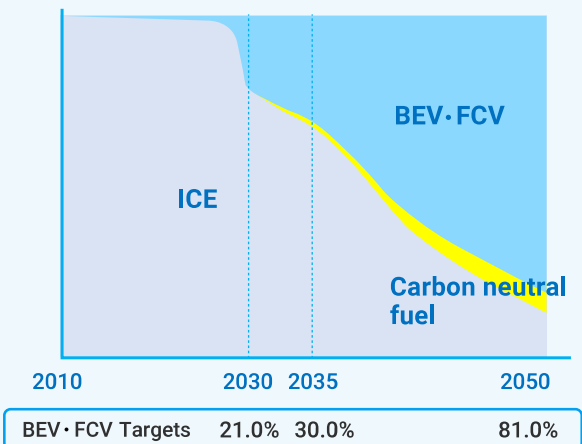
In relation to outboard motors, we will engage in the following as the technological strategy toward achievement of net-zero CO₂ emissions (carbon neutrality). 1.

Improvement of the fuel efficiency of ICE systems, 2. Development of electrified models, and 3. The development of models that use hydrogen, e-fuel, and other renewable energy as sources of power.

The sales composition of outboard motors is 60% in industrialized countries and 40% in emerging countries and developing countries. In industrialized countries, they are primarily used for fishing, marine sports and other leisure activities. Meanwhile, their use in emerging countries and developing countries is mainly focused around supporting people's livelihoods, such as through fisheries. Their usage environments are also harsh.

Because Yamaha Motor rolls out electrified models while keeping an eye on the state of the spread of the infrastructure for the supply of renewable energy as well as the suitability level of a country or region's usage environment, the roll out of electrified models is carried out sequentially beginning with industrialized countries. They are then deployed to other regions. By doing so, we are contributing to net-zero CO₂ emissions (carbon neutrality) as the most trusted brand.

Powertrain ratio of outboard motors



We have assumed the achievement of technical innovation in CN fuels (e.g., Hydrogen, Biofuel, Synthetic Liquid Fuels, etc.) and have made CN fuel adoption rates of 2.6% in 2030, 20% in 2035, and 30% in 2050 the preconditions.

Going forward we will continue to review our measures as needed toward achievement of carbon neutrality by 2050. We will do so by engaging in the analysis of future forecast scenarios drafted by the IEA and others, obtaining an understanding of the electrical power supply composition policies and infrastructure circumstances of various countries and regions, and developing environmental technology that anticipates trends in carbon-neutrality technology.

| Main axis | Technological response | | Effect |
|----------------------------------|---|------------------------------------|------------------|
| ICE (internal combustion engine) | Enhancement of the efficiency of engines and drive trains | | Fuel improvement |
| | HEVs (the main axis is motorized in S-HEVs) | | |
| | De-carbonization of fuel | Synthetic Liquid Fuels Hydrogen | De-carbonization |
| Motorized | BEV | | |
| | FCV (hydrogen fueled) | | |

ICE: Internal Combustion Engine; burns fuel to acquire moving force.

HEV: Hybrid Electric Vehicle; driven through the combination of an engine and motor.

BEV: Battery Electric Vehicle; drive a motor using battery power.

FCV: Fuel Cell Vehicle; power is generated using fuel cells to drive a motor.

CN fuel: Carbon-neutral fuel; moving force is acquired by burning Hydrogen, Biomass, Synthetic Liquid Fuels, and other renewable fuels.

Synthetic Liquid Fuels: Fuel obtained by synthesizing hydrogen and CO₂, which are obtained by electrolyzing water with renewable energy.

3. Risk Management

Process of Identifying and Evaluating Climate-related Risks

We identify and evaluate climate change risks from two perspectives: business strategy and business continuity.

Identification of Risks

Each operating division and functional division categorize short-term, medium-term, and long-term climate-related risks into "risks related to transitioning to a low-carbon economy" and "risks related to physical changes caused by climate change." Then, they consider the financial impacts of these risks on business, as well as the financial impacts on business with climate change mitigation measures and adaptation measures as opportunities for management reform, and identify risks and opportunities in the medium-term business plan.

Companywide business continuity risks including climate-related risks, violations of laws related to product quality, critical product accidents, and cybersecurity are incorporated into the activity policies of each headquarters division and overseas Group company, and those that we particularly need to focus on to prevent and address are identified as significant risks at the Group level. In this manner, climate-related risks are incorporated into the Groupwide system for risk management.

Evaluation of Risks

The Environment Committee, chaired by the executive officer in charge of environment activities, evaluates specific initiatives undertaken as a business strategy on risks and opportunities identified by each operating division and functional division.

The Sustainability Committee, chaired by the President and Chief Executive Officer, evaluates specific initiatives on significant risks at the Group level, particularly Companywide business continuity risks, including climate-related risks, that the Company needs to focus on to prevent and address. In this manner, climate change-related risks are incorporated into the Groupwide system for risk management.

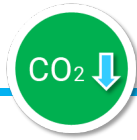
Process of Managing Climate-related Risks

The Environment Committee manages the annual progress toward the goals and targets of specific initiatives undertaken as a business strategy on risks and opportunities identified by each operating division and functional division. It reports results to the Sustainability Committee, which consists of the same members as the Management Committee, and the Board of Directors.

Specifically, each operating division and functional division considered short-term, medium-term, and long-term risks and opportunities, their business, strategic, and financial impacts, and in terms of physical risks, RCP2.6 and RCP8.5 scenarios, and migration risk, IEA 2DS, IEA B2DS and NDCs scenarios were considered. Specific figures for the 2030 targets (and 2035 targets) were formulated. The Environment Committee manages progress and deliberates matters that have a significant impact on business, and submits reports or resolution matters to the Board of Directors at least twice a year.

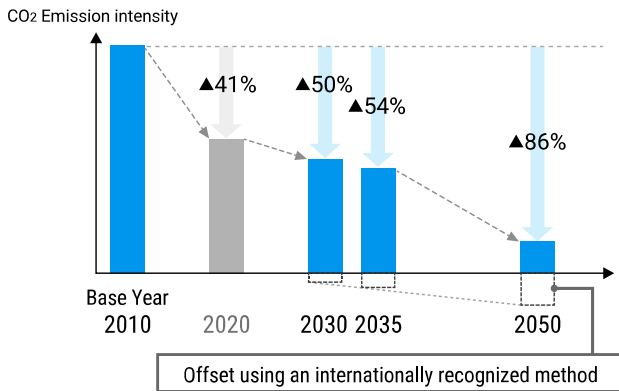
4. Indicators and Targets

Setting 2030 and 2035 milestones



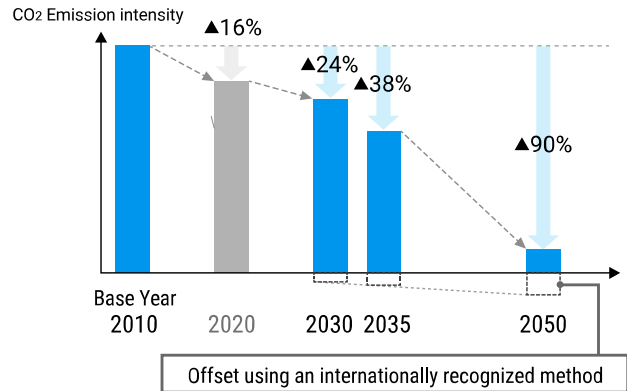
Initiatives for "Climate Change"

Scope 1, 2 Targets



Scope 3 Targets

This reduction target is for total emissions, mainly from our product portfolio (motorcycles, outboard motors, industrial robots, etc.)



External environment

- Strengthen undertakings with the NDCs of countries and regions
- Further expansion of ESG investment
- Making sources of electrical power clean
- Tightening of environmental regulations, such as a carbon tax

External environment

- Strengthening of ICE fuel regulations
- Expansion of BEV regulations
- Making sources of electrical power clean
- Popularization of carbon neutral fuel (biofuel, hydrogen, Synthetic Liquid Fuels, etc.)

Concrete measures

- Roll out theoretical value energy (energy conservation activities)
 - Adopt renewable energy (solar power, etc.)
 - Update facilities, reform processes
 - Thermal demand facilities Electrification and non-dependence on fossil fuels
- Carbon offset

Concrete measures

- Improve the fuel efficiency of ICE systems
 - Upgrade and expand BEV products
 - Expand sales of BEV models
 - Develop power trains with carbon neutral fuel capabilities
- Carbon offset

※**NDCs**: Nationally determined contributions are the GHG reduction targets, measures, and efforts toward target achievement determined by each country on the basis of the Paris Agreement.

※**ICE**: Internal Combustion Engine; burns fuel to acquire moving force.

※**BEV** : Battery Electric Vehicle; motors are driven by battery power.

※**CN fuel**: Carbon-neutral fuel; moving force is acquired by burning Hydrogen, Biomass, Synthetic Liquid Fuels, and other renewable fuels.

※**Synthetic Liquid Fuels**: Fuel obtained by synthesizing hydrogen and CO₂, which are obtained by electrolyzing water with renewable energy.



Initiatives for "Resource Recycling"

Reduce waste generated by production activities

- Raise awareness of a globally shared definition of waste materials
- Obtain a grasp of waste amounts utilizing a global tabulation system
- Carry out on-site surveys, extract and grasp issues

Reduction of water usage in production activities

- Continue obtaining an understanding of the water consumption amounts of each Group company
- Aim to minimize water risks^{*} through measures corresponding to the water risks of each country and region

* Water risks are indexes related to water supply and demand that were uniquely established by Yamaha Motor using Aqueduct, published by the World Resources Institute, and other materials as reference



Environmental Management

2050: Eliminate all harmful substances contained in products

2030: Strengthen compliance with environmental laws and regulations, and control of chemicals in products

- Reduce environmentally hazardous substances in products
- Risk management of the control of environmentally hazardous substances

Environmental technology briefing

> July 19, 2021 Environmental Technology Briefing Session [Video](#)

> July 19,2021 Presentation of Environmental technology briefing [PDF](#)

Initiatives for "Climate Change"

Yamaha Motor works on solution to issue of climate change through its business activities.



Contents

1. Reduction of CO₂ Emissions from Products
 - The 4-stroke Challenge and Expansion of Product Categories
 - BLUE CORE
 - 2020 Results on Reduction of Use-phase CO₂ Emissions Specified in the Yamaha Motor Group Environmental Plan 2050
2. Development and Promotion of Next-generation Mobility Options
 - 1980s Mark the Start of Efforts to Address Global Environmental Issues
 - Medium-term (2019–2021) Electric Product Strategy
 - Creating Solutions in the Unique Style of Yamaha
3. Reduction of CO₂ Emissions from Production Operations
4. Total Global CO₂ Emissions and CO₂ Emissions per Unit Sales
5. Reduction of CO₂ Emissions from Distribution Operations
 - Improvement of Transportation Efficiency
 - Monitoring CO₂ Emissions from Distribution Operations at Overseas Locations
6. Addressing Scope 3 Emissions

1. Reduction of CO₂ Emissions from Products

Compact and lightweight, motorcycles emit small amounts of CO₂ during use as a mobility option, and they can also be manufactured using minimal resources as raw materials. For these reasons, motorcycles are deemed "environmentally friendly products" in life cycle assessments (LCA), which assess the environmental impact of a product throughout its entire life cycle, from raw materials to disposal and recycling. However, it is also true that motorcycles add to the overall environmental burden of human activities in the urban areas of the ASEAN region, a major market for Yamaha Motor, by contributing to traffic congestion and air pollution.

Of the total life cycle CO₂ emissions produced by the Yamaha Motor Group, emissions from products account for 85%, of which motorcycles account for 72%. The Paris Agreement adopted in 2015 commits the international community to tackling global warming, with the goal of keeping the rise in global temperatures to less than 2 °C above pre-industrial levels. At Yamaha Motor, we are working hard to contribute to the creation of a low carbon society and resolution of regional issues in various ways. These include the shift from 2-stroke to more environmentally friendly 4-stroke engines, and in 2014 we released a next-generation high-performance compact motorcycle engine based on the BLUE CORE concept, which strives to take riding enjoyment, fuel efficiency, and environmental performance to a whole new level. Various models sold in the ASEAN region and elsewhere are equipped with BLUE CORE engines.

The 4-stroke Challenge and Expansion of Product Categories



Launched the YZF-R1 4-stroke supersport (1998)

Its engine featured a 5-valve layout that made it easier to give the combustion chamber a lens-like form to achieve a high compression ratio. The resulting rapid combustion produced a lot of power. The area around the cylinder head also had a compact design, leading to a smaller overall chassis size.



Launched the F100A 4-stroke outboard (1998)

In addition to the advantages of a 4-stroke design, including clean emissions, quiet operation, and excellent fuel efficiency, this new-generation outboard featured speed and acceleration performance that rivaled those of 2-stroke outboards.



Launched the FX140, the world's first personal watercraft with a 4-stroke engine (2002)

4-stroke personal watercraft offer dramatically better environmental characteristics such as fuel efficiency, cleanliness of exhaust, and quietness, while providing a smooth dynamic ride. Yamaha has since expanded its range of personal watercraft, from sporty models to cruising models.



Launched the RX-1 4-stroke snowmobile (2003)

This snowmobile featured a new engine based on the engine of the YZF-R1, Yamaha's flagship motorcycle model, and mounted on an aluminum frame specially designed to accommodate a 4-stroke engine.



Launched the FAZER, a 4-stroke industrial-use unmanned helicopter (2013)

This environmentally friendly product cut fuel consumption by 20% by adopting a 4-stroke engine. It also achieved enhanced exhaust performance, including a 95% reduction in hydrocarbons.

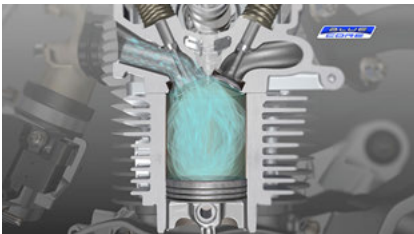
BLUE CORE

The ideal behind all "BLUE CORE" engines is "Fun & Eco!" After all, if it's not fun, it's not a Yamaha. These engines are developed not only to achieve high fuel efficiency, but also to deliver the fun-to-ride performance we want all Yamaha customers to enjoy. "BLUE CORE" engines are our answer to what an eco-friendly Yamaha engine should be, and they are products of Yamaha "Sports DNA" and over 60 years of our unwavering Yamaha Monozukuri spirit of craftsmanship. But this ideal has no final answer, and that's why Yamaha will continue to evolve "BLUE CORE" technology into the future.

A motorcycle engine design concept that balances fuel economy and environmental performance at a high level



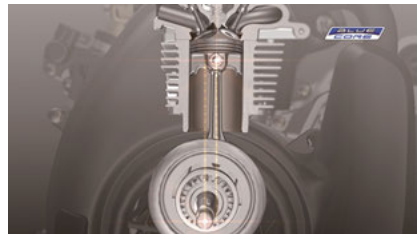
Increasing Combustion Efficiency / Reducing Power Loss / Increasing Cooling Efficiency



Increasing Combustion Efficiency

Clean Combustion Enables "Fun & Eco"

A key point of BLUE CORE engines is their low fuel consumption, but achieving that alone isn't our aim. Yamaha's quest is for the ultimate balance of the compression ratio, combustion chamber shape, air intake path, combustion flame propagation, and more, because cleaner combustion is what makes it possible for us to give BLUE CORE engines an ideal combination of both strong power delivery and fuel efficiency.



Reducing Power Loss

Light & Simple Means Waste-less Performance

Engines run on the power of burning fuel. Our desire to get the fullest use out of every last bit of that power led us to try to reduce power losses inside the engine as much as possible. To accomplish this, we turned our attention to the metals of each and every part to make them as lightweight as we could and reduce frictional losses to an absolute minimum.



Increasing Cooling Efficiency

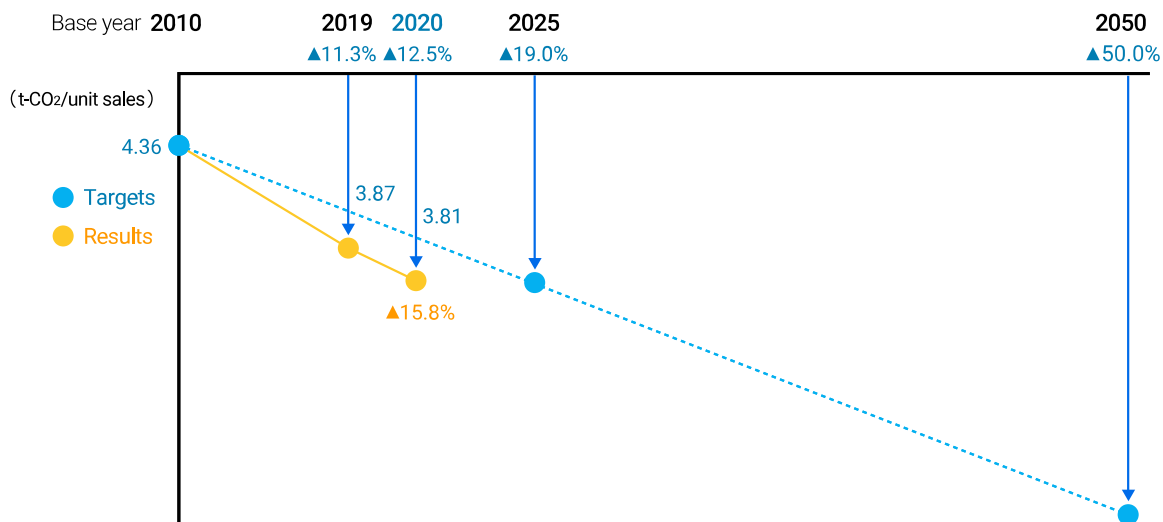
Always Cool for Maximum Power

For an engine to deliver stable performance across a wide range of operating conditions, optimal cooling performance is essential. If the engine runs too hot or too cool, the power it will deliver weakens. We design each BLUE CORE engine—whether it's air-cooled or liquid-cooled—to keep its temperatures down but still up where we can maximize the power of each drop of fuel burned.

2020 Results on Reduction of Use-phase CO₂ Emissions Specified in the Yamaha Motor Group Environmental Plan 2050

Under the old Environmental Plan 2050, we carried out our activities toward achievement of the target to reduce use-phase CO₂ emissions per unit sales by 50% from 2010 levels by 2050 (After the Plan review, our aim is to achieve carbon neutrality (net-zero CO₂ emissions).) All operating divisions have set milestone 2025 targets and are working on specific measures within the time frame of a three-year medium-term plan (2019–2021). The Environment Committee checks progress toward their targets three times a year and reports the status to the Board of Directors at least twice a year.

In FY2020, we achieved a 15.8% reduction of CO₂ emissions per unit sales as compared to the target in the plan to reduce per unit sales by 12.5%.



Motorcycle Topics



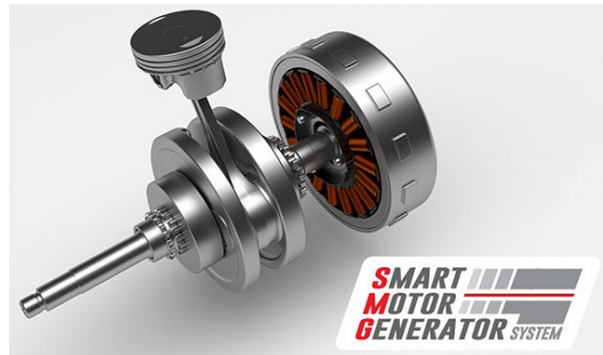
NMAX155

BLUE CORE Engine

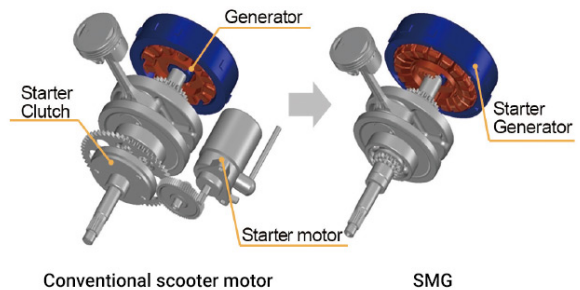


The NMAX155 features a 155-cm³ liquid-cooled, 4-stroke, SOHC, single-cylinder, 4-valve FI engine focused on high-efficiency combustion, high cooling performance, and loss reduction. This engine was developed and set up based on Yamaha's original BLUE CORE engine design concept, which strives to take riding enjoyment, fuel efficiency, and environmental performance to a whole new level. It uses a forged aluminum piston, all-aluminum DiASil cylinder, offset cylinder, and variable valve actuation (VVA) mechanism to promote high-efficiency combustion. These elements combine to deliver a powerful ride, excellent fuel efficiency, and superb acceleration feel.

