



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.



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Latest News

April 27, 2018

Green Procurement Guidelines (19th revision) uploaded

March 1, 2018

Information on cooperating with international initiatives (SDGs and UN Global Compact) uploaded

October 31, 2017

ESG-related information uploaded

October 3, 2017

CSR Guidelines for Suppliers 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. However, products that use internal combustion engines account for roughly 90% of Yamaha Motor's net sales. I believe the trend toward electric vehicles being seen in the automobile industry is bound to extend to the motorcycle industry as well. This development figures into our medium- to long-term business strategy as both a risk and an opportunity, and along with strengthening our competitiveness in the electric commuter segment, we are emphasizing products that use robotics. We are also pursuing innovation that will lead to the realization of a society that is not dependent on carbon-based fuels.

The 2030 Agenda for Sustainable Development, which lists a set of common, international Sustainable Development Goals (SDGs) to be achieved by 2030, was also adopted at a United Nations summit in 2015. As a global company with businesses in more than 180 countries and regions, Yamaha Motor will strive to contribute to the achievement of the SDGs through its products and services.

To demonstrate our determination both inside and outside the Company, and to promote activities that address these environmental, social, and governance principles that society expects us to uphold, in 2017 the Yamaha Motor Group became a signatory to the United Nations Global Compact, a set of 10 principles in the areas of human rights, labor, the environment, and the prevention of corruption. As we operate our global businesses, we require that the Yamaha Motor Group itself and our entire supply chain understand and comply with this framework.

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.

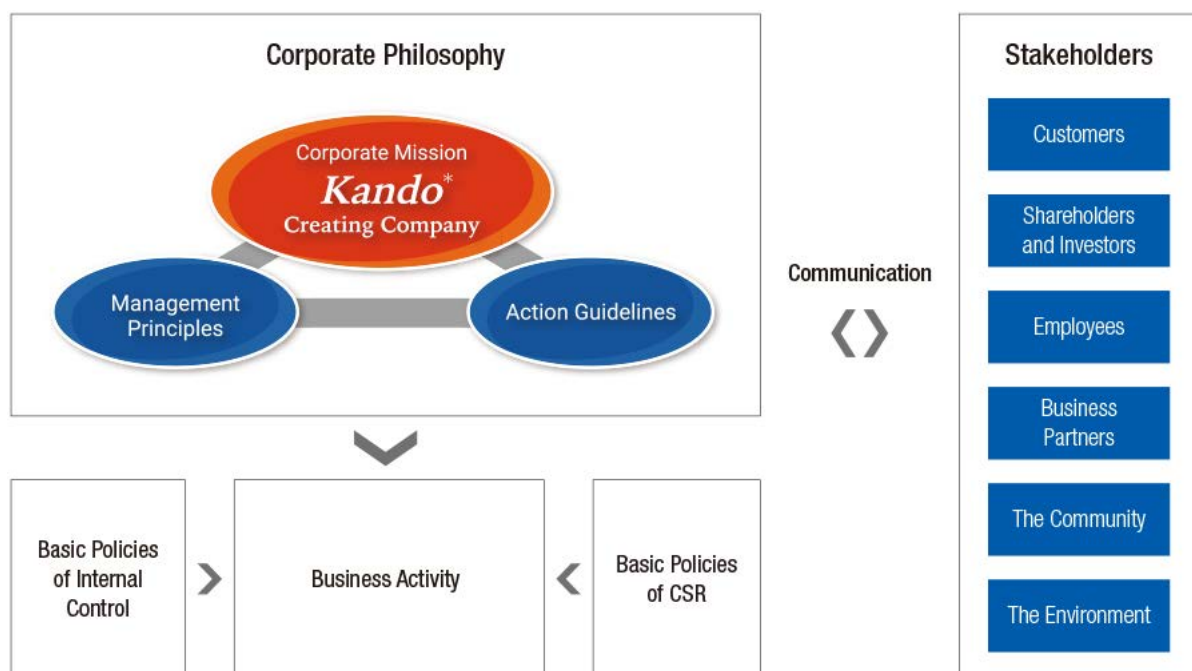
Approach to CSR

Introducing Yamaha Motor Group's stance on CSR 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 (CSR) to be expected of us is a contribution to sustainable development of society through our business activities based on our "Corporate Philosophy." Our Basic Policies of CSR reflect the especially important social responsibility we owe to our stakeholders.



Basic Policies of CSR

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 expect all of our business partners to share our principles and to act in accordance.