Making the Engine Lighter and Smaller

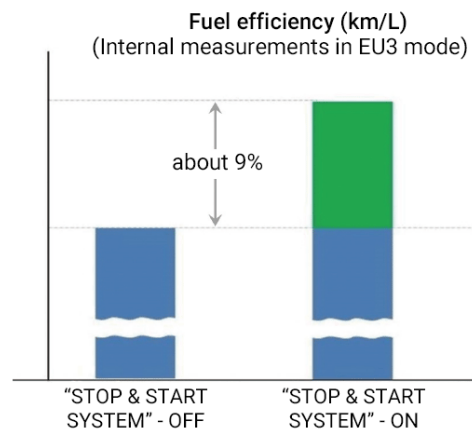


The Smart Motor Generator System controls the direction in which an electric current flows toward the starter generator to allow it to function both as a generator and starter motor. As a result, the engine can operate without a conventional starter motor and gears, making it approximately 900 g lighter and smaller.



Stop & Start System

This system reduces fuel consumption by immediately stopping the engine when the vehicle is stopped at a red light, etc., and also ensures the restart is quiet. It improves fuel efficiency by approximately 9%.



Marine Topics



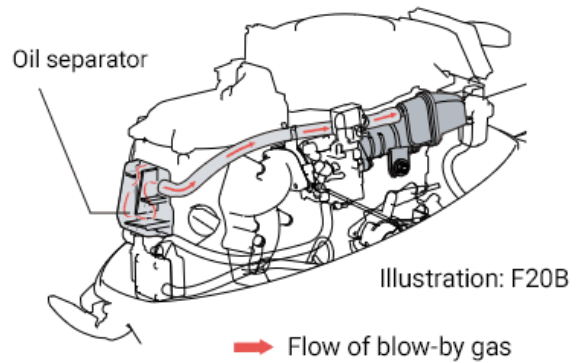
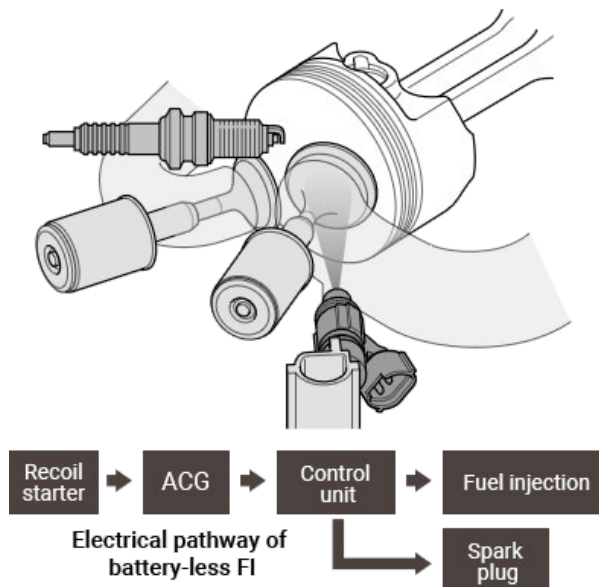
Blow-by Gas Reburning System*

We adopted the blow-by gas reburning system* as an environmental measure to achieve clean exhaust that meets the 2008 emission standards of the California Air Resources Board (CARB), 2010 emission standards of the US Environmental Protection Agency (EPA), and EU marine emission standards.

* The engine oil mixed into blow-by gas is separated, and only the fuel is sent back to the combustion chamber via the intake system. This keeps the exhaust gas clean because oil is not burned during the combustion process.

Battery-less Fuel Injection

Our new outboard features a battery-less fuel injection system for easy engine starts even under harsh operating conditions, as well as enhanced acceleration performance.



Electrically Power Assisted Bicycle Topics

Yamaha Receives Japan's Technology Management and Innovation Award

Ever since we developed the world's first electrically power assisted bicycle and put it on the market in 1993, we have made various improvements in subsequent models by incorporating new technologies. Along the way, we have acquired a broader user base, created a new category of product that is neither a bicycle nor a motorcycle, and fulfilled the initial development objectives of contributing to society and the resolution of social issues. In recognition of these accomplishments, we received the Minister of Economy, Trade and Industry award at the 8th Technology Management and Innovation Awards, an event hosted by the Japan Techno-Economics Society.



Initial model (1993)



Latest model (2020)

Development and Promotion of Next-generation Mobility Options

It is widely believed that global warming is caused by a rise in CO₂ levels in the atmosphere. The international community is moving toward the creation of a carbon-free society in order to make this planet and the next generation of ecosystems sustainable. This means that CO₂ emissions from burning oil, coal, and other fossil fuels used as an energy source by humans must be reduced to zero or negative by 2050. Countries and territories around the world are encouraging the use of fuel-efficient motorcycles and tightening emission standards, while developing the necessary infrastructure to lay the groundwork for the next generation of mobility society and popularization of electric motorcycles.

1980s Mark the Start of Efforts to Address Global Environmental Issues

We have constantly pursued the creation of new value in a variety of fields including mobility. In 1993, we released PAS, the world's first electrically power assisted bicycle marketed as a personal commuter vehicle that is both people-friendly and environmentally friendly. Then in 2002, we introduced Passol, an environmentally friendly electric scooter for urban commuters. Subsequently, we went on to electrify various product categories, including golf cars, wheelchairs, and outboards. For many years, we have worked to provide a fulfilling life to people all over the world, making sure that we, as a manufacturer of transportation equipment, meet our social responsibility of consideration for the environment through our businesses and products.



PAS, the world's first electrically power assisted bicycle (1993)



Passol electric commuter (2002)



Towny Joy, a lightweight electric wheelchair (2004)

Medium-term (2019–2021) Electric Product Strategy

In the Long-term Vision and Medium-term Management Plan announced at the end of 2019, we specified resource and environmental issues as one of the material social issues that we can help to address by leveraging our strengths. Under the old Environmental Plan, we aimed to reduce CO₂ emissions from our products by 50% by 2050 from 2010 levels. (After the Plan review, our aim is to achieve carbon neutrality (net-zero carbon emissions).) The EC-05 represents the first launch under the electric product strategy in this Medium-term Management Plan period, with more releases to come. The EC-05 is the fifth electric motorcycle launched by Yamaha Motor, after the Passol in 2002, the EC-02 in 2005, the EC-03 in 2010, and the E-Vino in 2014.



EC-02 (2005)



EC-03 (2010)



E-Vino (2016)



EC-05 (2019) Taiwan

Creating Solutions in the Unique Style of Yamaha

Currently, we are witnessing a step change in how people travel and how goods are transported. "Connected," "autonomous," "shared," and "electric" (CASE) are the keywords that represent the four interlinked elements behind the innovative technologies and services that are driving this transformation. At Yamaha Motor, we are working to create solutions that address such themes as "a new relationship between humans and vehicles," "rebuilding of traffic infrastructure in urban and depopulated areas," and "ideal forms of mobility in an aging society," which have become matters of global concern, particularly in developed countries. In this effort, we are building on a foundation of our technologies and know-how cultivated over the years, ever since our foundation, in relation to motorcycles and various other means of mobility, and combining the latest robotics technologies that realize automation and autonomy.



MOTOBOT Ver.2

An autonomous riding robot capable of operating a motorcycle designed for humans and riding around a racetrack at high speeds, as an approach to completely automated operation.



MOTORiD

A proof-of-concept experimental electric motorcycle that features AI to enable balance control when stationary and moving at low speeds, as well as automated riding.



YG-M FC

A prototype model equipped with hydrogen fuel cells that proposes the next generation of last-mile mobility.



O6GEN Automated

An autonomous vehicle aimed at realizing a new service system for traveling a short distance, using an original approach applying the technologies and know-how developed with golf cars. (Concept model)



TRITOWN

A compact electric vehicle with twin front wheels that is ridden standing up. Makes last-mile mobility a fun and exciting experience. (Field test model)



YNF-01

A concept model of a mobility vehicle that anyone can enjoy.

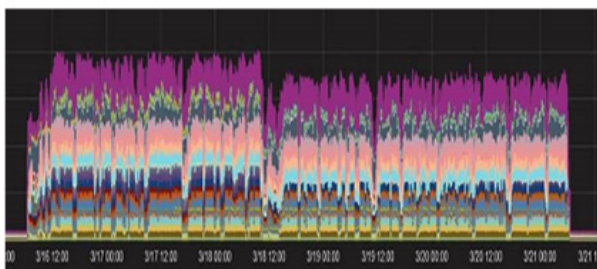
Reduction of CO₂ Emissions from Production Operations

Our main initiative with respect to CO₂ emissions from production operations has been the rollout of the Global Utility Cost Reduction Project (Theoretical Value Energy Project), for energy conservation at Group companies in Japan and overseas. This project builds on the energy conservation expertise accumulated in Japan by sharing this know-how with overseas Group companies and working together to reduce CO₂ emissions across the Group. As part of our activities in 2020, we introduced a cloud monitoring system on the crankshaft processing line at the Hamakita Factory as a new energy-saving technology and worked on an energy visualization model.

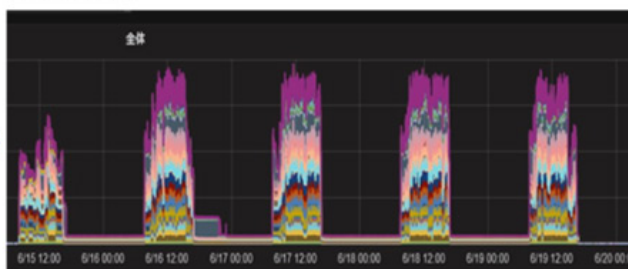
Crankshaft Processing Line

The average power consumption has been reduced from 195kw to 105kw (-46%) by stopping when unnecessary and automatically stopping the motor.

Ave195Kw

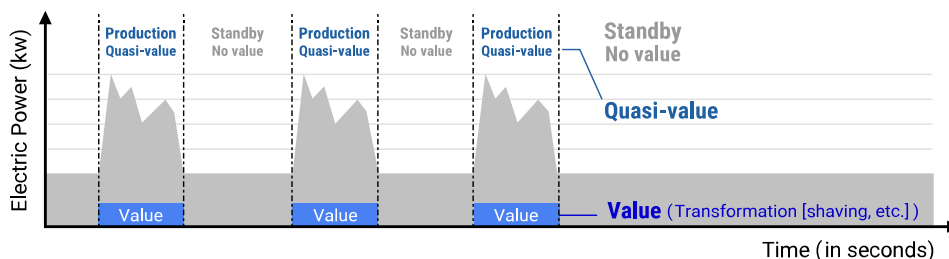


Ave105Kw



Theoretical Energy

Transformation = Value, In Production= Quasi-value, Other=No value



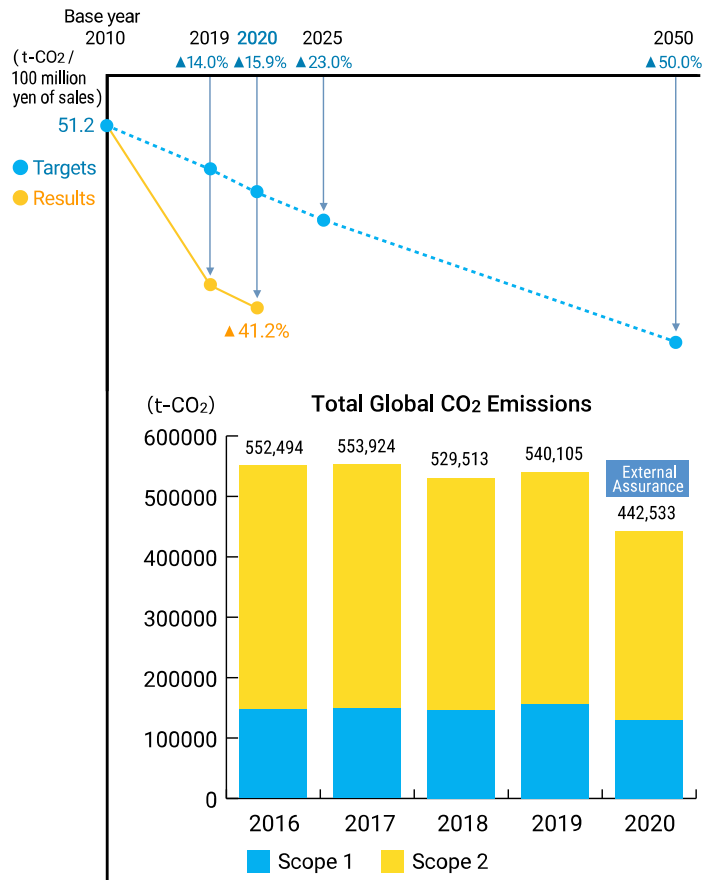
Total Global CO₂ Emissions and CO₂ Emissions per Unit Sales

In 2020, our total global CO₂ emissions were 442,533 t-CO₂, with Asia (51%) and Japan (32%) combined accounting for 83% of the total.

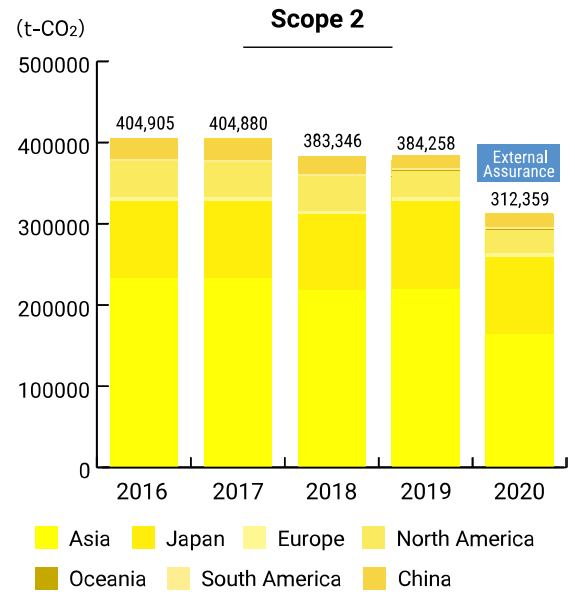
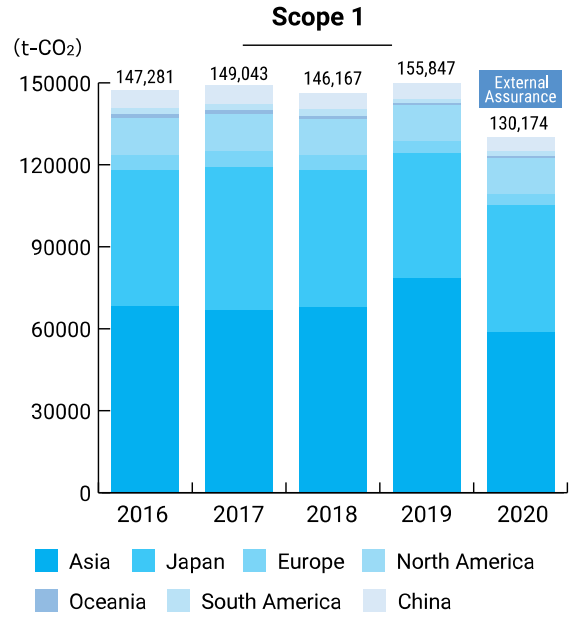
Under the old Environmental Plan, we carried out our activities after setting the reduction of production-phase CO₂ emissions by 50% per net sales by 2050 (tons of CO₂ / net sales), from 2010 levels, as the target. (After the Plan review, our aim is to achieve carbon neutrality (net-zero carbon emissions).) In 2020, we achieved a reduction of 41.2%, far exceeding the year's target of 15.9%.

Boundary: 134 companies within the scope of global environmental consolidation

Total Global CO₂ Emissions (Scope 1 + 2)



CO₂ Emissions by Region and Scope

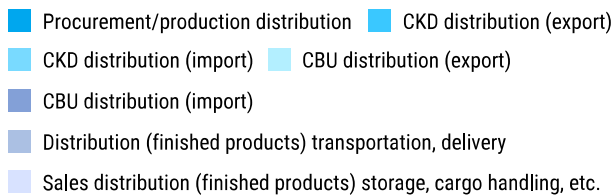
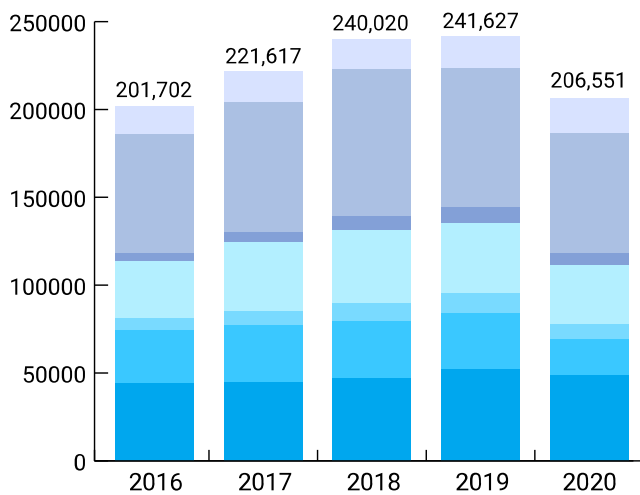


Reduction of CO₂ Emissions from Distribution Operations

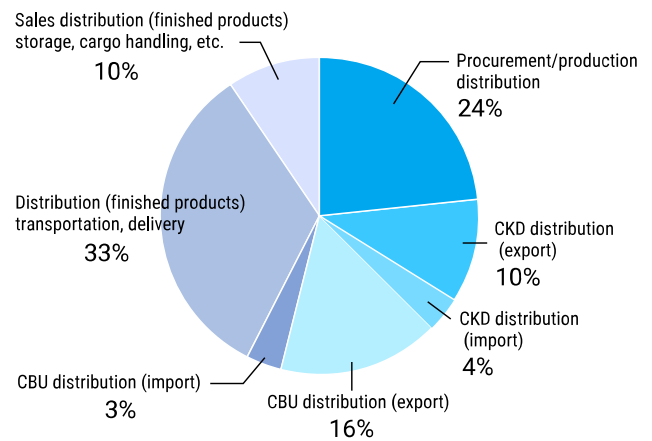
We are working to improve transportation efficiency with the aim of reducing CO₂ emissions from distribution operations. We are also taking active steps to monitor CO₂ emissions from distribution operations at overseas locations in a Groupwide effort to promote reduction activities.

Monitoring CO₂ Emissions from Distribution Operations at Overseas Locations

Global CO₂ emissions from distribution (t-CO₂)



2020 Breakdown of CO₂ emissions from distribution by monitoring scope



In 2020, 206,551 tons of CO₂ were emitted globally from distribution operations. By monitored scope, sales distribution involving the export and import of finished products accounted for the largest share at 33%. This was followed by procurement and production distribution involving the transportation of parts and raw materials, which accounted for 24%. In particular, global sales of motorcycle models manufactured at overseas factories are increasing year after year, so we will continue to promote and monitor our global efforts to reduce CO₂ emissions from distribution operations.

Addressing Scope 3 Emissions

At Yamaha Motor, as part of our efforts to reduce the CO₂ emissions of the whole supply chain, we are striving to monitor not only our own CO₂ emissions (Scopes 1, 2), but all emissions related to our business activities, including sourcing of raw materials, transportation, business trips and commuting of employees, use of products by customers, and disposal (Scope 3).