Customers	<ul style="list-style-type: none"> • We offer new excitement and a more fulfilling life for people all over the world through high-quality products and services that combine safety and innovation. • We provide practical, helpful information about products and services to customers. • We make every effort to protect the personal information of our customers and others involved in our business.
Shareholders and Investors	<ul style="list-style-type: none"> • We aim to deliver stable, long-term growth to enhance corporate value. • We disclose appropriate corporate operational results and financial status in a timely manner.
Employees	<ul style="list-style-type: none"> • We provide equal employment opportunities to build a diverse and discrimination-free workforce. • We provide fair working conditions while maintaining and improving a safe and healthy working environment. • We maintain respect for human rights and never tolerate child labor or forced labor in any form. • We work toward building success for both our employees and the Company through honest communication and dialogue founded on mutual trust.
Business Partners	<ul style="list-style-type: none"> • We respect our suppliers, dealers, and other business partners and aim to build mutual long-term growth founded on mutual trust. • We maintain an open door to new business partners around the world and choose companies based on comprehensive value, regardless of nationality or size. • We respect the competition laws of each nation and region and maintain fair business practices.
The Community	<ul style="list-style-type: none"> • We honor the culture and customs of every country and community, and we strive as a corporate citizen to act in balance with society. • We work to contribute to the development of sound communities by providing means of mobility, creating employment opportunities, and fulfilling our tax obligations. • We promote social action programs including personal mental and physical development, environmental preservation and safety activities, as well as supporting private initiatives undertaken by employees. • We maintain honest and fair relationships with government agencies and public authorities.
The Environment	<ul style="list-style-type: none"> • We develop environmental technologies to create products that balance economic needs with environmental well-being. • We aim to minimize the environmental impacts of our operations and make efficient use of limited natural resources. • We form wide-ranging partnerships with communities around the world to perform environmental conservation activities.

Corporate Philosophy



Basic Policies of Internal Control PDF (153KB)



Customers

Introducing our initiatives to provide value through Monozukuri (engineering, manufacturing and marketing) and services, and to promote safe driving

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

The Yamaha Motor Group's product quality and *Monozukuri* (engineering, manufacturing and marketing) are based on maintaining ongoing, close relationships with our customers. Going forward, we believe we must continue to strive to enhance this product quality by taking a customer-oriented approach. To do this, all divisions are striving to raise the quality of the work they perform.

We will continue to undertake activities that provide a sense of excitement to customers. We will strive to achieve the best quality possible and realize safety and reliability, based on a customer-oriented approach that emphasizes a deep sense of emotion in accordance with the spirit of the Yamaha Brand Charter.

**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.

Providing New Excitement

Yamaha's corporate mission of being a "*Kando* Creating Company" is an expression of our desire to offer our customers around the world products and services that bring joy and unexpected exhilaration of the kind that enriches their lives with new fulfillment, in harmony with society and the environment.

Being such a company requires us to constantly uphold our standing as an excellent engineering, manufacturing and marketing enterprise with a prominent global presence. Product creation begins with the customer. Our task as a manufacturer is to enhance our competitiveness by maximizing and optimizing the value of the products we provide to customers, in terms of their appeal, reliability and cost performance, in ways that exceed customer expectations.

Examples of *Kando*



Customer satisfaction regarding Yamaha Motorcycles

	2014	2015	2016	2017
Satisfied customers	88%	92%	92%	95%

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

Approach to Quality

Yamaha Motor is working daily to improve quality and to provide customers with peace of mind and confidence as well as a sense of excitement. The Basic Policies for Quality form the standard against which these activities are judged. As Yamaha Motor's president has declared, these are Groupwide policies under which "To constantly provide peace of mind, confidence and a sense of excitement to customers, we strive to achieve the best quality possible, by creating suitable standards of safety and reliability to realize high-quality products and services effectively, taking a customer-oriented approach that emphasizes a deep sense of emotion in accordance with the spirit of the Yamaha Brand Charter."

Under these policies, we formulated the YQ2018 Companywide medium-term quality policy covering the years 2016-2018, which sets three specific goals for our business activities: quality that provides exceptional excitement; quality that challenges; and quality that is trusted.

In addition, the Yamaha Group's Quality Assurance Standards conforming to ISO9001 form the basis for continuous improvement to quality management systems.

Structure for Improving Quality

The Product Assurance Committee is the highest organization for determining quality assurance Companywide. This committee deliberates policies and measures for quality, the formulation, revision, and abolishment of Quality Assurance Standards, and responses to quality-related issues. Its decisions are passed on to persons responsible for quality management at operating divisions and administrative divisions at Quality Assurance Meetings, and implemented at manufacturing sites. We have also established a Market Quality Information Oversight Committee, which is authorized by the President and CEO to investigate and make reports, for the purpose of appropriately maintaining market quality information processing operations including information regarding product defects in each market and information regarding maintenance covered by product guarantees.

Quality Enhancement Activities

To ensure that employees have ingrained, quality-related knowledge and skills, training about quality is held for new hires, for employees two to five years after being hired, and for persons newly appointed to management positions. In addition, education and training programs are in place to enhance the skills of employees, to ensure that they are technologically proficient with regard to quality related specifically to their type of work and specialization.

With those programs as a base, all employees undertake the "I am Yamaha" activities for enhancing quality during their actual work. 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 their work. Both as an organization and as individuals, we will strive to further improve quality by working to: (1) enhance our customer sense; (2) increase interaction; (3) learn from mistakes; and (4) do high-quality work.

Specifically, this includes the operation of a Learning through Experience Hall that uses product and panel displays to learn from past mistakes, planning events for interaction with other companies, issuing educational leaflets, and conducting awareness surveys. Moreover, product divisions undertake their own effective activities based on their respective circumstances, to further increase awareness and create more opportunities for learning.