> [Global CO₂ emissions Data](#)

Initiatives for "Resource Recycling"

Yamaha Motor works on solution to issue of resource recycling through its business activities.

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

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



Contents

1. Reduction of New Resource Use through the Use of Renewable Resources
 - 3R Design in Motorcycles
 - Motorcycle Recycling System
 - Recycling System for Small FRP Boats
 - FRP Pool—Renewal
 - FRP Pool—Reduce
 - FRP Pool—Reuse
 - FRP Pool—Recycle
2. Measures to Reduce Waste and Conserve Resources at the Manufacturing Stage
3. Measuring and Reducing Water Consumption

Reduction of New Resource Use through the Use of Renewable Resources

3R Designs and Product Recycling

The Yamaha Motor Group is proactively incorporating the "3R (Reduce, Reuse, Recycle) design" in its various products. In Japan, we continue to work with other companies in our industry in the "motorcycle recycling system" for appropriate disposal by stores handling motorcycle scrapping. We also participate in a similar "recycling system for small FRP boats" in the marine segment, and are also implementing "renewal, reduce, reuse, recycle" initiatives for FRP pools.

TRICITY300

Tail lights • Position Light
Use of LED for longer life



Meter



Head light • Position Light
Use of LED for longer life



Cylinder head
Adopted DiASiL cylinder for Renewable and single material consideration



Steering head pipe
Adopted bolt-on structure for reduce welding



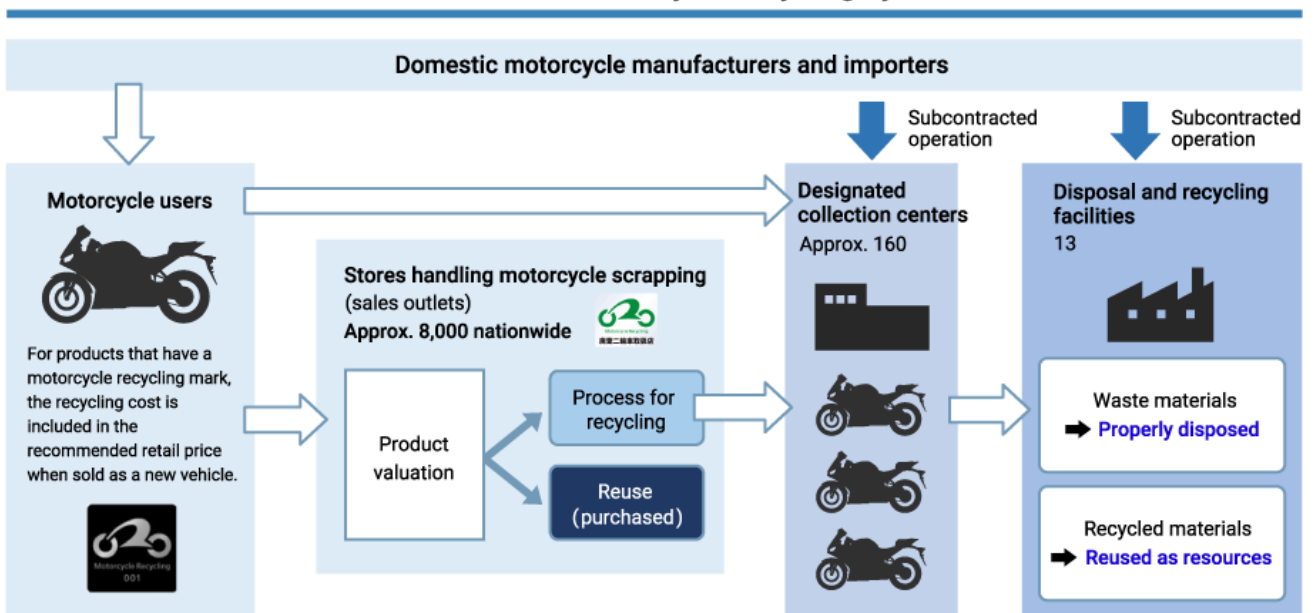
DiASiL cylinder (Die-casting Aluminum–Silicon Cylinder)

Yamaha Motor was the first manufacturer in the world to develop a cylinder with the DiASiL. It used the controlled filling (CF) die-casting technology to make an aluminum alloy containing higher silicon possible for using, which had been considered very difficult for the castings. The manufacturing technique makes mass-production to be realized for all-aluminum cylinders that had excellent sliding characteristics without a sleeve, and increases wear resistance, production efficiency, obtains good recyclability.

Motorcycle Recycling System

The motorcycle recycling system in Japan is a voluntary initiative to promote the appropriate disposal of scrapped motorcycles and the recycling and reuse of resources and to achieve a recycling-oriented society. In 2020, Our recycling rate was 97.8%. Along with promoting the use of the motorcycle recycling system, the Yamaha Motor Group takes responsibility for the appropriate disposal and recycling of Yamaha end-of-life motorcycles that customers wish to scrap.

Process of the Motorcycle Recycling System

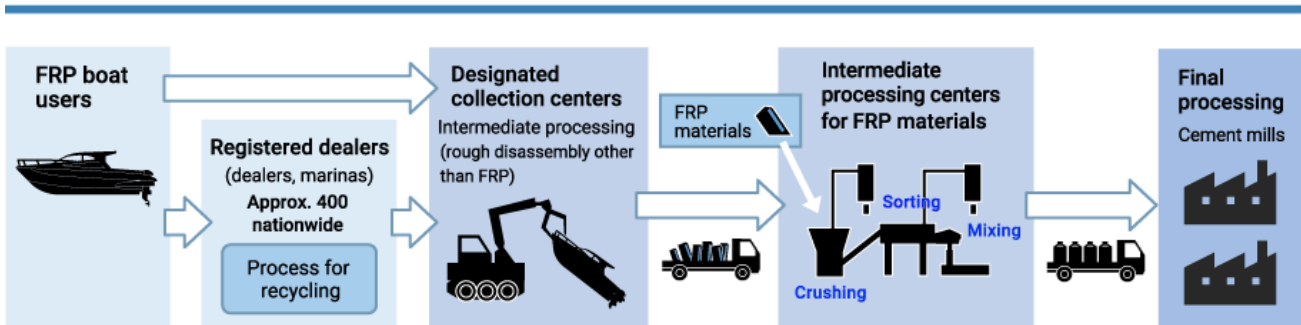


Recycling System for Small FRP Boats

The recycling system for small boats (boats, yachts, personal watercraft, fishing boats, etc.) made from glass fiber-reinforced plastic (FRP) is mainly carried out by the Japan Marine Industry Association's FRP Boat Recycling Center. After scrapped FRP boats are taken to subcontracted, designated collection centers and roughly disassembled, FRP materials are taken to an intermediate processing center where they are crushed and sorted, and finally calcined to cement for recycling (material thermal recycling).

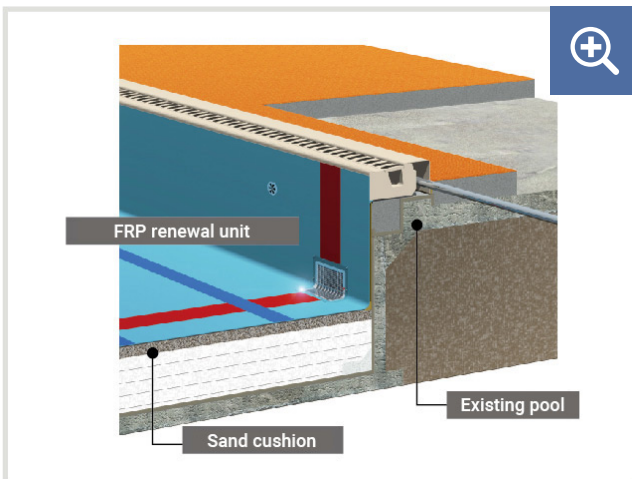
Yamaha Motor participates in this recycling system, and takes responsibility for appropriately disposing of and recycling FRP boats that customers wish to scrap and have recycled.

Process of Recycling System for Small FRP Boats



FRP Pool—Renewal

Yamaha Motor contributes to the realization of a recycling-oriented society by developing technology for creating environmentally friendly pools that leverage the merits of FRP materials. Yamaha Motor's renewal construction method makes the most of the structures of existing concrete pools, and therefore it minimizes the crushing noise generated by vibration drills and operating noise of large heavy machinery during disassembly. Moreover, while disassembling concrete pools normally produces about 350 tons of waste materials, this method requires only partial removal of the existing structure, reducing the amount of waste materials by approximately 85%. Compared with typical reconstruction and renewal work, it significantly reduces environmental burden.

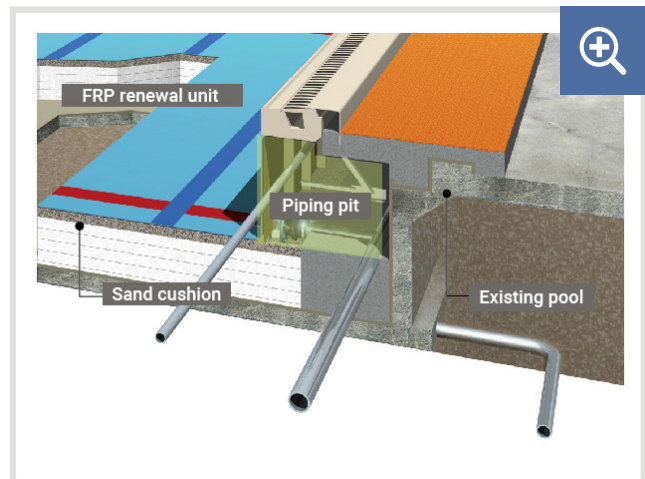


Full renewal construction method

This is a basic construction method that makes the most of an existing concrete pool in renewing it as an FRP pool.

The original concrete pool is covered with an FRP renewal unit that is secured with special stays. A layer of sand filled underneath the FRP floor panel serves as a cushion to reduce impact.

Full renewal using this method is completed in approximately 45 days, much shorter than the average construction period required to build a new pool.



Pit renewal construction method

Old concrete pools often have buried pipes, which require a considerable amount of time and effort to deal with any pipe problems. With the pit renewal construction method, new piping pits are installed between the existing concrete pool and the FRP unit. This ensures the new pool can be maintained more easily with minimal costs.

FRP Pool—Reduce

In a recycling-oriented society, reducing waste is the top priority. FRP pools boast excellent corrosion and earthquake resistance and a long service life, enabling them to be used over an extended period of time by providing regular maintenance. The first school pool delivered more than 40 years ago in 1978 is still safely used today.



Installed in 1978 (Iwata City Tobu Elementary School, Shizuoka Prefecture)



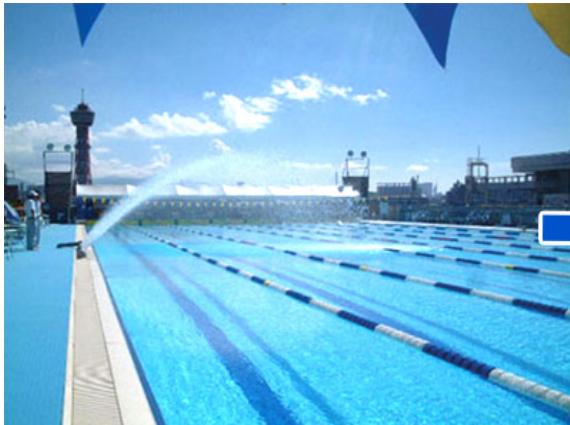
Installed in 1988 (Tsumagoi Water Park)



FRP Pool—Reuse

Yamaha Motor's FRP reuse construction method employs a unique modular construction that enables the pools to be disassembled and relocated for reuse.

The temporary pool used at the FINA World Championships was disassembled and relocated to be reused as a permanent pool



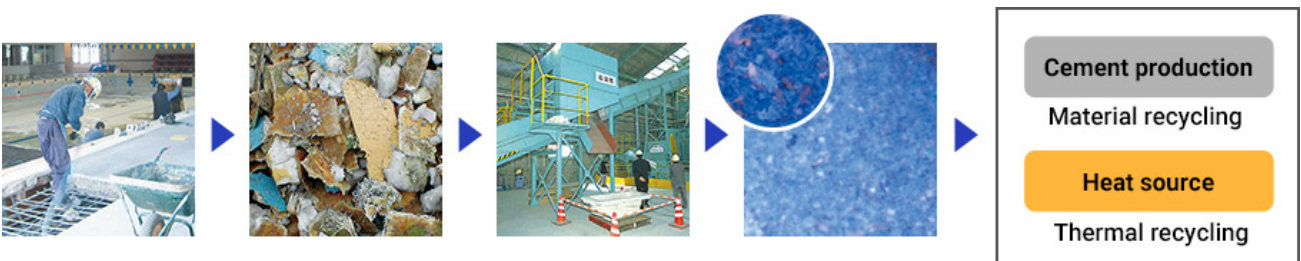
Warming-up pool for the FINA World Championships 2001 in Fukuoka



Swimming pool for the national athletic meet in Okayama

FRP Pool—Recycle

FRP materials can be recycled in various ways, such as melting them so that they can be reused as resources and heat recovery (power generation). Now, they can also be recycled to be used as materials and a thermal energy source for making Portland cement. With these methods, FRP can be recycled at a rate of almost 100%.



Measures to Reduce Waste and Conserve Resources at the Manufacturing Stage

In 2020, Yamaha Motor generated a total of 16.5 thousand tons of waste.^{*1} We separate metal, plastic, foundry sand, and other waste for reuse and recycling as raw materials. We also subject oil and some plastics to a thermal recycling process to create materials that can be used as combustion improvers. In addition, we use post-combustion residue as a raw material in cement and roadbeds. As a result, we have maintained our direct and indirect landfill record of "zero tons" (a 100% recycling rate).

The Yamaha Motor Group began tracking its volume of waste from 2016. Group companies in Japan and overseas have been working to reduce their volumes of waste by thoroughly separating waste, introducing returnable packing materials, and using longer-lasting cutting fluids and oils. The Yamaha Motor Group's waste material volume (Boundary: 134 companies within the scope of global environmental consolidation) in 2020 was 40.7 thousand tons [External Assurance](#).

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

Specially controlled industrial waste from Yamaha Motor *2

| 2016 | 2017 | 2018 | 2019 | 2020 |
|-------|-------|-------|-------|-------|
| 290 t | 277 t | 229 t | 288 t | 122 t |

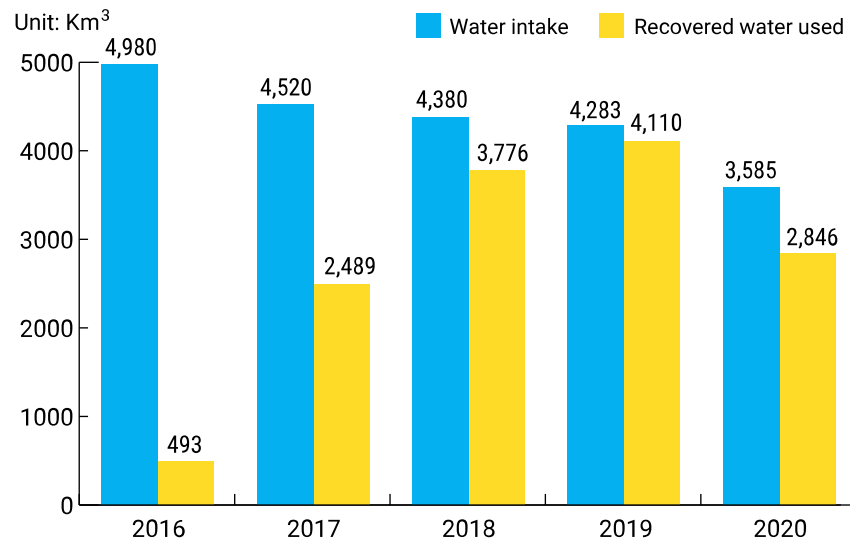
*2 Industrial waste materials that are explosive, poisonous, infectious, or otherwise harmful or potentially harmful to human health or the environment

Measuring and Reducing Water Consumption

The Yamaha Motor Group is working to reduce consumption of water. In accordance with our 2050 goal of "reducing water usage in production activities," we continue to strive to measure our global use of water and reduce consumption Groupwide through programs including the reuse of coolant water and water collection (rainwater and other sources) at factories, the reuse of water using reverse osmosis (RO) membranes, posters to remind employees to conserve water, and the installation of water-saving packing in faucets.

In 2019, Yamaha Motor's water intake volume was 1,078 thousand m³ and wastewater volume was 1,181 thousand m³ External Assurance.

Water Intake and Recovered Water Used at the Yamaha Motor Group



Boundary: 134 companies within the scope of global environmental consolidation

Breakdown of Water Intake at the Yamaha Motor Group (thousand m³)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------|-------|-------|-------|-------|-------|
| Underground water | 1,772 | 2,221 | 1,501 | 1,723 | 1,472 |
| Industrial water | 1,798 | 1,487 | 1,448 | 934 | 731 |
| Tap water | 1,317 | 575 | 946 | 1,251 | 1,002 |
| Other fresh water | 85 | 167 | 258 | 375 | 380 |
| Total water intake | 4,972 | 4,450 | 4,153 | 4,283 | 3,585 |

Note: Breakdown includes estimated figures.

Initiatives for "Biodiversity"

Yamaha Motor works on solution to issue of biodiversity through its business activities.



Contents

1. Impact on Biodiversity
2. Outline of Yamaha Motor's Main Biodiversity Initiatives
3. Initiatives for Creating a Society in Harmony with Nature
4. Global Activity Reports
 - Activity reports from Japan
 - Activity reports from the Americas
 - Activity reports from Asia & Oceania
 - Activity reports from Europe

Impact on Biodiversity

At Yamaha Motor, we understand that our business activities are heavily dependent on the blessings of nature that biodiversity produces, and that those activities may impact the ecosystem. With this understanding, we will aim to create a sustainable society in harmony with nature, where humans and every other creature that lives on Earth can coexist harmoniously and continue to enjoy the blessings of nature.

Outline of Yamaha Motor's Main Biodiversity Initiatives

Background

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

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

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

Concept

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

Contribute with intellectual technologies that respect the earth



Make strides in environmental communication and information disclosure



【Declaration】

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



Contribute with intellectual technologies that respect the earth

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

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

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

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

Make strides in environmental communication and information disclosure

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

Initiatives for Creating a Society in Harmony with Nature

We view environmental conservation activities that embody the unique style of Yamaha from the following four perspectives.



Activities to protect the natural environment where our products are used

We continuously engage in activities to protect mountains, oceans, and other natural environments where our products including motorcycles, ATVs, snowmobiles, personal watercraft, and boats are used, as we view such activities are vital to continuing our business.



Activities that use our products

Our products are used to help protect nature, such as in conservation activities and unmanned survey operations in areas that cannot be easily accessed by humans.



Activities in collaboration with Yamaha users

There are many customers around the world who use our products. We will work with these customers to promote activities that protect the global environment.



Activities that contribute to solving regional environmental issues

We operate our business in various regions across the world. With the understanding that our business activities are founded on the environment of these regions, we will also tackle regional environmental issues.

Global Activity Reports



Activity reports from Japan



Activities to protect the natural environment where our products are used



Activities in collaboration with Yamaha users



Activities that use our products



Activities that contribute to solving regional environmental issues



Company

Yamaha Motor Co., Ltd.

Activities

[Every month]
Protecting and monitoring threatened plant species transplanted within the premises of the Yamaha Motor Kikugawa Test Course when the course was developed (organized by Yamaha Motor)

Achievements

Bletilla striata and Penthorum chinense, both near-threatened species, increased in number



Company

Yamaha Motor Co., Ltd.

Activities

[March 15, 2019]
Participated in reforestation activities aimed at nurturing the abundant groundwater of the area around Iwata City as part of the city's 20th Groundwater Recharge Project (organized by Iwata City)

Achievements

Planted approx. 300 trees



Company

Yamaha Motor Co., Ltd.