Approach to Service

The Yamaha Motor Group views after sales service as an important aspect of quality, and that principle is laid out in our Basic Policies for Quality as “To constantly provide peace of mind, confidence and a sense of excitement to customers, we strive to achieve the best quality possible, by creating suitable standards of safety and reliability to realize high-quality products and services effectively.” Under these policies, 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 by headquarters hold regular classes 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 dealers display certificates showing the level that the dealership has received. In 2017, the percentage of technicians in our 24 major countries with YTA certification was 83%, exceeding the target of 80%, and the percentage of dealerships with a certified technician was 76%.

In addition, the Yamaha Parts & Accessories Academy is a similar training program covering the parts and accessories that are essential for after sales service.

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.

> [Details of the Yamaha World Technician Grand Prix](#)

Responding to Customers

We want customers to use our products with peace of mind for a long time. This makes a stable supply of parts indispensable. To prevent shortages for motorcycles, 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, so that customers can use a personal computer or smartphone to identify the parts they need and order them from dealers.

Our 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.”

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 Center handles customer inquiries related to our products and services, including motorcycles, marine products, electrically power assisted bicycles, generators, and snow throwers. Comments received from customers are stored in a database, and are made available within the Company so that they can be used to develop and improve our products and enhance our services.

Riding Safety Promotion Activities

Customer safety is our first priority, and in addition to enhancing product quality, we continue to put our maximum effort into activities which explain to customers in an appropriate manner how to use our products correctly.

These efforts include the publication of catalogs and brochures that convey the attractiveness of our products and product manuals that explain correct product use, as well as safety promotion activities such as riding schools that allow customers to gain first-hand knowledge about using our products.

The following is an introduction of some of the activities organized by our various businesses that help customers understand how to use our products properly.

Examples

Motorcycles



Personal Watercraft



SSV and ATV



Promoting Safety

Introducing the approach and policies related to customer relations

Promoting Safety

YRA: For Safe Riding, Now and Going Forward



In addition to achieving its corporate mission of being a “*Kando* Creating Company,” Yamaha Motor strives to fulfill its social responsibility to enable customers to ride safely. Testament to this commitment is Yamaha Riding Academy (YRA) which runs safe riding courses around the world. To ensure that our products are used properly, safely and enjoyably, and serve our customers well, we offer a wide range of activities including safe riding courses for general customers, classroom instruction for companies and organizations that use our products commercially, and courses to train instructors at affiliates around the world.



> 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:

YMC Trainers (YMC = Yamaha Motor Company)

YMC trainers are from YMC, and visit affiliates around the world to conduct training for and certify trainers and instructors.

Trainers

Trainers are located at affiliates around the world and have been promoted to the rank of instructor after being certified by YMC trainers.

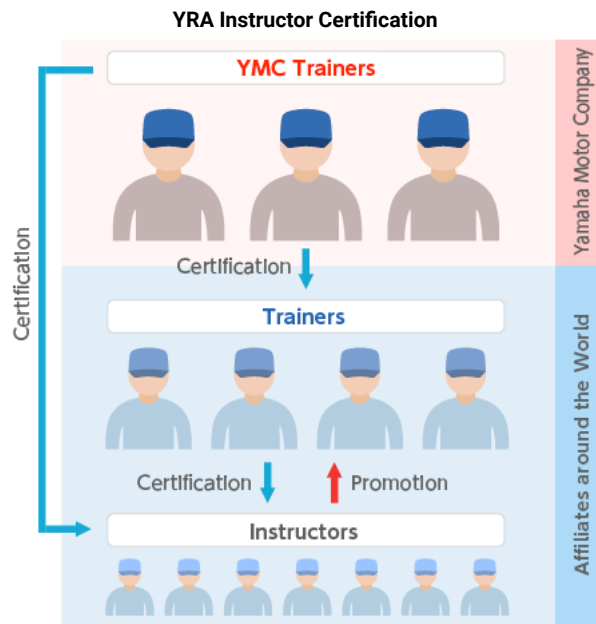
They train and are authorized to certify instructors in their own companies.

They also hold and conduct YRA classroom lectures for customers.

Instructors

Instructors are certified by YMC trainers or trainers from their own companies, and are located at affiliates around the world.

They hold and conduct YRA classroom lectures for customers.



Basic YRA Programs

YRA has a broad range of students, from beginners, current riders, return riders and children to companies and organizations, that use motorcycles for commercial purposes.

Basic YRA programs are held based on the needs of the customers taking the course and the characteristics of the products being used.

Actual riding instruction is carried out in cooperation with local Yamaha affiliates, founded on basic YRA programs and taking into consideration customer needs, traffic safety issues, and other local circumstances.



Taiwan

Safe riding instruction for purchasers of large motorcycles



Brazil

Training for police officers



Japan

Lessons for return riders and beginners



Thailand

Courses for acquiring a rider's license



India

Children and family traffic safety program

Taiwan

Introducing the approach and policies related to customer relations

Taiwan

The market for large motorcycles in Taiwan is growing, but this increase is leading to concerns of a rise in traffic accidents.

Many of our customers have been riding 125cc-class scooters and are now moving up to large scooters or motorcycles, but are unfamiliar with handling larger vehicles or operating the clutch.

Yamaha Motor Taiwan Co., Ltd. (YMT) is selling the TMAX, MT-07, and YZF-R3, and offers YRA safe riding courses to customers who purchase these models.