Activities

[March 23, 2019]
Participated in the Iwata City Coastal Disaster Prevention Forest Tree-planting Event to create a green coastal levee (organized by Iwata City, Shizuoka Prefecture)

Achievements

Planted approx. 500 trees





Company Yamaha Motor Co., Ltd.

Activities [April 20, November 16, 2019]
Thinned moso bamboo that grows on company-owned land adjacent to Lake Hamana to prevent unwanted effects on the surrounding land and Lake Hamana (organized by Yamaha Motor)

Achievements Thinned 180 bamboo culms, 70 participants



Company Yamaha Motor Co., Ltd.

Activities [May 12, 2019]
Participated in the 30th Loggerhead Turtle Cleanup Campaign to protect the environment for the endangered loggerhead sea turtles to come ashore to nest (organized by Hamamatsu City)

Achievements Collected approx. 3 tons of garbage, with approx. 3,500 participants (120 from Yamaha Motor)





Company Yamaha Motor Co., Ltd.

Activities [May 24, 2019]
Organized the 11th Marine Cleanup Activities at Lake Hamana to carry out cleanup activities using our products such as personal watercraft and boats to access shores that cannot be reached by land (organized by Yamaha Motor)



Achievements Collected 450 kg of garbage, with 114 participants






| | |
|--------------|--|
| Company | Yamaha Motor Co., Ltd. |
| Activities | [June 2, 2019] Participated in the 41st Lake Hamana Cleanup Campaign to help protect the region's natural resources of Lake Hamana (organized by Hamamatsu City and Kosai City) |
| Achievements | Collected approx. 5 tons of garbage, with approx. 3,000 participants (81 from Yamaha Motor) |
| |   |





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|--------------|--|
| Company | Yamaha Motor Co., Ltd. |
| Activities | [June 15, November 9, 2019] Cooperated with coral planting in Okinawa Prefecture as a supporting company for Team Tyura Sango, a project to restore the coral reefs (organized by Team Tyura Sango) |
| Achievements | Planted approx. 400 coral seedlings, with approx. 300 participants (41 from Yamaha Motor) |
| |   |





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|--------------|---|
| Company | Yamaha Motor Co., Ltd. |
| Activities | [June to July, 2019] Conducted environmental beautification activities in the neighborhoods of our offices during the Environment Months (organized by Yamaha Motor) |
| Achievements | Participants: approx. 3,000 |
| |  |





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|--------------|---|
| Company | Yamaha Motor Co., Ltd. |
| Activities | [September 7, 2019] Organized a Baby Turtle Observation Tour and "Sustainable Beach" Project to carry out beach cleanup and coastal restoration activities to protect the endangered loggerhead sea turtles, and remove alien plant species to protect the endangered riverside tiger beetle (organized by Yamaha Motor) |
| Achievements | Collected 167 kg of garbage, installed 60 sandbags for restoring the beach, removed 64 kg of grass, with 325 participants |
| |   |





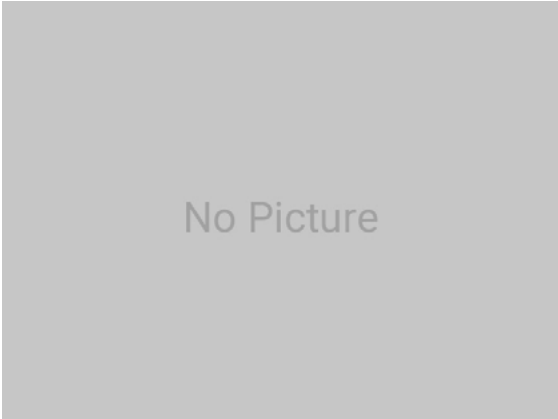
| | |
|--------------|--|
| Company | Yamaha Motor Co., Ltd. |
| Activities | [September 27, 2019] Called on participants at the Yamaha Motorcycle Day fan event to join activities for harmonious coexistence with nature (organized by Yamaha Motorcycle Sales Japan) |
| Achievements | Participants: approx. 3,300 (of which 300 signed an environmental declaration at the booth) |
| |    |




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| Company | Yamaha Motor Co., Ltd. |
| Activities | [October 26, 2019] Planted trees to help restore the Enshunada coastal forest (organized by Yamaha) |
| Achievements | Planted approx. 300 trees, with 150 participants (15 from Yamaha Motor) |
| |   |



| | |
|--------------|---|
| Company | Yamaha Motor Biz Partner Co., Ltd. |
| Activities | [May 14, 2020] Carried out sidewalk cleanup activities around the Company |
| Achievements | One 40 liter bag full of litter collected by three people   |



| | |
|------------|---|
| Company | Yamaha Motor Precision Parts Manufacturing Co., Ltd. |
| Activities | [June 14, 2019] Participated in neighborhood cleanup activities and cleaned ditches around the company  |



| | |
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| Company | Yamaha Kumamoto Products Co., Ltd. |
| Activities | [October 2, 2020] Cleanup activities within Company grounds and nearby streets Participants: 308 |
| Achievements |   |



Company Yamaha Kumamoto Products Co., Ltd.

Activities [June 21, September 27, 2019]
Carried out beautification activities around the company as part of an effort to create a people-friendly and environmentally friendly factory (organized by Yamaha Kumamoto Products)

Participants: 328, 304

Achievements



Company Yamaha Kumamoto Products Co., Ltd.

Activities [June 22, 2019]
Participated in river and beach cleanup activities around the Yatsushiro Sea (organized by Yatsushiro City)

Participants: 48

Achievements



Company Yamaha Kumamoto Products Co., Ltd.

Activities [October 19, 2019]
Participated in cleanup activities at a green space along the Kuma River the day after an All Japan Fireworks Competition (organized by competition secretariat)

Participants: 90

Achievements



Company Yamaha Motor Solutions Co., Ltd.

Activities [June 21, 2019]
Carried out sidewalk cleanup activities around the company

Participants: 300

Achievements






| | |
|--------------|--|
| Company | Yamaha Amakusa Manufacturing Co., Ltd. |
| Activities | [July 11, 2019] Carried out cleanup activities around the company |
| Achievements | Participants: 80  |





| | |
|--------------|--|
| Company | Sugo Co., Ltd. |
| Activities | [November 21, 2020] Cleanup activities around Sugo Co., Ltd. and Komorisawa (river) |
| Achievements | Participants: 10   |



| | |
|--------------|--|
| Company | Sugo Co., Ltd. |
| Activities | [August 19, 2019] Carried out cleanup activities around Sportsland SUGO |
| Achievements | Participants: 25  |



| | |
|--------------|---|
| Company | Yamaha Motor Engineering Co., Ltd. |
| Activities | [April 14, 2020] Cleanup activity in the vicinity of the Company by new employees |
| Achievements | Participants: 11; 4 trash bags full of litter collected   |



Company Yamaha Motor Engineering Co., Ltd.

Activities [September 5, 2019]
Carried out sidewalk cleanup activities around the company

Participants: 22

Achievements



Activity reports from the Americas



Activities to protect the natural environment where our products are used



Activities in collaboration with Yamaha users



Activities that use our products



Activities that contribute to solving regional environmental issues



Country U.S.A.
Company Yamaha Motor Corporation, U.S.A

Activities [Annual]
Financial support related to access to and conservation of property for outdoor recreation purposes

Achievements Donated 250,000 dollars



Country U.S.A.
Company Yamaha Motor Corporation, U.S.A

Activities [February 2020]
A professional angler who has participated in the Bassmaster tournament took part in an activity held by Matanzas Riverkeeper, an environmental organization supported by the Company, carrying out Matanzas River cleanup from a boat outfitted with a Yamaha outboard motor

Achievements Collected 122 kg of garbage





Country U.S.A.
Company Yamaha Motor Manufacturing Corporation of America

Activities [February 1, 2020]
Environmental education at a local elementary school in collaboration with a community group

Achievements Participants: 25





| | |
|--------------------|--|
| Country Company | U.S.A. Yamaha Motor Manufacturing Corporation of America |
| Activities | [June 27, 2019] Conducted environmental education in collaboration with local schools (survey of aquatic life) |
| Achievements | Participants: 55   |



| | |
|--------------------|---|
| Country Company | U.S.A. Yamaha Motor Corporation, U.S.A |
| Activities | [August 15-16, 2019] Supported activities by a non-profit organization to prevent marine pollution by plastics |
| Achievements | Donated 5,000 dollars   |



| | |
|--------------------|--|
| Country Company | U.S.A. Yamaha Motor Corporation, U.S.A |
| Activities | [August 24, 2019] Carried out beach cleanup activities in cooperation with a local volunteer group |
| Achievements | Collected 25 kg of plastic waste, with 63 participants   |



| | |
|--------------------|--|
| Country Company | Peru Yamaha Motor del Peru S.A. |
| Activities | [February 16, 2020] Execution of a beach cleanup activity |
| Achievements | Participants: 60   |

Activity reports from Asia & Oceania



Activities to protect the natural environment where our products are used



Activities in collaboration with Yamaha users



Activities that use our products



Activities that contribute to solving regional environmental issues



Country Thailand
Company Yamaha Motor Parts Manufacturing (Thailand)

Activities [November 21, 2020]
Cleanup and planting activity at a mangrove forest

Achievements Participants: 218



Country Thailand
Company Yamaha Motor Electronics Thailand

Activities [December 11, 2020]
Protecting the environment by shaping moss balls, which are used in the treatment of wastewater, and supporting the expansion of green areas by moving saplings and preparing planting ground at a botanical garden

Achievements Participants: 27



Country Thailand
Company Yamaha Motor Electronics Thailand

Activities [June 8, 2019]
Carried out beach cleanup activities for the World Environment Day

Achievements Participants: 234





Country Thailand
Company Thai Yamaha Motor

Activities [June 15, 2019]
Planted trees and created a dam for disaster prevention at a national park

Participants: 163

Achievements



Country Thailand
Company Thai Yamaha Motor

Activities [July 26, 2019]
Organized a volunteer cleanup program

Participants: 30

Achievements



Country Thailand
Company Yamaha Motor Part Manufacturing (Thailand)

Activities [June 19, July 31, August 20, 2019]
Planted trees as part of an industrial park greening effort in collaboration with the community

Participants: 10, 10, 10

Achievements



Country Thailand
Company Yamaha Motor Parts Manufacturing (Thailand)

Activities [June 30, 2019]
Carried out beach cleanup activities along the Chonburi coast

Participants: 150

Achievements





Country The Philippines
Company Yamaha Motor Philippines, Inc.

Activities [July 19, 2019]
Participated in a tree-planting project organized by a local environmental group to help preserve an environment full of greenery

Achievements Planted 100 trees, with 5 participants from Yamaha Motor



Country Vietnam
Company Yamaha Motor Vietnam

Activities [February 28, 2020]
Tree planting activity at an industrial district

Participants: 30

Achievements



Country Vietnam
Company Yamaha Motor Vietnam

Activities [July 27, 2020]
Beach cleanup activity

Participants: 70

Achievements



Country Vietnam
Company Yamaha Motor Vietnam

Activities [June 11, 2019]
Employees carried out early-morning beach cleanup activities

Participants: 500

Achievements





| | |
|--------------|---|
| Country | Vietnam |
| Company | Yamaha Motor Vietnam |
| Activities | [July 24, 2019] Carried out facility cleanup activities in the community |
| Achievements | Participants: 150  |



| | |
|--------------|--|
| Country | Taiwan |
| Company | Yamaha Motor Electronics Taiwan |
| Activities | [May 31, 2020] Execution of the "Let's Do Beach Cleanup" activity |
| Achievements | Participants: 120  |



| | |
|--------------|--|
| Country | Taiwan |
| Company | Yamaha Motor Electronics Taiwan |
| Activities | [September 13, 2020] Tree planting activity as part of environmental conservation |
| Achievements | Participants: 72  |



| | |
|--------------|--|
| Country | Taiwan |
| Company | Yamaha Motor Electronics Taiwan |
| Activities | [October 26, 2019] Participated in beach cleanup activities organized by a local NPO |
| Achievements | Collected 35 bags of garbage, with 118 participants (88 from Yamaha Motor)  |



| | |
|---------|---------------------------------------|
| Country | China |
| Company | Yamaha Motor Powered Products Jiangsu |

| | |
|------------|--|
| Activities | [November 22, 2019] Carried out promenade cleanup activities around the company |
|------------|--|

| | |
|--------------|--|
| Achievements | Participants: 24  |
|--------------|--|

Activity reports from Europe



Activities to protect the natural environment where our products are used



Activities in collaboration with Yamaha users



Activities that use our products



Activities that contribute to solving regional environmental issues



Country Portugal
Company Yamaha Motor Europe Portuguese Branch

Activities [January 1, 2020]
Execution of a beach cleanup activity that has been continuing for seven years

Achievements Participants: 159



Country Portugal
Company Yamaha Motor Europe Portuguese Branch

Activities [May 23, 2019]
Carried out Tagus River cleanup activities using two boat outboards in cooperation with local university, NGOs, and governments

Achievements Participants: 30



Country Portugal
Company Yamaha Motor Europe Portuguese Branch

Activities [May 31, 2019]
Supported beach cleanup activities organized by a local NGO, while working to reduce the amount of plastic products used within the company

Achievements Collected garbage along a 15-km coastal strip with the aid of ATVs

Environmental Management

Introducing information concerning environmental management activities



Contents

1. Basic Policies (from the "Yamaha Motor Group Sustainability Basic Policy")
2. Promotion Structure
3. Environmental Consolidated Scope
4. Strengthening Environmental Governance through Global Environmental ISO 14001 Unified Certification
5. Global Yamaha Motor Environment & CSR Operation System
6. Integrated Management System Operation
7. Life Cycle Assessment
8. Strengthening Compliance with Environmental Laws and Regulations and Control of Chemicals in Products
9. Green Procurement Guidelines
10. Contributing to Reduction of Air Pollution in Each Country and Region
11. Reduction of VOC Emission through Production Activities
12. Promotion of Environmental Activities in Collaboration with Suppliers
13. Raising Environmental Awareness of Employees

Basic Policies (from the "Yamaha Motor Group Sustainability Basic Policy")

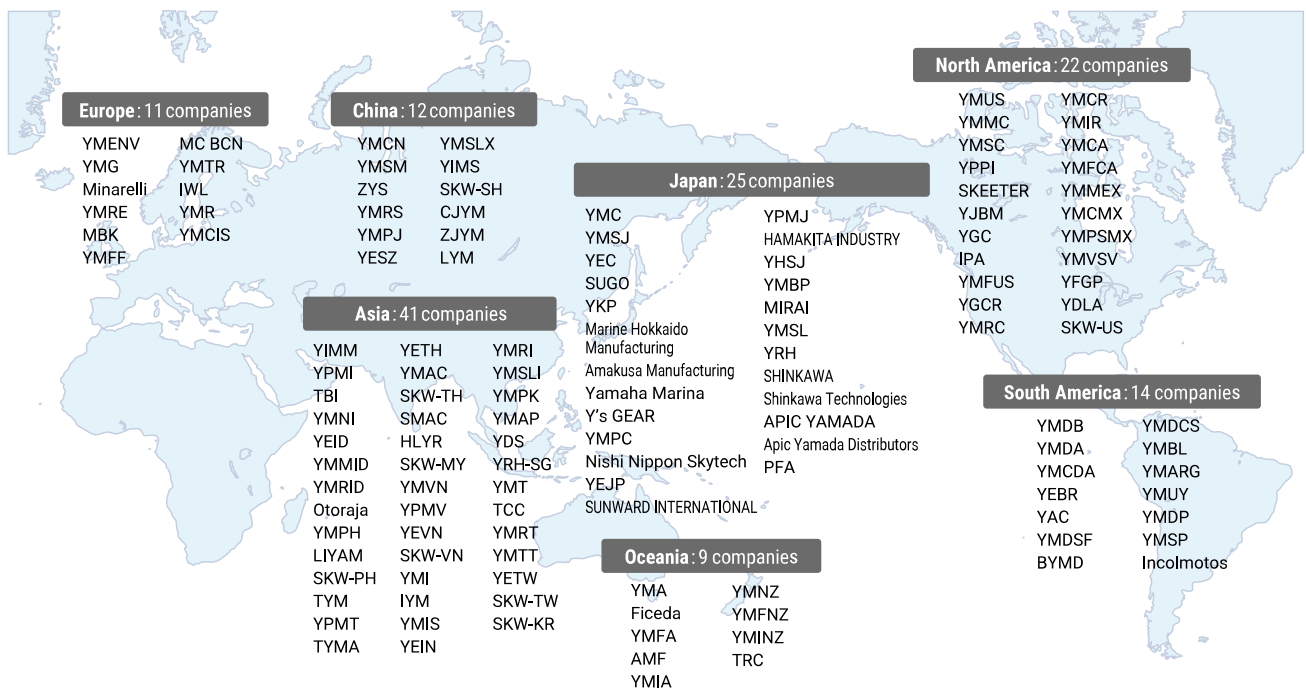
We will develop technologies in a way to prevent global warming, and work to minimize environmental loads. Furthermore, we will undertake the conservation of biodiversity and sustainable use of natural resources.

Promotion Structure

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

Environmental Consolidated Scope

The scope includes consolidated subsidiaries under financial accounting and affiliated companies determined to be important for environmental management. As of December 31, 2020, 134 companies are within the scope of global environmental consolidation.



Enhancement and Promotion of Integrated Management

Strengthening Environmental Governance through Global Environmental ISO 14001 Unified Certification

Under its "Global Environment" basic policies of sustainability the Yamaha Motor Group has built a globally unified environmental management system (hereafter "Group Environmental MS"). We are promoting the acquisition of ISO14001 certification, centering on our manufacturing companies in Japan, Asia, Europe, and North and South America. In this and other ways, we are undertaking the ongoing improvement of our environmental activity levels for the whole of the Group.

Under our Group Environmental MS, it is the responsibility of the top management personnel of each Group company to determine the roles and authorities related to the Environmental MS. Likewise, to prepare promotion frameworks, implement monitoring and management reviews to confirm that their company's activities are being appropriately operated, and give necessary instruction. We are promoting viable environmental management activities in such ways. Furthermore, by compiling the results of the management reviews of each Group company and implementing reviews of the President and Chief Executive Officer of Yamaha Motor in relation to the management of the whole Group, we are working to ensure the strengthening of the Group's global environmental governance.

Each Group company gives the highest priority to compliance, obtaining an understanding of stakeholder needs, determining significant risks based on the evaluation of the risks and opportunities related to the environmental activities of the business, and engaging in the reduction of environmental risks and the prevention of pollution. What is more, we work to continuously improve the environmental management system through environmental internal audits to verify the adequateness and effectiveness of the system.

In FY2020, there was no material breach of any environmental law or regulation involving fines by any operating company.

To reinforce the Group's environmental governance, we utilize the originally developed G-YECOS* information network to roll out environmental policies, share environmental activities, and collect environmental data, thereby strengthening and streamlining the Group's environmental management system.