This includes both classroom instruction (YSRS) and hands-on lessons in riding techniques, to raise customers' awareness of safe riding as well as their knowledge and ability to enjoy our products safely.

During 2016, we held 30 courses for 198 participants, many of whom said the course was very useful.



> [More about YMT's YRA in Taiwan](#)

Brazil

Introducing the approach and policies related to customer relations

Brazil

In October and December 2016, we held the YRA Offroad Special Training for Police, where police officers and firefighters in Brazil were taught how to use motorcycles safely, correctly, and effectively.

With local trainers from our affiliate in Brazil, Yamaha Motor do Brasil Ltda. (YMDB), as instructors, 20 police officers and firefighters worked on developing their off-road riding skills.

Road surfaces and pavements in Brazil are often in poor condition, and there are many off-road situations in which motorcycles are suited for police and firefighting operations, creating a need for skills in fast, safe riding. The course consisted of the basic YRA program plus additional curricula in line with local requirements as determined by the local police and YMDB.

By teaching safe riding utilizing the special features of Yamaha products, we were able to contribute to the smooth operation of public activities.



> [More about YMDB's YRA in Brazil](#)

Japan

Introducing the approach and policies related to customer relations

Japan

In Japan, Yamaha Motor offers lessons to promote safe riding, primarily for return riders and beginners.

Return riders are mostly people in their 40s and 50s, who have taken up riding again after stopping because of factors like work, marriage and raising children. Such riders have been increasing in number in recent years.

During this long break, their physical strength and riding skills decline, and motorcycles change. Riding a motorcycle without being aware of this decline raises concerns over increased accidents as a result of avoidable mistakes.

On the other hand, there are also customers who have obtained their motorcycle license but are not confident of their riding ability and are afraid to go out on public roads. These inexperienced riders are therefore hesitant to take the next step of purchasing a motorcycle. A problem facing such people in Japan is that despite obtaining their motorcycle license at a driving school, they do so without having any riding experience on public roads, and therefore have to learn on public roads by themselves.

During 2016, we held 27 classes, where some 276 customers learned how to ride enjoyably and safely.

The most popular course is called “Lesson & Touring,” where students first review riding basics on a course, and then go on a short ride on public roads supported by instructors. Students who have taken this course have said, “It has been a long time, so this was good practice,” and “This was my first time to ride on public roads, but with the instructor’s support I was able to ride with peace of mind, and now am confident of my ability.”



[> More about YRA in Japan](#)

Thailand

Introducing the approach and policies related to customer relations

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.

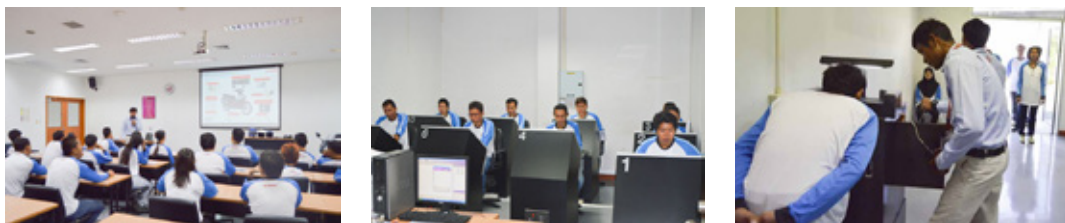


At YRA, we offer a wide range of programs for customers who have yet to obtain a rider's license and for veteran riders who already own a motorcycle, as well as programs on how to safely ride scooters and large capacity motorcycles.

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.



The instructors at YRA are also active outside the facility grounds, such as organizing activities to help promote safe riding at vocational schools and holding motorcycle classes for children at various events.

Yamaha dealerships and the Thai Ministry of Transport are also working together to help customers obtain a motorcycle license, especially in rural areas.



[> More about TYM's YRA](#)

India

Introducing the approach and policies related to customer relations

India

YCSP (Yamaha Children Safety Program)

Yamaha Riding Academy is offering road safety programs for children. Here in India, we developed this activity uniquely and more creatively.

Zippy! A Mascot created by the kids, for the kids! It acts as a tutor to help educate children on sensible attitudes toward road safety and traffic rules in a more fun and interactive way.



YCSP (Yamaha Children Safety Program) is to promote awareness of road safety and we are nurturing the kids right from their budding stages.

Yes! We are more concerned about road safety of our future citizens. At Yamaha, we are committed to create and inculcate proper road safety awareness among the kids and to transform them into more responsible citizens thus paving a way for safer roads in India. In 2016, we had more than 50,000 kids participate in 275 activities.

YFSP (Yamaha Family Safety Program)

A Corporate Social Responsibility (CSR) initiative by YMIS (Yamaha Motor of India Sales Private LTD), promotes and assists safety activities that prevent road accidents to larger extent. We connect with family and kids through our uniquely designed programs that strive to inculcate safe and responsible riding among all the sections of the society.



In YCSP (Yamaha Children Safety Program), an integral part of YFSP (Yamaha Family Safety Program) is to promote road safety and we are nurturing the kids right from their budding stages. Here, we encourage the kids to come up with more creative ways of incorporating road safety themes into their drawing and dancing. The idea is to induce safety into their subconscious mind.