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

Global Yamaha Motor Environment & CSR Operation System



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





Integrated Management System Operation

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

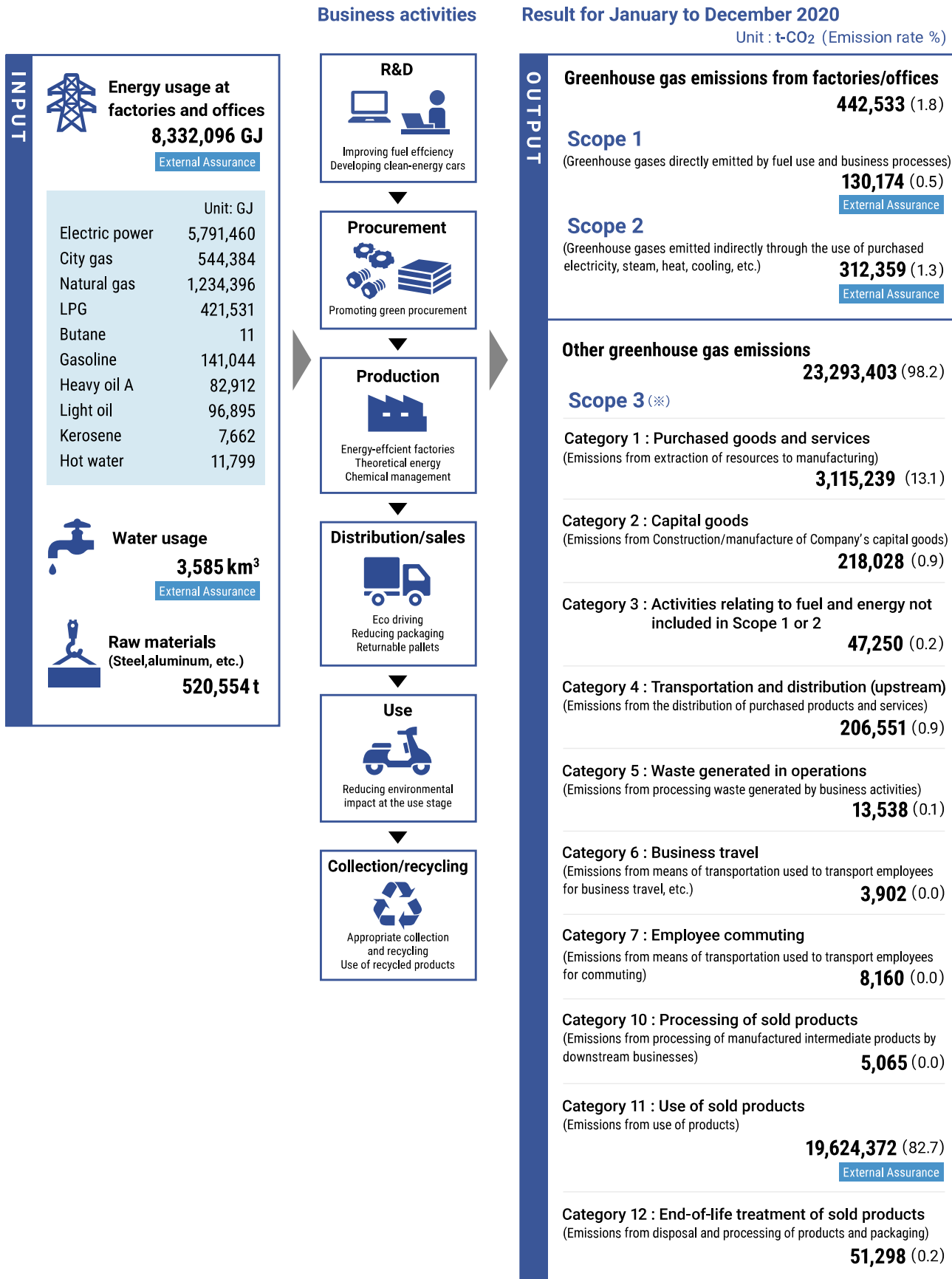
Meanwhile, integrated management system audits use a proprietary system led by internally certified auditors to increase the skills of employees in a systematic manner, taking a process-orientated approach to improve on-site business processes. We have also reinforced governance by setting priority audit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

Life Cycle Assessment

| Business Activities | Initiatives for Reducing Environmental Burden | Impact on Global Warming (CO ₂ Emissions) |
|---|--|--|
| R&D  | Development phase To promote recycling and the effective use of limited resources, we implement "3R design" in the development phase, which involves giving consideration to resource saving, reusability, recyclability, and ease of treatment and disposal. | Included in Scopes 1, 2 |
| Procurement  | Procurement phase To procure necessary raw materials and parts sustainably, we provide suppliers with Green Procurement Guidelines, in which we ask them to engage in efforts to minimize the use of limited resources (mineral resources, energy resources mainly composed of fossil fuels, water resources, land use, etc.). We also monitor and report the amounts of chemicals harmful to humans and the ecosystem contained in our products, effluent, and waste, according to the regulations in each country. | Scope 3 Category 1 |

| Business Activities | Initiatives for Reducing Environmental Burden | Impact on Global Warming (CO ₂ Emissions) |
|--|--|--|
| <p>Production</p>  | <p>Production phase</p> <p>Chemicals used during the production phase may also deplete the ozone layer and harm human health and the ecosystem if they are not managed properly. In Japan, environmentally hazardous substances emitted from factories are managed and reported in accordance with the PRTR Act and relevant ordinances. We are striving to reduce the emission of environmentally hazardous substances through various activities, including curbing NOx generation by optimizing the operating conditions of equipment, reducing fuel usage by improving thermal efficiency, and switching to low-nitrogen, low-sulfur fuels. Moreover, we are voluntarily taking steps to reduce the emission of volatile organic compounds (VOCs) from our factories. VOCs emitted during painting operations are believed to be a cause of air pollution from suspended particulate matter and photochemical oxidants.</p> | <p>Scope 1 Scope 2</p> |
| <p>Distribution/sales</p>  | <p>Distribution phase</p> <p>We are actively moving forward to reduce CO₂ emissions from distribution, including our supply chain, as well as reducing the use of packing and packaging materials.</p> | <p>Scope 3 Category 4</p> |
| <p>Use</p>  | <p>Use phase</p> <p>Reducing CO₂ emissions by improving fuel economy</p> <p>Increasing lineup of electrified products and promoting development of next-generation mobility devices</p> | <p>Scope 3 Category 11</p> |
| <p>Collection/recycling</p>  | <p>Disposal phase</p> <p>"3R design" during the development phase, giving consideration to reusability and recyclability</p> <p>Recycling systems for motorcycles and small FRP boats, FRP pools; renewal, reduce, reuse, recycle</p> | <p>Scope 3 Category 12</p> |

In 2020 business activities Life Cycle Assessment



Strengthening Compliance with Environmental Laws and Regulations and Control of Chemicals in Products

In recent years, there has been a strengthening of regulations related to the use of substances of concern (SOC) not only in developed countries but in other countries as well. The number of substances that fall under the SOC category is increasing dramatically, making the management of chemical substances in our products an extremely important issue more than ever for the management of the Company. The Yamaha Motor Group has established a Substance of Concern Management Committee to build a framework for the management of chemical substances in our products as well as to formulate policies, promote related activities, and confirm the state of activities. The Group is implementing the PDCA cycle to steadily roll activities out not only in Japan but also at overseas plants. We are also focused on the execution of employee education, centered around e-learning for all employees on asbestos management. Yamaha Motor is not only responding to the regulation of SOC but also implementing activities that are ahead of the times, including efforts to go lead-free as lead is expected to be regulated in the future.

In the United States, we have already updated our warning labels in response to the amendments to California's Proposition 65 warning regulations, for products marketed in the state that contain chemical substances requiring new warnings under the new regulations.

※RoHS: Directive 2011/65/EU on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment "Directive 2011/65/EU on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment" and the directives amending it
※REACH: Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals
Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals

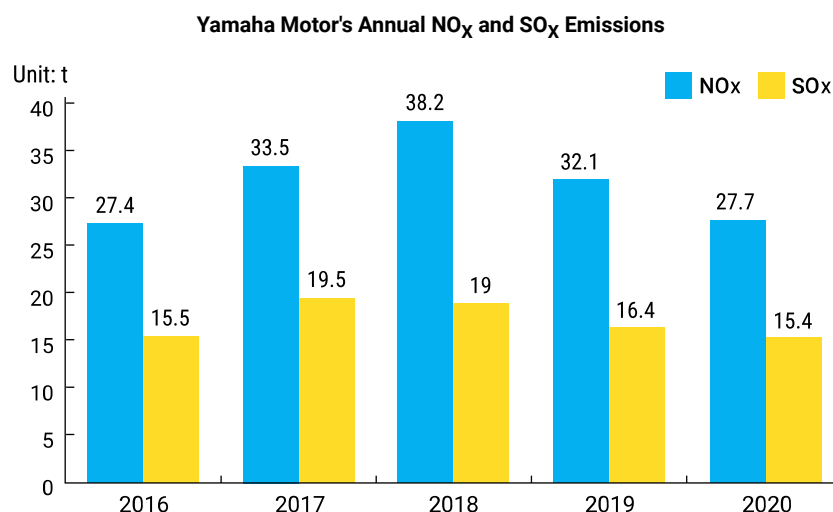
Green Procurement Guidelines

The Yamaha Motor Group is working with suppliers to control and reduce environmentally hazardous substances and make more efficient use of natural resources and energy in accordance with its Green Procurement Guidelines.

> [Green Procurement Guidelines](#) 

Contributing to Reduction of Air Pollution in Each Country and Region

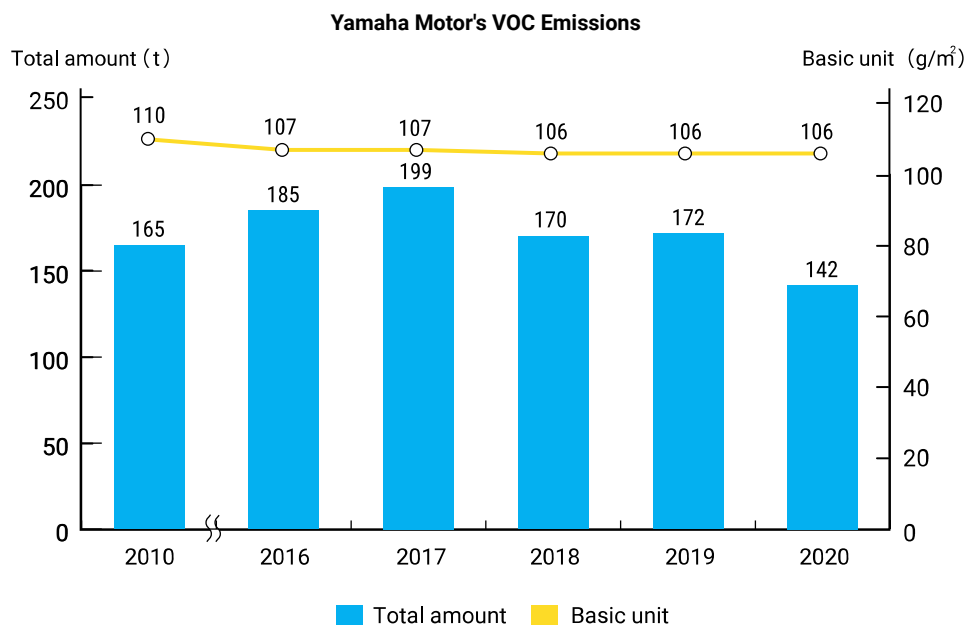
Yamaha Motor controls the emission of environmentally hazardous substances from its factories according to laws and ordinances. We strive to reduce the emission of such substances through various efforts, including optimization of equipment operation conditions to reduce NO_x generation, improvement of thermal efficiency to reduce fuel usage, and replacing existing fuels with low-nitrogen, low-sulfur alternatives.



Reduction of VOC Emission through Production Activities

The Yamaha Motor Group monitors and reports emissions of chemical substances harmful to humans and the environment and amounts of such substances contained in waste according to the regulations of each country. Over 99% of substances subject to reporting under the Pollutant Release and Transfer Register (PRTR) scheme that Yamaha Motor releases into the environment are volatile organic compounds (VOCs), and most of them are used in painting operations.

The Yamaha Motor Group will continue to promote efforts to increase the use of paints with minimal VOC content, improve coating efficiency, and reduce paint wastes.



Promotion of Environmental Activities in Collaboration with Suppliers

Since 2019, our environmental facility division and procurement division have been working together to help suppliers promote environmental activities. Specifically, they select companies deemed to have high environmental impact from a list of suppliers in Japan and abroad. Then the environmental facility division measures their power usage, identifies the amounts of power loss, and provides advice and know-how based on its findings. The suppliers initiate activities based on the input and introduce the same improvements at the rest of their factories. Going forward, we will further pursue these activities as a Groupwide effort including suppliers, with different suppliers targeted each year.

Raising Environmental Awareness of Employees

Introduced Yamaha Eco Point System

In January 2008, Yamaha Motor introduced its Yamaha Eco Point System targeting employees. This system assigns points to environmental activities including participation in eco-commuting and cleanup programs, and allows members to select eco prizes according to the number of activities conducted and the number of points earned during the year.

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.

Distribution of ESG-related Information by Email

Since January 2019, we have been sending a monthly email to employees at Yamaha Motor and Group companies in Japan, containing ESG-related information including environmental information. The articles contained in these emails are also posted to our intranet so they can be accessed at overseas Group companies.

Articles to date have included explanations of the external environment affecting environmental issues and the Yamaha Motor Group Environmental Plan 2050.

Environmental Education

In response to a request for partnership (provision of funding and support) from a teacher at Eastside Elementary School in the United States, Yamaha Motor Manufacturing Corporation (YMMC) launched an environmental education project to help students learn about their natural surroundings. Students had the valuable experience of studying environmental issues such as ecosystems, the food chain, and pollution in the midst of nature near West Point Lake. They came up with ways to improve air quality in the elementary school and carried out tree planting.



Data Collection

The Yamaha Motor Group's environmental data for the past five years.

Green Procurement Guidelines



Contents

1. Sales of low carbon products
2. Global energy consumption
3. Global CO₂ emissions
4. Conversion factors used for energy consumption and CO₂ emissions
5. SASB requirements

Sales of low carbon products

| Item | Unit | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------|-------|-------|-------|-------|-------|
| Number of fuel-injected motorcycles sold | K vehicles | 3,203 | 3,524 | 3,564 | 3,554 | 3,363 |
| Number of motorcycles featuring a BLUE CORE engine sold | | 1,994 | 2,538 | 2,800 | 2,901 | 2,245 |
| Number of electrically power assisted bicycles sold (including number of drive units) | | 448 | 489 | 569 | 648 | 670 |

Global energy consumption

Energy consumption by region

| Area | Unit | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------|------|-----------|-------------------|------------------|------------------|------------------|
| Asia | GJ | 4,762,666 | 4,589,429 | 4,372,462 | 4,643,304 | 3,552,887 |
| Europe | | 298,122 | 291,754 | 276,040 | 314,128 | 270,287 |
| North America | | 910,487 | 884,450 | 874,540 | 927,928 | 849,549 |
| Japan | | 3,435,581 | 3,376,165 | 3,289,194 | 3,273,060 | 3,007,288 |
| Oceania | | 18,652 | 20,509 | 19,657 | 27,244 | 23,143 |
| Central and South America | | 289,407 | 290,325 | 311,398 | 317,855 | 296,154 |
| China | | 410,264 | 428,597 | 363,525 | 315,049 | 332,788 |
| Total | | | 10,125,179 | 9,881,229 | 9,506,816 | 9,818,568 |

Energy consumption by type

| Item | Unit | 2016 | 2017 | 2018 | 2019 | 2020 | |
|-----------------------|------|-----------|-------------------|------------------|------------------|------------------|--|
| Electricity purchased | GJ | 7,503,159 | 7,148,056 | 6,862,753 | 6,772,082 | 5,791,460 | |
| City gas | | 539,939 | 571,882 | 562,792 | 583,812 | 544,384 | |
| Natural gas | | 1,122,477 | 1,193,943 | 1,152,276 | 1,567,532 | 1,234,396 | |
| LPG | | 488,408 | 511,940 | 482,557 | 449,341 | 421,531 | |
| Butane | | 755 | 776 | 11 | 16 | 11 | |
| Gasoline | | 232,358 | 223,042 | 224,327 | 200,806 | 141,044 | |
| Heavy oil A | | 101,450 | 101,299 | 88,011 | 91,430 | 82,912 | |
| Light oil | | 133,124 | 126,633 | 131,940 | 138,345 | 96,895 | |
| Kerosene | | 1,898 | 2,398 | 1,244 | 791 | 7,662 | |
| Hot water | | 1,611 | 1,260 | 905 | 14,412 | 11,799 | |
| Total | | | 10,125,179 | 9,881,229 | 9,506,816 | 9,818,568 | 8,332,096 External Assurance |

Global CO₂ emissions

| Area | Unit | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|-----------|----------------|----------------|----------------|----------------|
| Scope 1 | | | | | | |
| Asia | t CO ₂ | 68,267 | 66,751 | 67,784 | 78,992 | 58,750 |
| Europe | | 5,483 | 5,595 | 5,289 | 5,437 | 4,234 |
| North America | | 13,810 | 13,716 | 13,290 | 13,660 | 12,822 |
| Japan | | 49,702 | 52,440 | 50,247 | 49,581 | 46,388 |
| Oceania | | 1,134 | 1,265 | 1,213 | 1,000 | 735 |
| Central and South America | | 2,329 | 2,526 | 2,336 | 2,081 | 1,834 |
| China | | 6,556 | 6,750 | 6,008 | 5,096 | 5,412 |
| Total | | | 147,281 | 149,043 | 146,167 | 155,847 |
| Scope 2 | | | | | | |
| Asia | t CO ₂ | 234,021 | 233,054 | 218,805 | 219,285 | 165,076 |
| Europe | | 4,834 | 4,821 | 4,556 | 4,728 | 4,180 |
| North America | | 44,595 | 43,448 | 42,701 | 32,066 | 28,461 |
| Japan | | 93,924 | 94,739 | 92,769 | 108,834 | 94,709 |
| Oceania | | 29 | 27 | 26 | 928 | 917 |
| Central and South America | | 2,545 | 2,517 | 2,669 | 2,989 | 2,785 |
| China | | 24,957 | 26,274 | 21,820 | 15,428 | 16,231 |
| Total | | | 404,905 | 404,880 | 383,346 | 384,258 |
| Scope 3 | | | | | | |
| 01.Purchased products and services | t CO ₂ | 3,306,339 | 3,563,262 | 3,531,412 | 3,522,932 | 3,115,239 |
| 02.Capital goods | | 55,352 | 89,156 | 174,557 | 249,256 | 218,028 |
| 03.Energy-related activities | | 59,865 | 58,728 | 56,700 | 56,300 | 47,250 |
| 04.Transport and delivery (upstream) | | 239,303 | 221,617 | 240,020 | 241,627 | 206,551 |
| 05.Waste materials emitted by businesses | | 15,483 | 16,157 | 16,494 | 15,589 | 13,538 |
| 06.Business trips | | 24,137 | 27,504 | 26,739 | 24,266 | 3,902 |
| 07.Employees' commuting | | 6,958 | 7,701 | 8,364 | 8,180 | 8,160 |

| Area | Unit | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|-------------------------|----------------|----------------|----------------|----------------------------------|
| 08. Leased assets (upstream) | | Included in Scopes 1, 2 | | | | |
| 09. Transport and delivery (downstream) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| 10. Processing of products sold | | 6,495 | 6,495 | 6,219 | 5,730 | 5,065 |
| 11. Use of products sold | | 23,862,973 | 25,753,328 | 25,963,326 | 23,859,974 | 19,624,372 External Assurance |
| 12. Disposal of products sold | | 40,509 | 57,668 | 58,683 | 57,393 | 51,298 |
| 13. Leased assets (downstream) | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| 14. Franchises | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| 15. Investments | | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| Total | | 27,617,414 | 29,801,616 | 30,082,514 | 28,041,247 | 23,293,403 |
| Scope 1, 2, 3 Total | | 28,169,599 | 30,355,540 | 30,612,027 | 28,581,352 | 23,735,936 |

Conversion factors used for energy consumption and CO₂ emissions

Conversion factors (variable factors) used for 2020 results in the Environmental Plan 2050

* With regard to actions relating to the Environmental Plan 2050, results for 2019 onwards are calculated using variable factors and therefore cannot be compared with past data.

| Item name | Common unit | Calorific value per unit factor | CO ₂ emission factor |
|-----------------------------|---------------------|---------------------------------|---------------------------------|
| | | GJ/Common unit | t-CO ₂ /Common unit |
| Electricity | MWh | 9.76 | *Note 1 |
| Kerosene | kL | 36.7 | 2.49 |
| Heavy oil A | kL | 39.1 | 2.71 |
| LPG | t | 50.8 | 3 |
| Butane | t | 49.7 | 3.03 |
| City gas (Japan) | 1000Nm ³ | 45 | 2.24 |
| City gas (other than Japan) | 1000m ³ | 40 | 1.81 |
| Gasoline | kL | 34.6 | 2.32 |
| Bioethanol-blended gasoline | kL | 34.6 | By mixture ratio |

| Item name | Common unit | Calorific value per unit factor | CO ₂ emission factor |
|------------------------------|-------------|---------------------------------|---------------------------------|
| | | GJ/Common unit | t-CO ₂ /Common unit |
| Light oil | kl | 37.7 | 2.58 |
| Bioethanol-blended light oil | kl | 37.7 | By mixture ratio |
| Industrial steam | GJ | 1.02 | 0.06 |
| Non-industrial steam | GJ | 1.36 | 0.057 |
| Hot water | GJ | 1.36 | 0.057 |
| Waste oil | t | 38.3 | 2.91 |
| Waste plastic | t | 29.3 | 2.55 |

*Note 1

Domestic: Basic emission factors by electric utility for the most recent year announced by the Ministry of the Environment. Overseas: As a rule, emission factors by electric utility.

Otherwise, CO₂ emission factors by country announced by the International Energy Agency (IEA)

(From a coefficient of 「GHG Protcol Purchased_Electricity_Tool_Version-4_8_0」 2008, 2010 years or 2012)

Conversion factors (fixed factors) used for 2009 to 2018 in the Environmental Plan 2020

| Energy Segment | | Reporting Unit | Calculation coefficient | | |
|--|-------------------------------|----------------|--|-------------------------------------|--|
| | | | Calorie | CO ₂ (tCO ₂) | Data source |
| Electricity purchased (electric utilities in each country) | | MWh | Individual setting (IEA values by country) | | |
| | Japan: daytime electricity | MWh | 9.97 | | Energy Saving Act |
| | Japan: nighttime electricity | MWh | 9.28 | | |
| | Japan: Chubu Electric Power | MWh | | 0.451 | Published values |
| Gasoline (including aviation gasoline) | | kl | 34.6 | 2.32 | Act on Promotion of Global Warming Countermeasures |
| Kerosene (including jet fuel) | | kl | 36.7 | 2.49 | Act on Promotion of Global Warming Countermeasures |
| Light oil (diesel fuel) | | kl | 38.2 | 2.62 | Act on Promotion of Global Warming Countermeasures |
| Heavy oil A (for small and medium-sized boiler fuels) | | kl | 39.1 | 2.71 | Act on Promotion of Global Warming Countermeasures |
| Petroleum gas | Liquefied petroleum gas (LPG) | t | 50.2 | 3 | Act on Promotion of Global Warming Countermeasures |
| | Butane | t | 49.6 | 3.03 | Supplier data |

| Energy Segment | | Reporting Unit | Calculation coefficient | | |
|----------------|------------------------|----------------|-------------------------|-------------------------------------|--|
| | | | Calorie | CO ₂ (tCO ₂) | Data source |
| Natural gas | Natural gas (overseas) | thousand m | (35.2) | (1.81) | Individual setting (IEA global average) |
| | City gas 13A (Japan) | thousand m | 41.1 | 2.08 | Act on Promotion of Global Warming Countermeasures |

SASB requirements

| | Code | Accounting Metric | Unit of Measure | 2020 | |
|------------------------------------|--|---|--|--|----|
| Activity Metrics | TR-AU-000.A | Number of vehicles manufactured | K vehicles | 3,657 | |
| | TR-AU-000.B | Number of vehicles sold | K vehicles | 3,802 | |
| Product Safety | TR-AU-250a.2 | Number of safety-related defect complaints, percentage investigated | Percentage (%) | 100 * Investigated all complaints that the Ministry of Land, Infrastructure, Transport and Tourism of Japan has requested to investigate. | |
| | TR-AU-250a.3 | Number of vehicles recalled (in Japan) | Number | 106,983 (in Japan) | |
| Labor Practices | TR-AU-310a.1 | Percentage of active workforce covered under collective bargaining agreements | Percentage (%) | 63 | |
| | TR-AU-310a.2 | Number of work stoppages due to strikes and lockouts | Number | 0 | |
| | | Number of workers involved in work stoppages, multiplied by number of days idle | Man-days | 0 | |
| Fuel Economy & Use-phase Emissions | TR-AU-410a.1 | Sales-weighted average passenger fleet fuel economy, by region | Asia | km/L | 49 |
| | | | Europe | gCO ₂ /km | 86 |
| | | | North America | mpg | 56 |
| | | | Japan | km/L | 41 |
| | | | Oceania | km/L | 23 |
| | | | Central and South America | km/L | 43 |
| | | | Other | km/L | 52 |
| | TR-AU-410a.2 | Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold | Number | Not applicable | |
| TR-AU-410a.3 | Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities | | Short-term, Medium-term, and Long-term Risks and Opportunities > Short-term Risks (0-3 Years) | | |
| Materials Sourcing | TR-AU-440a.1 | Description of the management of risks associated with the use of critical materials | | Major Risks Associated with Transitioning to a Low Carbon Society > Technological Risks | |
| Material Efficiency & Recycling | TR-AU-440b.1 | Total amount of waste from manufacturing | Metric tons (t) | 30,929 | |
| | | Percentage recycled | Percentage (%) | 86.6 | |

| | Code | Accounting Metric | Unit of Measure | 2020 |
|--|--------------|--|---|--------------------------|
| | TR-AU-440b.2 | Weight of end-of-life material recovered | Metric tons (t) | — |
| | | Percentage recycled | Percentage (%) | 97.8 (on a weight basis) |
| | TR-AU-440b.3 | Recyclability of products | Percentage (%) by salesweighted metric tons (t) | Target value: Set at 90% |

* A disclosure index for the auto industry required by the Sustainability Accounting Standards Board (SASB) TR: Transportation; AU: Automobiles

Green Procurement Guidelines

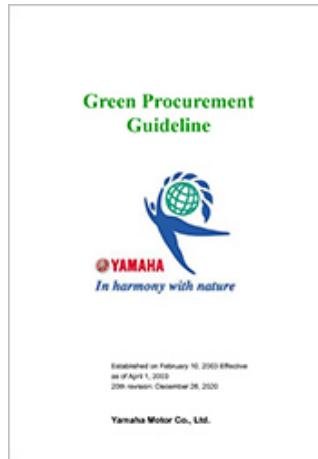
A guideline to ban or reduce environmentally hazardous parts, materials etc.

← Data Collection

Green Procurement Guidelines PDF (Last update: January 1, 2021)



Japanese Version
(PDF 378KB)



English Version
(PDF 209KB)



Chinese Version
(PDF 404KB)

Addressing Materiality (Material Social Issues)

Introducing initiatives for addressing material social issues based on the unique style of Yamaha Motor



Contents

1. Environment & Resources
2. Transportation, Education & Industry
3. Innovation
4. Human Capital Management


SDGs : International goals adopted in the UN summit held in 2015 for achievement by 2030, comprising 17 goals and 169 targets

Progress in materiality KPIs is a part of the evaluation to determine the compensation of the officer in charge of the respective theme.

Environment & Resources


Initiatives based on the unique style of Yamaha

Initiatives for "Climate Change"


| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|--|---------------------------------|-----------------|---|------|--|
| Scope3. 24% reduction of CO ₂ emissions from products (on 2010 levels, relative to sales volume) [90% reduction targeted for 2050] | 13.75% reduction | 15.8% reduction |  | 13.1 | Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. |
| Scope1.2. 50% reduction of CO ₂ emissions from products (on 2010 levels, relative to sales volume) [86% reduction targeted for 2050] | 17.36% reduction | 41.2% reduction | | | |

*Environmental plan 2050 revised its target to 2050 carbon neutral in July 2021



Initiatives based on the unique style of Yamaha
Initiatives for "Resource Recycling"

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|---|---------------------------------|------------------------------|---|------|--|
| 18.7% reduction of waste generated in operation of production (on 2010 levels, relative to sales) (50% reduction targeted for 2050) | 10.5% reduction (Yamaha Motor) | 26% reduction (Yamaha Motor) |  | 12.4 | By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. |
| | | | | 12.5 | By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. |


Initiatives based on the unique style of Yamaha
Provide clean water for everyone

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|--|--|--|--|-----|---|
| Help rural community development by contributing to the sharing of clean water | Improve living environments and sanitation by facilitating access to clean waterx Total number of water purification systems (Yamaha Clean Water Supply Systems) installed: 50 * Targets have been revised due to the COVID-19 pandemic. | Number of water purification systems installed: 42 * There have been significant delays in installation operations due to the COVID-19 pandemic |  | 6.1 | By 2030, achieve universal and equitable access to safe and affordable drinking water for all. |
| | | | | 6.5 | By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate. |
| | | | | 6.b | Support and strengthen the participation of local communities in improving water and sanitation management. |

Initiatives based on the unique style of Yamaha
 Establish technological foundation for electrification

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|--|--|---|--|------|---|
| <p>Promote development to enable the timely launch of electrified products, while closely watching electrification policies and battery technology innovations in each country</p> | <p>Launch electrified products in the unique style of Yamaha in many product lines, including motorcycles, new personal mobility products, marine products, PAS and drones, and establish a foundation for the development of electrified products</p> | <ul style="list-style-type: none"> ● Continuing development toward the launch of electric motorcycles ● Participating as a member of the Japan Automobile Manufacturers Association in the e-Yan Osaka field test aimed at popularizing the use of electric motorcycles; demonstration experiments continuing around university students serving as monitors ● Conducted field testing of TRITOWN small electric stand-up mobility vehicle ● Launched evaluation trials on the electric propulsion unit and steering control system HARMO in Otaru, Hokkaido (in August) ● Received the Technology Management and Innovation Awards' Minister of Economy, Trade and Industry Award for the PAS electrically power assisted bicycle ● Launched YPJ-MT Pro electrically power assisted bicycle simultaneously in the U.S. and Japan (in September) ● Launched YMR-08AP multi-rotor agricultural drone (in March) |   | 9.1 | <p>Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p> |
| | | | | 9.4 | <p>By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p> |
| | | | | 13.1 | <p>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> |


Initiatives based on the unique style of Yamaha
 Create a sustainable marine society

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|--|---|---|---|------|---|
| Address issues related to the marine environment | Initiatives for addressing the issue of marine plastics | Participated in the Japan Agency for Marine-Earth Science and Technology's promotion of ocean literacy activity |  | 14.2 | By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans. |

Transportation, Education & Industry


Initiatives based on the unique style of Yamaha

Reduce traffic congestion and improve the environment


| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|---|---|---|---|-----|--|
| Market electrically power assisted bicycles in at least two emerging and developing nations | Sales of electrically power-assisted bicycles in the Indian market *As a result of proceeding with activities, the goal was withdrawn. | As a result of the test sales, the product was not sold in India. *In other countries, test marketing activities were postponed for a year due to the COVID-19 pandemic. |  | 9.1 | Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. |
| | | | | 9.4 | By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities. |

Initiatives based on the unique style of Yamaha



Organize educational programs to reduce traffic accidents

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|------------------------------------|---|---|---|-----|--|
| Reduce traffic accident fatalities | <ul style="list-style-type: none"> ● Conduct a total of 2,000 Yamaha Riding Academy safe riding courses for 180,000 participants (2021) ● Number of countries with trainers: 20 | <ul style="list-style-type: none"> ● Safe riding courses: 3,353 courses held with 67,000 participants ● Number of countries with trainers: 15 <p>* Although various restrictions were placed in each country due to the COVID-19 pandemic, the number of times that the courses were held increased due to the holding of safety education at dealers or through the adoption of online classes</p> |  | 3.6 | By 2020, halve the number of global deaths and injuries from road traffic accidents. |


Initiatives based on the unique style of Yamaha
 Create a sustainable marine society

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|---|--|--|---|-----|--|
| Protect life below water (marine resources) | Propose solutions for the fishery industry | Discussions with multiple companies being promoted on measures to solve fisheries issues through the utilization of Yamaha Motor products and technologies |  | 9.1 | Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. |



Initiatives based on the unique style of Yamaha
 Promote various mobility devices for the elderly

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|--|---|---|---|-------|---|
| Electrically power assisted bicycles are widely adopted as an alternative mobility device by senior citizens in Japan who have surrendered their driver's licenses | Thousands of electrically power assisted bicycles are supplied to municipalities through cooperation with the national government | A total of 100 units delivered to local governments and through the rental business |   | 11.2 | By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons. |
| | | | | 17.17 | Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships. |

Initiatives based on the unique style of Yamaha
 Install digital devices to ensure proper maintenance

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|--|--|--|---|-----|--|
| Install in a total of 4 million vehicles (by 2024) | Put at least 200,000 motorcycles equipped with these devices on the market each year | Shipped a total of 92,000 motorcycles equipped with the devices <ul style="list-style-type: none"> ● Connected NMAX: 74,000 scooters ● Connected AEROX: 18,000 scooters |  | 3.6 | By 2020, halve the number of global deaths and injuries from road traffic accidents. |


Initiatives based on the unique style of Yamaha
 Provide low-speed mobility services

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|--------------------------------|---|---|--|------|---|
| Market unmanned ground systems | Commercialization of a low-speed mobility service is within sight | Recognition increasing in rural areas through steady popularization activities, and an understanding of the issues being obtained * Delay in turning it into a paid service due to the COVID-19 pandemic |   | 9.1 | Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. |
| | | | | 11.2 | By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons. |

Innovation


Initiatives based on the unique style of Yamaha

Develop new mobility devices

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|---|--|--|---|-----|--|
| Launched a new mobility device model that is driving business | Increase LMW(Leaning Multi Wheels) model lineup to promote it in the market as a new value | <ul style="list-style-type: none"> ● Launched TRICITY300 (Europe: in July; Japan: in October) ● Conducted field testing of TRITOWN |  | 9.4 | By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities. |



Initiatives based on the unique style of Yamaha

Promote economic development


| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|-------------------------------|--|---|---|-----|--|
| Improve production efficiency | Develop a high-efficiency multifunctional platform and high-speed platform for the robotics industry | Launched YRM20, which employs a high-efficiency multifunctional platform (in April) |  | 8.2 | Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors. |




Initiatives based on the unique style of Yamaha

Promote automation as a means to free workers from menial labor

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|--|---|---|---|-----|--|
| Optimize entire factories | Collaboration with other companies on automatic guided vehicles (AGVs) in factories | Established eve autonomy, a joint venture company with Tier IV, Inc. for autonomous transportation services (in February) |  | 8.2 | Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors. |
| Agricultural and logistics solution provider | Launch an autonomous drone | <ul style="list-style-type: none"> ● Launched YMR-08AP (in March) ● The cloud-based agricultural chemical spraying and fertilization management system, Yamaha Motor Smart Agriculture Platform (YSAP), went live |  | 2.4 | By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality. |

Provide robotics technology solutions to the agricultural industry

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|--|--|---|---|-----|--|
| Realize unmanned agricultural operations for a number of crops | Realization of unmanned harvesting operation is within sight for at least one type of crop | Carried out proof of concept in Japan; implementing efforts to solve issues |  | 2.4 | By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality. |

| Goal (2030) | Medium-term targets (2019–2021) | Progress (2020) | SDGs themes (targets) | | |
|--|---|--|---|---|--|
| Globalization of human resources | <ul style="list-style-type: none"> ● Increase the ratio of local talent among management positions to 60% at overseas subsidiaries; actively promote the recruitment and expansion of successors ● Continue to hire global talent at the headquarters (at least 10% of all new graduates hired for management track positions) | <ul style="list-style-type: none"> ● Ratio of local talent among those in management positions: 50% ● Globally recruited talent at headquarters: 10% |  | 10.2 | By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. |
| A front-runner in the active participation of female employees | <ul style="list-style-type: none"> ● Increase the number of female managerial employees at headquarters (16 women in 2014) <ul style="list-style-type: none"> · 2020: 32 women · 2025: 48 women (Including Yamaha Motor employees on loan to Group companies) ● Execute a uniquely Yamaha-like after-school childcare program on a trial basis at headquarters ● Obtain the "Eruboshi," "Kurumin," and "Platinum Kurumin" certifications (Japan) ● Obtain a grasp of the actual condition of the Yamaha Motor Group's global diversity and inclusion efforts (set up for 2021) | <ul style="list-style-type: none"> ● Increased the number of female managerial employees at headquarters to 38 women (as of January 2021) ● After-school childcare program: Received an application for 70 children for 30 spots <ul style="list-style-type: none"> ※ Canceled due to the COVID-19 pandemic ● Executed efforts toward certification <ul style="list-style-type: none"> [1] Held Ikuboss seminar (efforts to increase the number of men taking childcare leave): 450 managerial employees participated [2] Held seminars in support of work-life before childcare leave and before return to work after leave [3] Produced and distributed handbooks supporting the achievement of work-life balance [4] Executed training for women (personal branding and leadership) | |   | 5.1 |
| | | 5.5 | Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. | | |
| | | 5.C | Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels. | | |
| | | 8.5 | By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. | | |

Cooperating with International Initiatives

Introducing Cooperating with International Initiatives

Sustainable Development Goals (SDGs)



Participating in the UN Global Compact



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



Supporting the TCFD



Sustainable Development Goals (SDGs)

Introducing the Yamaha Motor Group's key initiatives on Sustainable Development Goals (SDGs)





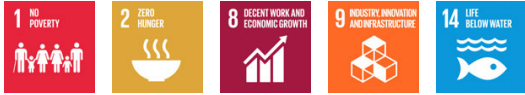

Approach to SDGs

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

The Yamaha Motor Group is engaged in business activities around the world, with the corporate mission of being a “*Kando* Creating Company—Offering new excitement and a more fulfilling life for people all over the world.” We have laid out our approach to the sustainability in the preamble of Yamaha Motor Group Sustainability Basic Policy, “As a company trusted by society, we will, under appropriate corporate governance, contribute to the resolution of social issues and sustainable development through innovative and diverse products and services, in ways that take the unique style of Yamaha.”

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

Initiatives related to SDGs

| Activity | Related SDG |
|---|--|
| Supporting employment and education with motorcycles |  |
| Vitalizing local communities through increased overseas manufacturing |  |
| Promoting traffic safety |  |
| Improving the technical skills of motorcycle technicians |  |
| Developing technical skills by leveraging Japanese-style manufacturing |  |
| Modernizing fishing industries in developing countries with outboard motors |  |
| Training engineers by transferring FRP boat manufacturing technology |  |
| Verification testing of mobility support for persons with limited mobility |  |
| Increasing productivity by spreading pesticides with drones |  |

| | |
|---|---|
| <p>> Yamaha Clean Water Supply System</p> |  |
| <p>> Cleaning up beaches to protect endangered species</p> |  |
| <p>> Cleaning up lakeshores using marine products</p> |  |
| <p>> Protecting rare plant species</p> |  |
| <p>> Removing alien plant species</p> |  |
| <p>> Yamaha Motor Foundation for Sports</p> |  |

Initiatives related to SDGs

Introducing the Yamaha Motor Group's SDGs



Contents

1. Creating possibilities and enriching the lives of young people
2. Improving local economies through globalization of business
3. Correct and safe use of products
4. Yamaha Technical Academy
5. Aiming to raise the level of local manufacturing skills
6. Promoting the fishing industry with marine engines
7. From wooden boats to FRP boats
8. Building community-friendly transport systems
9. Further contribution to labor saving and efficiency in the agricultural field
10. Bringing smiles to faces through clean water
11. Protecting the ocean, our business field
12. Effective lake cleanups with our products
13. Preserving biodiversity
14. Removing alien plant species from seashores
15. Creating healthy people and society through sports

Creating possibilities and enriching the lives of young people



Supporting employment and education with motorcycles

Approximately 81% (unit sales basis) of Yamaha's motorcycles—our main business—are sold in Asia outside Japan. Their primary use is for daily mobility. As a means of commuting to school or to work, these motorcycles are creating possibilities and enriching the lives of young people in these countries.