> More about IYM's YRA

Shareholders and Investors

A page with links to IR information

Shareholders and Investors

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

In addition to 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 2017, a full-time investor relations staff has been employed in Tokyo, and engagement and constructive dialog began with shareholders in the United Kingdom, the United States, and other overseas locations, while communication with analysts and investors has also become more proactive.

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.

- > New Medium-Term Management Plan (2016–2018)
- > PDF presentation of new Medium-Term Management Plan **PDF**
- > Video presentation of new Medium-Term Management Plan **MOVIE**

Information for shareholders and investors is available on the websites below

Disclosure Policy



Dividend Policy



For Investors (index page)



Employees

Introducing the approach and policies related to employees

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.

Multifaceted Human Resources Development

As our business becomes increasingly global in scale, we believe we need to step up our efforts in areas such as human resources development, for which we are expanding our human resources development programs each year to address employees in a variety of positions.

Specifically, our programs include stratified training, training to refine specific 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 in 2016 as an effective tool to make managers fully function as the middle management in the organization, and is being completely rolled out from 2017 in more workplaces.

Training hours per employee to enhance employees' capabilities (total training hours / No. of Yamaha Motor employees) in 2017 was 9.2 hours (excluding compliance training, training related to health and safety laws and regulations, and training for new hires).

YMC HR Development Program

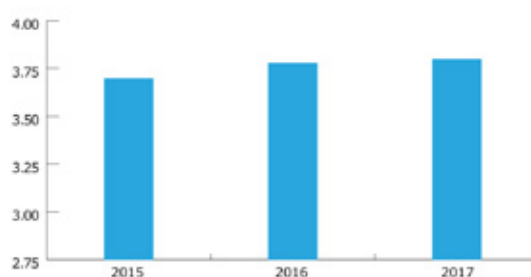
	Self Value Design				Stratified Trainings		Professional		Teamwork	Global	Selection
General	Career Survey YAMAHA Flex School (Correspondence Education) Language Class (Voluntary) Finance, Accounting and Computer Trainings Self Value Design Developing Trainings (SVD) Self Value Challenge (SVC In-House Recruitment)	Managers	Newly Promoted General Manager Trainings	Newly Promoted Foreman Trainings	Team Management Trainings for Senior Supervisors	Team Leadership Trainings for Supervisors	Skill Up Trainings for Clerical Workers	New Employee Trainings	Coaching	Global Executive Program (GEP)	Study Abroad
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)	Managers	Newly Promoted General Manager Trainings	Newly Promoted Foreman Trainings	Team Management Trainings for Senior Supervisors	Team Leadership Trainings for Supervisors	Skill Up Trainings for Clerical Workers	New Employee Trainings	Coaching	Global Executive Program (GEP)	Study Abroad
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The Number of Participants in YMC HR Development Program 2017

Global/Selection (Except "Study Abroad" and "Overseas Trainee")	259
Teamwork	63
Professional	2,394
Stratified Trainings (Except "New Employees Trainings")	859
Self Value Design (Except "Self Value Challenge" and "Career Survey")	1,465

Employee Motivation

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?"

2015: 81.3%, 2016: 69.5%, 2017: 72.0%

* The choice "Neither motivated nor not motivated" was added in 2016.

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 stance on human rights in its Basic Policies of CSR and Code of Ethics. Moreover, to maintain continuous growth, we believe it is important that our workforce incorporates diverse viewpoints and values, reflecting different experiences, skills, and attributes.

To achieve this, 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.

For management positions, we promote to recruit superior personnel regardless of their nationality or place of birth, and are working toward the goal of having local managers fill 60% of management positions at overseas subsidiaries by 2018. We are also pursuing global integration of the Group's core positions, and since 2016 have been recruiting employees from overseas bases for headquarters positions at the general manager level and above.

In terms of hiring, we fill a certain percentage of career-track positions for new graduates at headquarters with candidates from overseas.

Promoting Women's Active Participation

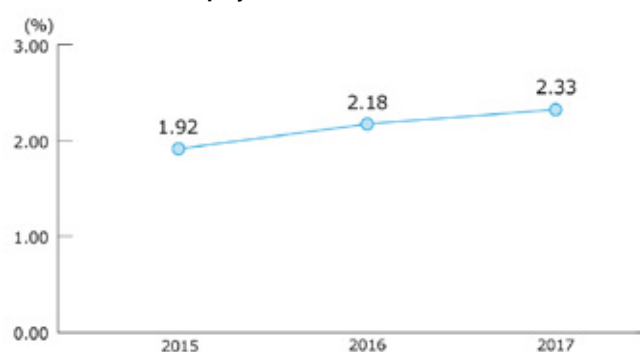
To promote active participation by women, we have set and are pursuing targets of doubling the number of women hired for managerial positions in 2014 by 2020, and to hire three times the 2014 number by 2025. A woman became president of an overseas Group company for the first time in 2018.

We are creating an environment that facilitates greater performance by women through measures that included setting women-only recruitment themes for in-house job postings when conducting personnel reassignments in 2017.

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.

Ratio of Employees with Disabilities at Yamaha Motor



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. In addition, certain consolidated subsidiaries have introduced programs allowing employees to work from home.