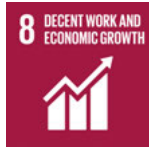


Improving local economies through globalization of business



Vitalizing local communities through increased overseas manufacturing

With approximately 150 Group companies operating in over 30 countries and territories around the world, we develop, manufacture, and sell a wide range of products, and we are a major contributor to the growth of local employment opportunities.



Correct and safe use of products



Promoting traffic safety

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

- > Yamaha Riding Academy
- > Yamaha Riding Academy Movie
- > Parent-Child Motorcycle Class Movie



Yamaha Technical Academy



Improving the technical skills of motorcycle technicians

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

- > Yamaha World Technician Grand Prix



Aiming to raise the level of local manufacturing skills



Developing technical skills by leveraging Japanese-style manufacturing

Yamaha Motor's Indian subsidiaries and local NGOs have been setting up Yamaha Training Schools since 2013. In 2017, Yamaha Motor NTTF Training Center was opened to develop human resources in India, as part of the public-private sector Manufacturing Skill Transfer Promotion Program. The inaugural class graduated in July 2021. Both facilities are contributing to higher levels of technology and enriching daily lives in the communities in which they operate.



- > Yamaha Training Schools Movie
- > India Institute for Manufacturing



Promoting the fishing industry with marine engines



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

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



- > Enduro
- > Fishery Journal Digital Archive



From wooden boats to FRP boats



Training engineers by transferring FRP boat manufacturing technology

We have launched “technical assistance factories” for FRP boats around the world. Today, 16 facilities spanning 14 countries produce 1,500 boats annually, and also play a role in training technicians, creating employment, and promoting the fishing, tourism, and transport industries. The transition to FRP boats from wooden boats also reduces deforestation as well as operating costs for small-scale fishermen and fisherwomen, while reducing CO₂ emissions through low fuel consumption. FRP boats also reduce accidents associated with wooden boats and promote the safety of boat operations and fishing.



> FRP Boats in Mauritania [Movie](#)

> Modernizing Fishery in Africa [Movie](#)



Building community-friendly transport systems



Verification testing of mobility support for persons with limited mobility

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

> Unnan City Demonstration by Green Slow Mobility – Supporting the creation of towns where people love walking –

> Yamaha Motor Begins Evaluation Trial of Low-Speed Autonomous Driving Vehicles in Iwata City



Further contribution to labor saving and efficiency in the agricultural field



Increasing productivity by spreading pesticides with drones

Yamaha Motor's industrial-use unmanned helicopters are dramatically increasing the efficiency of agricultural operations through remote operations for spreading pesticides and direct rice seeding. Launched a multi-rotor agricultural drone in 2019 to help boost productivity in Japan's agriculture, which is faced with the issue of an aging workforce, and further contribute to the achievement of labor saving and greater efficiency



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



Bringing smiles to faces through clean water



Yamaha Clean Water Supply System

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



- > Yamaha Yamaha Motor Providing 10 Compact Water Purification Systems in Senegal
- > Yamaha Clean Water Supply System
- > Improving living conditions through Clean Water Supply System
- > Quenching Thirst, Hand in Hand [Movie](#)
- > Working to Change Water and Lives in Africa [Movie](#)
- > Bringing Beautiful Change to People's Lives [Movie](#)



Protecting the ocean, our business field



Cleaning up beaches to protect endangered species

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



Effective lake cleanups with our products



Cleaning up lakeshores using marine products

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



Preserving biodiversity



Protecting rare plant species

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



Removing alien plant species from seashores



Removing alien plant species

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



Creating healthy people and society through sports



Yamaha Motor Foundation for Sports

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

> Yamaha Motor Foundation for Sports



Yamaha Motor signed the UN Global Compact

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

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



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

The Ten Principles of the UN Global Compact

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

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

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


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

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

External Assurance

External assurance of information disclosed by the Company is described below.

To ensure a high degree of transparency and reliability in disclosure of environmental and social data, Yamaha Motor engaged KPMG AZSA Sustainability Co., Ltd. to perform external assurance of the items listed below for fiscal 2020.



Independent Assurance Report

To the President and CEO of Yamaha Motor Co., Ltd.

We were engaged by Yamaha Motor Co., Ltd. (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with **External Assurance** for the period from January 1, 2020 to December 31, 2020 (the “Indicators”) included in its Sustainability website (global.yamaha-motor.com/about/csr/) (the “Website”).

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Website.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Website, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Website and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of the Company’s Fukuroi South Factory selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Website are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Website.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
May 25, 2021

Scope of Assurance

- The Yamaha Motor Group's energy consumption, Scope 1 CO₂ emissions (total), Scope 2 CO₂ emissions (total), CO₂ emissions from the use of sold products, water intake (total) and waste generation
- Yamaha Motor Co., Ltd.'s waste water
- The Yamaha Motor Group's lost time injury frequency rate
- The frequency rate of occurrence of industrial accidents among Yamaha Motor Co., Ltd.'s contractors
- Yamaha Motor Co., Ltd.'s occupational illness frequency rate

※ Items that have been checked by the provider of external assurance are marked. External Assurance

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

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

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

FTSE4Good / FTSE Blossom Japan



FTSE4Good



FTSE Blossom
Japan

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

MSCI ESG RATINGS

MSCI
ESG RATINGS



| | | | | | | |
|-----|---|----|-----|---|----|-----|
| CCC | B | BB | BBB | A | AA | AAA |
|-----|---|----|-----|---|----|-----|

THE USE BY YAMAHA MOTOR OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES (“MSCI”) DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF YAMAHA MOTOR BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED ‘AS-IS’ AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

Yamaha Motor has been awarded an AAA rating in the 2021 assessment of the Morgan Stanley Capital Investment (MSCI) Environmental, Social and Governance (ESG) Ratings.

MSCI ESG Leaders indexes / MSCI JAPAN ESG SELECT LEADERS INDEX

2021 MSCI ESG Leaders
Indexes Constituent

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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Yamaha Motor has been selected as a constituent of the MSCI ESG Leaders Indexes and the MSCI Japan ESG Select Leaders Index, which are composed of companies with excellent ESG (environment, society, governance) ratings.

CDP



Yamaha Motor is included in the A-(A minus) grade of leadership level in climate change report category managed by CDP which is the international non-profit organization in 2020.

S&P Japan 500 ESG

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



Yamaha Motor is included in the 2021 SNAM Sustainability Index, managed by Sompo Japan Nipponkoa Asset Management Co., Ltd., to facilitate SRI for pension funds and institutional investors investing in a broad range of companies that are highly rated for their environmental, social, and governance activities.



Yamaha Motor was recognized in 2020 in the Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category), jointly run by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, for the third consecutive year.

Human Rights

Thoughts on Human Rights

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

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

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

[Supporting the UN Global Compact](#)



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

Basic Policies of Sustainability

We have made the declaration that "We will respect human rights, will not discriminate, and will not use child labor or carry out forced labor under any form" toward all stakeholders, including employees and business partners.

[Basic Policies of Sustainability](#)



Code of Ethics

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

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



Sustainability Guideline for Suppliers

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

[Sustainability Guideline for Suppliers](#)



Statement on UK Modern Slavery Act

Each year we update our statement, first issued in July 2017, in accordance with the UK Modern Slavery Act.

[UK Modern Slavery Act Transparency Statement](#)



Key Measures and Due Diligence Processes

Our risk management system, which covers all business units and subsidiaries under the Group umbrella, has a human rights-related component addressing associated risk in our own operations and across the supply chain.

We monitor, assess and formulate measures to mitigate such risk. In 2020, risk related to human rights was identified at 5 Group companies (3 domestic companies 2 overseas companies) through this risk assessment . Of the issues that came to light, most had to do with harassment. At each company, surveys and interviews were conducted to monitor the situation, and training and other measures were taken to raise awareness of harassment and ensure compliance.

[Risk Management](#)



In addition to the use of a risk management system, we conduct a Groupwide compliance awareness survey each year to gauge how aware employees are about human rights. We also have a reporting line established to enable employees to report a problem right away in the event a situation arises, and we maintain and operate a whistle-blowing system.

[Compliance](#)



The Yamaha Motor Group has a whistle-blowing system that enables employees to report a situation anonymously should they themselves encounter infringement of human rights, including harassment, or they see or hear of others experiencing a violation of human rights. In addition, Yamaha Motor has a Fair Business Hotline as a contact point for suppliers and other business partners to make issues known to us.

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

We believe that education is the most vital means to prevent the risk of human rights violations from occurring. We work to raise awareness of human rights by providing an educational program about the Code of Ethics for all employees in the Group. In particular, in 2020, we executed training toward division managers and above under the theme of harassment.

Compliance and Legal and Regulatory Training



Note that the Yamaha Motor Group had 2 reports of human rights violations in 2020.

Risk Management

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



Contents

1. Risk Management Structure
2. Risk Management Activity Cycle
3. Significant Risks at the Group Level
4. Crisis Management Structure and Activities
5. Business Continuity Planning
6. Cybersecurity
7. Management of Information

Risk Management Structure

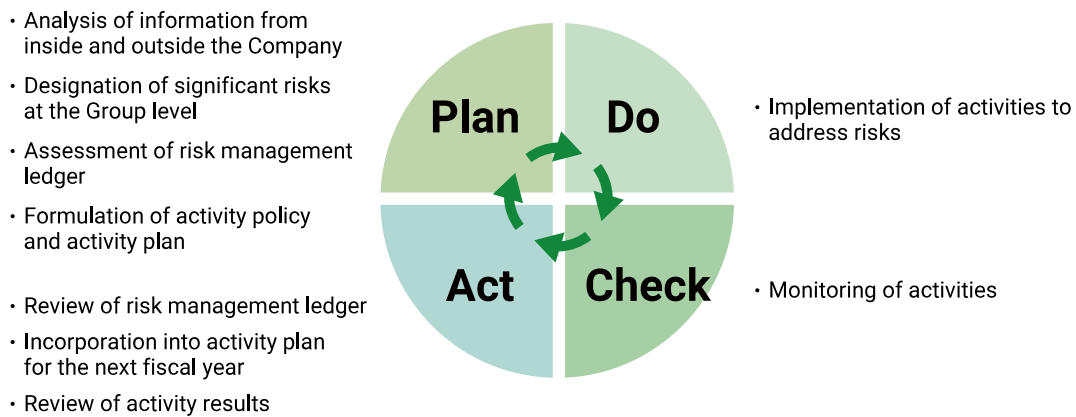
Based on the Rules of Risk Management, the risk management structure works toward the thorough reduction of risks on a Groupwide basis. It is led by the Sustainability Committee and the Risk Compliance Secondary Meeting of its subordinate council, the Sustainability Promotion Meeting, which comprises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

Furthermore, the divisions in charge of risk management formulate response policies and rules for the risks under their charge, promote activities to address risk based on these response policies, etc., and monitor activities at headquarters divisions and Group companies. To ensure effectiveness, the integrated auditing division carries out audits of the divisions in charge of risk management.



Risk Management Activity Cycle

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



Significant Risks at the Group Level

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

2021 Group Major Risks

| Significant Risks at the Group Level | Background | Measures |
|--|--|--|
| Damage Caused by Natural Disasters | Many manufacturing plants in Japan are concentrated near the epicenter of the predicted Nankai Trough Megaquake, and measures must be taken to prepare for typhoons, localized torrential rains, and other natural disasters that far exceed previous assumptions. Damage caused by natural disasters has been, therefore, designated a significant risk. | The Group is promoting measures to prevent damage from a Nankai Trough Megaquake or flooding due to heavy rains, and to raise awareness about the need for disaster preparedness. |
| Major Accidents Involving Yamaha Products | Major accidents involving Yamaha products are one of the causes of market penalties such as large-scale recalls. The Group must make continual efforts to ensure zero incidence of such accidents. Major accidents involving Yamaha products have been, therefore, designated a significant risk. | The Group is promoting information-gathering activities linked to product accidents and making efforts to raise quality awareness among all employees. |
| Cybersecurity | The degree of reliance on and the importance of information systems within the Group's business activities are increasing. Measures are needed to prevent leaks of personal or confidential information, information system failures, etc., caused by cyberattacks and computer virus infections. Cybersecurity has been, therefore, designated a significant risk. | The Group has established a Cybersecurity Policy and is promoting to take measures covering both tangible and intangible aspects of cybersecurity to increase protection against external attacks, to detect attacks at an early stage, and to minimize damage in the event of an attack. |
| Violation of Laws and Regulations Concerning Product Quality | Compliance with regard to product quality is a fundamental and important issue for manufacturers. Further strengthening the structures put in place by the Group to prevent the violation of laws and regulations is necessary. Violation of laws and regulations concerning product quality has been, therefore, designated a significant risk. | The Group is promoting to grasp information regarding the establishment of and changes to laws and regulations concerning product quality. In addition, the Group is promoting to create systems that reflect this information appropriately in internal regulations and standards, while pursuing improvement activities and other efforts. |
| Products Containing Environmentally Hazardous Substances | Countries around the world have been steadily tightening regulations on environmentally hazardous substances, and the Group must strengthen control structures to prevent violation of laws and regulations by the products it manufactures. Products containing environmentally hazardous substances have been, therefore, designated a significant risk. | The Group is promoting to prevent violation of laws and regulations and ordinances, by reliably grasping legal information in countries concerned, by sharing them internally and externally to sections concerned, by executing education by hierarchy, by promoting business standardization of correct management systems and procedures for complicated laws and regulations, and by efficiently utilizing IT systems. |
| Improper Import/Export Procedures | In light of the growing number of bilateral and multilateral free trade agreements, and increasing need for import/export procedures for global logistics among Group companies, the Group must further enhance its system for preventing any violation of laws regulations and ordinances. Improper import/export procedures have been, therefore, designated a significant risk. | The Group is promoting to establish the group-wide structure in order for any violation not to occur by grasping information of enactment and revision of free trade agreements, by standardizing operation and educating people concerned according to the management system stipulated in the group rules, and by monitoring the operational status of these on a daily and regular basis. |

| Significant Risks at the Group Level | Background | Measures |
|---|--|---|
| Pandemic | Due to the influence of this new coronavirus, the Group has experienced a pandemic. In order to continue the business while securing the health of employees, it is necessary to look back on the activities so far and to review the effectiveness of the internal rules once again. Pandemic has been, therefore, designated a significant risk. | In the future, the Group is continuing to change the responses according to the risk of infection spread, reviewing the definition of each item and the responses according to the level and brushing up the internal rules to make them more effective, and promoting to ensure that domestic and overseas Group companies can take the same level of countermeasures. |
| Violation of Copyright Law Regarding Software License | Computer software is protected as a copyrighted work and requires proper management. However, due to the diversification of business forms and changes in the environment such as the cloud computing, the license system is becoming more complicated and the risk of violating laws and regulations is increasing regardless of intention. Violation of copyright law regarding software license has been, therefore, designated a significant risk. | In order to prevent software license violation, the Group is promoting to minimize risk by raising employee awareness through education and strengthening the IT asset management system and its operation. |
| Bribery | Anti-corruption initiatives are strengthening in every country and region, and there is a need to have an effective system organized in order to prevent regulatory violations and to strengthen anti-bribery as the Group that conducts business on a global scale. Bribery has been, therefore, designated a significant risk. | Based on Yamaha Motor Group Anti-Bribery Policy, the Group is promoting anti-bribery commitment and management system on global basis, and to conduct trainings, monitoring activities and measures that address risks assessed, and to address anti-bribery effectively and organizationally. |

Crisis Management Structure and Activities

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

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

Business Continuity Planning

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

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

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

Another concern is the outbreak of a potentially global pandemic. To prepare for this possibility, Group companies have developed infection prevention measures and identified issues that could affect the continuity of their operations to formulate response plans. Drills simulating actions to be taken in the case of the outbreak of a pandemic are carried out, and a structure is in place to guarantee that businesses are able to continue operating.

In regard to the novel coronavirus that raged across the world in 2020, we took measures in accordance with our Business Continuity Guidelines (Novel Influenza Version), setting up a COVID-19 Task Force headed by the President, which carried out the collection of information, determination of response policies, and the communication of information. As for overseas operations, we gave instructions to Yamaha Motor employees and their families residing in some countries to return to Japan in accordance with the state of the spread of COVID-19 infections in the country and local medical risks. As for employees working at headquarters, we adopted teleworking and staggered office hours systems. We also built a site for the sharing of information between headquarters and Group companies, thoroughly implementing measures to prevent infections.

Cybersecurity

Cyberattacks have become increasingly advanced and sophisticated in recent years, and businesses are faced with a heightened risk for infection by computer viruses, leakage of personal and confidential information, and information system failures. The Yamaha Motor Group has established a Cybersecurity Policy with the aim of protecting the products and services used by our customers, as well as our information assets.

In addition to the basic defensive measures already in place, such as monthly vulnerability analysis that includes anti-malware measures, the Group has a Security Operation Center (SOC) that monitors for irregularities to enable early detection and response and a Computer Security Incident Response Team (CSIRT) that responds to incidents to prepare for contingencies. The Group also provides training to increase employees’ cybersecurity literacy, conducts assessments to ascertain the situation at each Group company and develop improvement plans, and makes other ongoing efforts to reduce cyber risks.

There were no information security- or cyber security-related violations in FY2020.

> [Cybersecurity Policy \[PDF\]](#)

Management of Information

In 2013, the Yamaha Motor Group established the Group Operations Guidelines, determining the Groupwide policy related to information management in general, including confidentiality management, document control, protection of personal information, and management of disclosed information. We have been carrying out related activities since. With the development of information communication technology and expansion in the use of big data, and triggered by the 2018 enforcement of data protection laws in Europe, strict laws and ordinances related to the protection of personal information are being established in various countries. For this response Yamaha Motor revised its Information Management Group Operations Guidelines in 2020, in particular establishing matters on the handling of personal information, the framework, and roles. Yamaha Motor and its Group companies around the world are cooperating in the promotion of a global response.

In relation to information management, each year, we also monitor the status of the handling of information among Group companies. Recommendations are made based on the results. At the same time, we execute group training, e-learning, and other educational and awareness-building activities to thoroughly ensure the appropriate handling of information.

In FY2020, there were no allegations that were recognized by regulating authorities, etc., as being violations of our customers' privacy.

Cybersecurity

Aim

The following policy is established with the aim of protecting the products and services used by our customers and information assets handled by the Yamaha Motor Group, including personal information, from cyber risks.

Yamaha Motor Group Cybersecurity Policy

1. We will comply with laws and regulations related to cybersecurity, guidelines and regulations provided by each country, union, etc., and other social norms.
2. We will establish control structures for cybersecurity.
3. We will identify cyber risks and their severity, and strive to maintain appropriate defenses and detection measures.
4. In the event of cybersecurity incidents, we will strive to respond rapidly.
5. We will conduct training and awareness-raising activities related to cybersecurity regularly and as needed.
6. We will review and continually improve activities related to cybersecurity.

Yamaha Motor Co., Ltd.

Compliance

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



Contents

1. Compliance Structure
2. Code of Ethics
3. Compliance Risk Assessment
4. Compliance and Legal and Regulatory Training
5. Whistle-Blowing Systems (Compliance Hotlines)
6. Anti-Corruption
7. Compliance with Anti-Monopoly Law and Competition Law
8. Thorough Import and Export Management

Compliance Structure

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

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

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

Code of Ethics

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

Code of Ethics (PDF)



In the 2020 compliance awareness survey, in response to the question, “Do you have a full understanding of the contents of the Code of Ethics?,” 74% of respondents answered “Yes” while 2% answered “No.”

Compliance Risk Assessment

A Groupwide risk assessment is carried out each year to identify the common compliance risks that need to be recognized, including bribery and corruption, cartels, and security-related export controls. These risks are then assessed at individual operating divisions and Group companies, appropriate countermeasures are implemented, and their implementation status is monitored.

Compliance and Legal and Regulatory Training

A compliance activity plan is formulated each year, and various opportunities are used to conduct compliance training based on this plan.

a. Compliance training as part of level-specific training

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

Thanks to activities like these, in the 2020 compliance awareness survey, in response to the question, “When you are unsure of something in the course of your work, do you place top priority on compliance?,” 89.5% of respondents answered “Yes” and 1% answered “No.”

b. Compliance training for all employees

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

c. Specialized training on laws and regulations

Group training programs covering laws and regulations deemed to entail significant risk in the execution of the Company's business activities are carried out annually on select topics. Our legal and regulatory training in 2020 included such topics as the "Antimonopoly Act," "bribery of foreign public officials," "import/export controls," "Subcontracting Act related topics," "prevention of insider trading," "intellectual property rights," "IT risk," and "substances of concern controls." In addition to online training programs, e-learning is used to provide training in a wide range of fields.

In the 2020 compliance awareness survey, in response to the question, "Do you consider the Company's compliance training to be meaningful?", 84% of respondents answered "Yes" and 3.4% answered "No."

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

| Compliance Training in Japan - No. of Attendees (Aggregate Attendees) | |
|--|---------|
| Executive officer training | 123 |
| Division manager training | 184 |
| Workplace training | 16,751 |
| Laws and regulations training | 12,828 |
| E-learning | 110,381 |
| Level-specific stratified training (division manager, manager, floor manager, new hires, mid-career hires and temporary staff, etc.) | 2,027 |

| Compliance Training at Overseas Group Companies - No. of Attendees (Aggregate Attendees) | | | | | |
|--|---------------------------|--------|-----------|------------------|--------|
| North America, Europe, Australia | Central and South America | ASEAN | East Asia | China and Taiwan | Total |
| 15,020 | 8,192 | 11,833 | 31,212 | 3,041 | 69,298 |

Whistle-Blowing Systems (Compliance Hotlines)

The Yamaha Motor Group has a whistle-blowing system for reporting any acts that may be in violation of the Code of Ethics. In addition to the Yamaha Motor Group Compliance Hotline provided for Yamaha Motor and domestic Group companies, a Global Compliance Hotline was introduced in 2018 for the overseas Group companies. Since 2020, we have been carrying out the integrated management of the harassment and compliance hotlines. To make it easy to report issues, both hotlines are established at outside professional institutions and accept anonymous reports. Reports that we receive through the hotline are managed strictly as confidential information based on our internal rules. In carrying out investigations, we give consideration to protection of the personal information of the person making the report as well as that of the person who is the target of the report, while ensuring the confidentiality of matters related to the case in question. In the case that misconduct is revealed through investigations, strict punishments are carried out. At the same time, we promptly execute corrective action as well as take measures to prevent recurrence. Through such response, we work to prevent the occurrence of illegal acts and misconduct and enable their early discovery.

To protect whistle-blowers, internal rules clearly state that no directors/officers/employees of the company and the company's group companies shall treat the person making a report disadvantageously in any manner because the person made the report. We are striving to create a system and culture of compliance by ensuring employees have a deep understanding of the whistle-blowing system, and enabling rapid and proper functioning of the system.

Yamaha Motor established a Fair Business Hotline in 2017 as a contact point for suppliers, and since 2019, its use has been expanded to include all business partners with which we have ongoing transactions.

The number of hotlines (including consultations) received in 2020 was 186, and below is the breakdown of the hotlines.

| | 2016 | 2017 | 2018 | 2019 | 2020 (Results) |
|--------------|------|------|------|------|----------------|
| Reports made | 76 | 108 | 120 | 159 | 186 |

| Subject of Reports in 2020 | Percent of Total |
|-------------------------------------|------------------|
| Human resources and labor relations | 56% |
| Financial/accounting | 6% |
| Information management | 7% |
| Other regulatory violations | 18% |
| Human rights violation | 2% |
| Corruption prevention | 1% |
| Other | 10% |

* Percentage of each subject is based on reports received.

Whistle-blowing systems have also been established and operated individually at major Group companies, based on the local laws and regulations and other circumstances specific to each respective company.

Anti-Corruption

Yamaha Motor Group declares in its "Code of Ethics", which stipulates the standards of conduct to be observed by our officers and employees, to restrict providing gifts and entertainment to public officials and pledges to always maintain the relations with public officials to be transparent and sound. Yamaha Motor Group also signed the "United Nations Global Compact" that aims to eliminate corruption, and further explicitly prevents corruption in the "CSR Guidelines for Suppliers", working together with the entire supply chain of Yamaha Motor Group to combat bribery.

Detailed information is available [here](#):

Compliance with Anti-Monopoly Law and Competition Law

Yamaha Motor Group declares in its “Code of Ethics” to observe anti-monopoly laws and competition laws, reject the profit pursuit with unfair or illegitimate means, and carry out a fair business activity. Furthermore, “CSR Guidelines for Suppliers” explicitly states to comply with competition laws, working together with the entire supply chain of Yamaha Motor Group to pursue fair trade. Yamaha Motor Group established the “Yamaha Motor Group Competition Law Compliance Policy” to further promote these efforts on a global scale and pursues various activities.

➤ [Yamaha Motor Group Competition Law Compliance Policy \[PDF\]](#)

Yamaha Motor Group make further efforts to comply with anti-monopoly laws and competition laws by developing competitors contact rules groupwide to prevent cartel or bid rigging. At the same time, we conduct training on laws and regulations and training intended for specific groups or individuals (in particular, persons scheduled for overseas assignments or other positions where they may be exposed to potential high risks), and regular monitoring to ensure the competition law compliance.

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^{*1} and STC Expert^{*2} 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^{*3} or where the inclusion of such substances cannot be confirmed.

- ※1 A practical accreditation exam for security trade control conducted by the Center for Information on Security Trade Control (CISTEC), a non-profit and non-governmental organization
- ※2 An accreditation exam demanding a higher level of ability compared to the “STC Associate Examination”
- ※3 Substances indicated in Item 1, Article 16 of the Enforcement Order of Industrial Safety and Health Law

YAMAHA MOTOR GROUP COMPETITION LAW COMPLIANCE POLICY

Based on our corporate mission of “*Kando Creating Company*”, Yamaha Motor Group pursues “Fulfilling social responsibilities globally” as one of the management principles. The Code of Ethics, which stipulates the standards of conduct to be observed by our officers and employees, pledges to observe anti-monopoly laws, competition laws, and other relevant laws around the world to ensure a fair competition, remove the profit pursuit with unfair or illegitimate means, and carry out a fair business activity. Furthermore, CSR Guidelines for Suppliers explicitly states to comply with the competition laws of each country or region, working together with the entire supply chain of Yamaha Motor Group to pursue fair trade. Yamaha Motor Group hereby establishes the Competition Law Compliance Policy to further promote these efforts on a global scale.

1. Fair Trade

Yamaha Motor Group will comply with anti-monopoly laws, competition laws, and other relevant laws around the world (the “Competition Law”) to ensure a fair competition, remove the profit pursuit with unfair or illegitimate means, and carry out a fair business activity. Upon noticing cartel, bid rigging, or any other unlawful activity that undermines the fair competition, we will flatly refuse in accordance with the “Compliance Comes First” policy, and take appropriate measures including reporting to the relevant authorities.

2. Prohibition of Unfair Conducts with Competitors

Yamaha Motor Group will comply with the applicable Competition Law on price, quantity, market, technical development, business partner, customer, bidding and other important matters for conducting fair competition with competitors, and will not engage in price fixing, output restriction, market allocation, bid rigging, or other unfair conducts (the “Cartel etc.”) with competitors in violation of the Competition Laws. To avoid conducts that may raise doubts of Cartel etc., we restrict contact with competitors without legitimate business purpose (regardless of methods, including exchange of information) , and even when there is a legitimate business purpose, to properly manage such contact. To prevent Cartel etc., we also manage participation to any industry association and other associations established with competitors.

3. Prohibition of Unfair Trade with Business Partners

Yamaha Motor Group will comply with the applicable Competition Law on price, market, sale method, and other important matters for conducting fair trade with business partners, and will not engage in resale price maintenance or other unlawful restrictions or discriminatory treatments with business partners in violation of the Competition Law. To avoid conducts that may raise doubts of unfair trade, we will promote fair trade guidelines.

4. Compliance System

At Yamaha Motor Group, the Sustainability Committee deliberates the compliance measures and monitors the implementation. The result of these deliberation and

monitoring are then reported to the Board of Directors. As a part of these efforts, the Risk Compliance Officer appointed by the Chairman of the Sustainability Committee directs the Legal Division together with other divisions and the division-in-charge at the group companies to promote global and systematic Competition Law compliance activities.

5. Ensuring Effectiveness

Yamaha Motor Group conducts risk assessments and compliance awareness surveys for group companies each year to confirm the effectiveness of the compliance measures including the Competition Law compliance activities. Based on the results of these assessments and surveys and the social trend considerations, we periodically improve each compliance measure including the Competition Law compliance activities. We further ensure the Competition Law compliance at our group companies through distribution of the Code of Ethics Guidebook, and the e-learning programs, legal trainings, and HR trainings.

6. Whistle-Blowing System and Consultations

Yamaha Motor Group maintains and operates hotlines addressing conducts of the officers and employees of Yamaha Motor Group companies. The Legal Division is responsible for Competition Law consultations and establishes the division-in-charge in each group company to promote the Competition Law compliance. Through these efforts, Yamaha Motor Group aims to detect the Competition Law concerns at an early stage and to take appropriate measures.

7. Measures Against the Competition Law Violation

Upon detecting Competition Law concerns involving the officers and employees, Yamaha Motor Group will promptly conduct necessary investigations, enforce disciplinary actions and other strict measures against the persons involved in accordance with the corporate rules, and take appropriate measures including reporting to the relevant authorities.

8. Business Partners

Yamaha Motor Group asks our business partners to join efforts in promoting fair trade, through initiatives such as the Competition Law compliance under the CSR Guidelines for Suppliers. Through these efforts, Yamaha Motor Group and its entire supply chain join hands to promote fair trade.

Established on July 1, 2021

Yoshihiro Hidaka

President, Chief Executive Officer, and
Chairman of the Sustainability Committee

Anti-Corruption Measures

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

Yamaha Motor Group declares in its “Code of Ethics”, which stipulates the standards of conduct to be observed by our officers and employees, to restrict providing gifts and entertainment to public officials and pledges to always maintain the relations with public officials to be transparent and sound. Yamaha Motor Group also signed the “United Nations Global Compact” that aims to eliminate corruption, and further explicitly prevents corruption in the “CSR Guidelines for Suppliers”, working together with the entire supply chain of Yamaha Motor Group to combat bribery. In order to further promote these anti-bribery efforts on a global scale, and to contribute to the sustainable development of the countries, regions, and societies in which Yamaha Motor Group is involved, Yamaha Motor Group established the “Yamaha Motor Group Anti-Bribery Policy” and pursues various anti-bribery activities.

> [Yamaha Motor Group Anti-Bribery Policy](#) 

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

There were no significant legal violations, penalties, surcharges, etc. related to anti-corruption in 2020.

YAMAHA MOTOR GROUP ANTI-BRIBERY POLICY

Based on our corporate mission of “*Kando Creating Company*”, Yamaha Motor Group pursues “Fulfilling social responsibilities globally” as one of the management principles. The Code of Ethics, which stipulates the standards of conduct to be observed by our officers and employees, restricts providing gifts and entertainment to public officials and pledges to always maintain the relations with public officials to be transparent and sound. Yamaha Motor Group signed the United Nations Global Compact that aims to eliminate corruption, and further explicitly prevents corruption in the CSR Guidelines for Suppliers, working together with the entire supply chain of Yamaha Motor Group to combat bribery. Yamaha Motor Group hereby establishes the Anti-Bribery Policy to further promote these anti-bribery efforts on a global scale, and to contribute to the sustainable development of the countries, regions, and societies in which Yamaha Motor Group is involved.

1. Prohibition of Bribery

Yamaha Motor Group will not, whether directly or indirectly through third parties, engage in any bribery nor any act that may be seen as bribery with any public official (including any person equivalent to or related to a public official). Yamaha Motor Group rejects to obtain profit from improper conducts, and when requested by any public official to provide bribery, will flatly refuse the request in accordance with the “Compliance Comes First” policy, and take appropriate measures including reporting to the relevant authorities.

2. Compliance with Anti-Bribery Laws

Yamaha Motor Group will strive at all times to comply with any and all national and local anti-bribery laws and regulations applicable to Yamaha Motor Group and its business activities including the Unfair Competition Prevention Act of Japan, the Foreign Corrupt Practices Act of the United States of America, and the Bribery Act of the United Kingdom.

3. Anti-Bribery Management System

Yamaha Motor Group, in order to strengthen its anti-bribery activities, establishes and operates the “Anti-Bribery Management System” that includes (i) the prior consultation rule that requires officers and employees to consult with a division-in-charge before providing benefits to public officials or subcontracting services to third parties that may come into contact with public officials, (ii) the use of anti-bribery clause in designated contracts, and (iii) the appointment of anti-bribery officer at each group company. Yamaha Motor Group strives to continuously improve the Anti-Bribery Management System by evaluation of corrupt behaviors through the risk assessment activities, the compliance awareness surveys, and other monitoring activities conducted by the group companies.

4. Compliance System

At Yamaha Motor Group, the Sustainability Committee deliberates the compliance measures and monitors the implementation. The results of these deliberation and monitoring are then reported to the Board of Directors. As part of these efforts, the Risk

Compliance Officer appointed by the Chairman of the Sustainability Committee directs the Legal Division together with other divisions and the anti-bribery officers of group companies to promote global and systematic anti-bribery activities.

5. Ensuring Effectiveness

Yamaha Motor Group conducts risk assessments and compliance awareness surveys for group companies each year to confirm the effectiveness of the compliance measures including the anti-bribery activities. Based on the results of these assessments and surveys and the social trend considerations, we periodically improve each compliance measure including the anti-bribery activities. We further ensure anti-bribery at our group companies through distribution of the Code of Ethics Guidebook and the Anti-Bribery Guidebook, and the anti-bribery e-learning programs, legal trainings, and HR trainings.

6. Whistle-Blowing System and Consultations

Yamaha Motor Group maintains and operates hotlines addressing conducts of the officers and employees of domestic Yamaha Motor Group companies as well as the directors and executive managements of the overseas Yamaha Motor Group companies. The Legal Division is responsible for anti-bribery consultations and establishes the anti-bribery officer in each division and each group company. Through these efforts, Yamaha Motor Group aims to detect bribery concerns at an early stage and to take appropriate measures.

7. Measures Against Bribery

Upon detecting bribery concerns involving the officers and employees, Yamaha Motor Group will promptly conduct necessary investigations, enforce disciplinary actions and other strict measures against the persons involved in accordance with the corporate rules, and take appropriate measures including reporting to the relevant authorities.

8. Business Partners

Yamaha Motor Group asks our business partners to join efforts in preventing bribery through initiatives such as the anti-corruption measures under the CSR Guidelines for Suppliers and adoption of anti-bribery clause in designated contracts. Through these efforts, the Yamaha Motor Group and its entire supply chain join hands to combat bribery.

Established on October 1, 2020

Yoshihiro Hidaka

President, Chief Executive Officer, and
Chairman of the Sustainability Committee

Amounts Used for Political Contributions, Lobbying, etc.

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

Amounts used for political contributions, lobbying, etc.

(not including donations to business organizations, NGOs, etc.)

Yamaha Motor: Unit – million yen

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------|------|------|------|------|------|
| Amount | 15 | 13 | 14 | 13 | 7 |

Note: The amount shown above for contributions to political organizations in 2020 includes ¥2.5 million to the People's Political Association.

Amounts used for business organizations, etc.

(Japan Automobile Manufacturers Association, Inc., Japan Marine Industry Association, etc.)

Yamaha Motor: Unit - million yen

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------|------|------|------|------|------|
| Amount | 219 | 220 | 227 | 218 | 197 |

Tax matters

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



Contents

1. [Basic Tax Policy](#)
2. [Aims](#)
3. [Three Basic Elements](#)
4. [Structural framework to secure the above three elements](#)

Basic Tax Policy

The Yamaha Motor Group has established the following basic tax policy. The tax function of the head office is to carry out required tax duties in accordance with the company's tax policy and report the status of its progress to the director in charge of the corporate planning and financial domains in a timely manner.

Based on the company's basic tax policy, the tax function of the head office provides employees throughout the company and within the Yamaha Motor Group companies with appropriate guidance on taxation. The head office also works to maintain a governance system related to taxation across the group itself.

Aims

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

Three Basic Elements

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

Structural framework to secure the above three elements

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

ISO26000 Reference Table

Presenting a Table of ISO26000 concerning information in Sustainability website

| ISO 26000 Core Subjects | Issues | Web Links |
|---------------------------|---|--|
| Organizational Governance | | <ul style="list-style-type: none"> - Approach to CSR - Corporate Governance |
| Human Rights | <ol style="list-style-type: none"> 1. Due diligence 2. Human rights risk situations 3. Avoidance of complicity 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 | <ul style="list-style-type: none"> - Promoting CSR Throughout the Entire Supply Chain - Whistle-Blowing Systems (Compliance Hotlines) - Workplaces Thriving on Diversity - Relationship with Labor Union - Supporting the UN Global Compact |
| Labor Practices | <ol style="list-style-type: none"> 1. Employment and employment relationships 2. Conditions of work and social protection 3. Social dialogue 4. Health and safety at work 5. Human development and training in the workplace | <ul style="list-style-type: none"> - Supporting Work-Life Balance - Relationship with Labor Union - Occupational Health and Safety - Employee Health - Multifaceted Human Resources Development - Workplaces Thriving on Diversity - Supporting the UN Global Compact |
| The Environment | <ol style="list-style-type: none"> 1. Prevention of pollution 2. Sustainable resource use 3. Climate change mitigation and adaptation 4. Protection of the environment, biodiversity and restoration of natural habitats | <ul style="list-style-type: none"> - Approach to Global Environment - Initiatives for "Climate Change" - Initiatives for "Resource Recycling" - Initiatives for "Biodiversity" |
| Fair Operating Practices | <ol style="list-style-type: none"> 1. Anti-corruption 2. Responsible political involvement 3. Fair competition 4. Promoting social responsibility in the value chain 5. Respect for property rights | <ul style="list-style-type: none"> - Anti-Corruption - Two Policies Underpinning Procurement - Promoting Sustainability Throughout the Entire Supply Chain - Activities at Dealerships - Supporting the UN Global Compact |

| ISO 26000 Core Subjects | Issues | Web Links |
|---------------------------------------|--|---|
| Consumer Issues | <ol style="list-style-type: none"> 1. Fair marketing, factual and unbiased information and fair contractual practices 2. Protecting consumers' health and safety 3. Sustainable consumption 4. Consumer service, support, and complaint and dispute resolution 5. Consumer data protection and privacy 6. Access to essential services 7. Education and awareness | <ul style="list-style-type: none"> - <u>Thorough Import and Export Management</u> - <u>Approach to Quality</u> - <u>Riding Safety Promotion Activities</u> - <u>Management of information</u> - <u>Responding to Customers</u> - <u>Use of Customer Information</u> |
| Community Involvement and Development | <ol style="list-style-type: none"> 1. Community involvement 2. Education and culture 3. Employment creation and skills development 4. Technology development and access 5. Wealth and income creation 6. Health 7. Social investment | <ul style="list-style-type: none"> - <u>Social Contribution Activities</u> - <u>Yamaha Motor Foundation for Sports</u> - <u>Sustainable Development Goals (SDGs)</u> |

Yamaha Motor : Sustainability (Initiatives for sustainability) 2021

<https://global.yamaha-motor.com/about/csr/>

July 19, 2021

- update September 16, 2021
- update October 26, 2021
- update November 30, 2021
- update December 20, 2021