With the aim of reducing overtime, and in consideration of maintaining mental and physical health, we established the 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 make efforts to encourage our employees to take time away from work by setting targets for both employees and management, and 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.
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	Employees may reduce their working hours by two hours each day.
Others	Designated "no overtime" days (every Wednesday; any day preceding a company holiday; paydays; and bonus payment days). Employees can take three consecutive days of paid leave every year (from age 30, employees can take a consecutive five-day paid leave every five years).

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 a safe and healthy working environment around the world.

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.

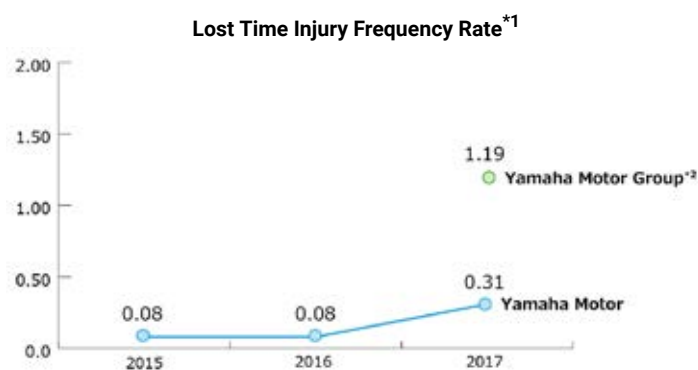
In addition, regular checks based on ergonomics are carried out to ensure that workplaces are safe and comfortable.

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.

Overseas, 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 also make efforts to prevent occupational injuries among outside subcontractors by establishing work safety guidelines.



^{*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 23 companies, comprising Yamaha Motor and its consolidated subsidiaries and affiliated companies with manufacturing functions.

Employee Health

Yamaha Motor engages in a wide range of initiatives to help employees maintain and improve their health.

In addition to health checks in accordance with laws and regulations, we offer ongoing health guidance to employees who are at risk for lifestyle-related diseases, and incentives to encourage employees to quit smoking, among other programs. For employees' family members, we provide subsidies through our health insurance association for those receiving regular health checks, cancer screening, complete physical examinations, and other services.

We monitor situations with regard to occupational illnesses through workplace patrols, special health examinations, and other measures. We also provide occupational health education. There were no incidents of occupational illness in 2017 (Occupational Illness Frequency Rate: 0%).

For employees scheduled to be stationed overseas, we hold training prior to posting on infectious diseases such as viral hepatitis and general health management, and provide education on preventing infection and prophylactic medications for employees who are travelling, including on business trips, to areas where there is a risk of contracting endemic diseases such as malaria. In addition, the occupational health physician in charge conducts regular tours of the overseas posting areas, and monitors the health levels and living environments of employees stationed abroad. Furthermore, to handle unexpected circumstances such as sudden illness, we have contracts with private medical service operators who provide both consultations and emergency transportation services.

Moreover, in order to promote health through recreation, we organize events such as the "Walk, Walk Campaign," led by the Health Promotion Center. With regard to facilities, there is a gymnasium located near our headquarters that can be used free of charge by Yamaha Motor Group employees and their families, as well as former employees, and some workplaces and employee dormitories have training gyms equipped with fitness equipment on the premises.

As for nutrition, we support employee health through meals by offering menus at the company cafeteria prepared under the supervision of a dietician based on particular health-related aspects of each workplace.

In February 2018, Yamaha Motor was selected as a "White 500" Outstanding Health and Productivity Management Organization under the Certified Health and Productivity Management Organization Recognition Program promoted jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

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 plan to expand 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 employees below management are members of the labor union, where the participation ratio is 87%. 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.

> Employee-Related Data

Employees

Introducing the approach and policies related to employees

Employee-Related Data (YMC)

		Total	(Male)	(Female)
Number of employees (persons)	2015	10,440	9,365	1,075
	2016	10,511	9,437	1,074
	2017	10,464	9,365	1,099
Average age (age)	2015	42.8	42.9	40.7
	2016	43.0	43.3	40.9
	2017	41.7	41.9	39.8
Number of years of continuous employment (years)	2015	19.4	19.5	17.7
	2016	19.7	19.8	18.3
	2017	18.1	18.2	16.6
Number of New Graduates Hired	2015	243	207	36
	2016	267	226	41
	2017	269	215	54
Total Number of Managers	2015	1,399	1,381	18
	2016	1,394	1,372	22
	2017	1,406	1,379	27
Number of Junior Managers	2015	1,036	1,018	18
	2016	1,024	1,005	19
	2017	1,023	1,000	23
Number of General Managers and Above	2015	363	363	0
	2016	370	367	3
	2017	383	379	4
Number of Managers Excluding Corporate Sectors	2015	1,278	1,266	12
	2016	1,264	1,251	13
	2017	1,269	1,254	15
Average annual wage (yen)	2015	7,114,628		
	2016	7,416,221		
	2017	7,404,192 [*]		
Number of temporary employees (persons)	2015	148		
	2016	157		
	2017	109		
Total number of consolidated employees (persons)	2015	53,306		
	2016	53,150		
	2017	53,579		

Employee-Related Data (YMC)

		Total	(Male)	(Female)
Number of non-Japanese employees (persons)	2015	62		
	2016	67		
	2017	86		
Total number of consolidated non-Japanese employees (persons)	2015	42,070		
	2016	41,727		
	2017	42,334		

* Annual salary paid to the President in 2017 corresponded to a ratio of 26:1.

Employee Resignations (YMC 2017)

		Early Retirement Plan Users	Voluntary	Company's Discretion	Reassignment	Other
Male (persons)	67	0	66	0	0	1
Female (persons)	16	0	16	0	0	0
Total (persons)	83	0	82	0	0	1

Business Partners

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

Business Partners

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.

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.

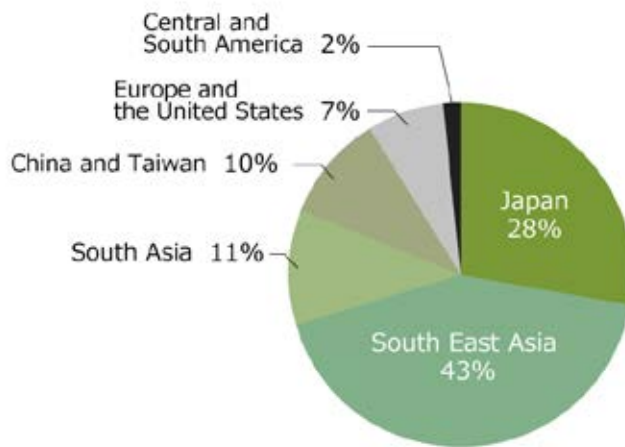
Structure for Promoting Policy Development

The Fair Trading Committee is the organization responsible for ensuring that the Basic Purchasing Policies and the CSR Procurement Policies are adhered to and reflected in our procurement activities. The committee is chaired by the Senior Executive Officer entrusted with that authority by the Company's President and Chief Executive Officer.

In addition to auditing legal and regulatory compliance, the Fair Trading 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 measures by the Fair Trading Promotion 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 this conference and training programs held in conjunction with various events help to ensure a thorough understanding of these policies.

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

Breakdown of Procurement Value for Major Products by Region



Promoting CSR Throughout the Entire Supply Chain

Our CSR Guideline for Suppliers requests suppliers to engage in CSR activities that enable them to respond appropriately to the requests and expectations of society. This guideline informs suppliers of Yamaha Motor's policies related to safety and quality, human rights and work environment, consideration to environment, risk management, and compliance, to promote CSR activities throughout the entire supply chain. In particular, the items in the self check sheet attached to the guideline are being revised from 2018 to ensure an understanding of legal regulations, the establishment of policies, systems and rules, and an understanding of the actual situation at each supplier, and Yamaha Motor intends to carry out its own monitoring as well.

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.

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."

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

> CSR Guideline for Suppliers [PDF](#)

> Green Procurement Guideline [PDF](#)

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, supply chains from beginning to end are registered into a database, and this data is used to track procured parts until manufacturing is completed and to identify risk factors.

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 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.

The Community

Introducing the approach and policies related to local communities

The Community

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.

Important Areas of Activities Contributing to Society

	Key Themes	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>Community Issues</u>	<ul style="list-style-type: none">• Supporting the community with Yamaha Motor's products, human resources, and know-how

Employee Volunteer Activities



Amounts Used in Social Contribution Activities



Developing Future Leaders

Introducing examples of activities that contribute to the nurturing of future leaders in the communities

Developing Future Leaders

Yamaha Motor Taiwan wins sports promotion award* for fifth straight year

In September 2017, Yamaha Motor Taiwan received the silver medal in the sports promotion award given by the Sports Administration of Taiwan's Ministry of Education. This was the fifth consecutive year in which the company has received an award, and the second in a row to win a silver medal.

Based on its social contribution policy, Yamaha Motor Taiwan has held a Yamaha Cup youth soccer competition every year since 2009 to cultivate healthy youth people, and in 2017, roughly 5,000 young people competed as 313 preliminary teams. This is one of Taiwan's largest youth soccer events.

*Sports promotion award: Presented by Taiwan's Ministry of Education to organizations that promote sports



Environmental Conservation

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

Environmental Conservation

■ Building sand-control dam as part of United Nations environmental campaign



Thailand frequently experiences flooding and droughts that impact people's daily lives and the economy. Thai Yamaha Motor and Yamaha Motor Electronics Thailand have participated in a United Nations environmental campaign to reduce the damage from these disasters by planting trees and preserving upstream environments to maintain the mutual relationship between living things and their environment. The building of sandcontrol dams as part of this campaign began in 2016 at the Kaeng Krachan National Park and expanded to the Tublarn National Park in 2017.



> Sustainable Development Goals (SDGs)

Improving Traffic Safety

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

Improving Traffic Safety

Yamaha Motor Vietnam donates over 30,000 helmets to elementary school students

Yamaha Motor Vietnam held a Kid Donation 2017 in Quang Nam and Vung Tau in October 2017 with the participation of Vietnam's National Traffic Safety Committee and other government authorities, and donated 31,300 helmets to 38 elementary schools. Since its launch in 2003, this activity has donated 186,895 helmets to 2,200 elementary schools, with the aim of child safety. Roughly 10,000 people participated in this year's event, with a record high number of helmets donated.



Community Issues

Introducing examples of activities that contribute to solutions for community issues

Community Issues

Hurricane relief at Yamaha Motor USA

In the spirit and passion of One Yamaha, Yamaha Motor USA collected and delivered various items as emergency relief and support to people affected by Hurricane Harvey, which struck the state of Texas in August 2017. The company donated aluminum boats and marine engines that were used to rescue people stranded on their rooftops, and asked dealers in the region to provide Yamaha watercraft to assist with search and rescue operations. Generators and all water pumps in inventory were also sent to dealers in the region. Moreover, arrangements were made to donate high-pressure washers and additional pumps to areas requiring assistance. Two truckloads of food and sanitary goods were also delivered to people in need.

> Sustainable Development Goals (SDGs)



Employee Volunteer Activities

Introducing examples of employee volunteer activities in the communities

Employee Volunteer Activities

In addition to the social contribution initiatives that the Yamaha Motor Group conducts through its business activities, the Group also supports employee volunteer activities using a system that provides information via the Company intranet. Some specific initiatives from Japan are discussed below.

Conveying the Joy of *Monozukuri* (engineering, manufacturing and marketing)

The Fun Engine Laboratory is a volunteer organization that was established 15 years ago by current and former Yamaha Motor employees. These volunteers pass on the dreams and joy of machines and *Monozukuri* by giving children the opportunity to experience and play with actual machinery.

During 2016, the Group conveyed the joy of *Monozukuri* to 565 children at 16 events held throughout six locations including our home base of Iwata City and the cities of Hamamatsu and Sendai, based on themes such as "how to assemble/disassemble an engine," "making a wind car," and "electrically powered vehicles."



- > The Community
- > Social Contribution Activities
- > Employee Volunteer Activities

Amounts Used in Social Contribution Activities

Disclosing the amounts used in social contribution activities

(Yamaha Motor; Unit: million yen)

	2015	2016	2017
Total	397	307	355
Charitable donations	237	184	221
Employee volunteer activities	134	99	99
Provision of goods	4	6	8

- The Community
- Social Contribution Activities
- Employee Volunteer Activities

The Environment

Introducing the approach and policies concerning the global environment



Initiatives for the Global Environment >	2017 Plans and Performance >	Environmental Management >
Reducing CO ₂ Emissions >	Reducing Environmentally Hazardous Substances >	Reducing, Reusing, and Recycling >
Preserving Biodiversity and Sustainable Use >	Environmental Communication >	

Initiatives for the Global Environment

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

Initiatives for 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.

The Yamaha Motor Group believes that enterprises involved in the global supply of mobility products are required to swiftly and earnestly address this social situation. In particular, we recognize that personal mobility, which constitutes the core of our business, will have a substantial role to play.

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 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, sales channels and cases of M&A.

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

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

2017 Plans and Performance

Presenting the list of FY2017 environmental activities

Action Areas	Priority Actions		2017 Plans	2017 Performance
Eco Products	Raise environmental attractiveness through product development from the perspectives of the environment and customers		Develop products to raise environmental attractiveness	Implemented in the medium-term plans of each business unit
Eco Operations Environmental protection through global activities aimed at minimizing environmental impact	Reduce risks from environmentally hazardous substances Implement green procurement	VOC reduction	Maintain level of VOC emissions per unit of sales to prevent deterioration from FY2010	Continue reduction activities Amount per unit of sales increased from previous year because of higher portion of resin parts manufactured, which contain large amounts of VOC, but 2.7% reduction achieved vs. FY2010.
		Green procurement activities	Adhere to rules regarding prohibited or restricted substances (zero harmful substances in our products)	Continued to maintain green procurement activities Review Control Standard of Environmentally Hazardous Substances and prepare for implementation
	Reduce emissions of greenhouse gases	CO ₂ emissions assessment and reduction	Each Group company to reduce CO ₂ emissions by 1% per unit of sales per year	Group companies set a target of 1% reduction in CO ₂ emissions intensity per year and worked to reduce greenhouse gases in their overall business activities CO ₂ emissions increased by 3,000 t-CO ₂ (0.5%) from 2016, but improved 9.3% per unit of sales year on year (goal achieved)
		Reduction of CO ₂ emissions from manufacturing processes	Reduce by 8% per unit of sales compared with 2009	Achieved target with 37% improvement vs. 2009 2009 CO ₂ emissions per unit of sales: 2.587 2017 CO ₂ emissions per unit of sales: 1.636 (down 37%)
		Reduction of CO ₂ emissions from distribution operations	Reduce by 1% (annual average) per unit of sales	Achieved target with 9.7% improvement vs. 2016 2016 CO ₂ emissions per unit of sales: 60.6 2017 CO ₂ emissions per unit of sales: 54.7 (down 9.7%)
			Reduce by 11% per unit of sales compared with 2006	Not achieved target despite 7.6% improvement vs. 2006 2006 CO ₂ emissions per unit of sales: 59.2 2017 CO ₂ emissions per unit of sales: 54.7 (down 7.6%)

Action Areas	Priority Actions		2017 Plans	2017 Performance
	Implement the 3 R's through the 3 E's	Promotion of 3 R's in product development	Reusing/recycling initiatives	Continued initiatives
		Promotion of 3 R's in manufacturing	Keep waste materials for direct/indirect landfill disposal to 0 tons	0 tons (YMC)
			Achieve 100% recycling of waste material in manufacturing processes	100% (YMC)
		Waste materials in manufacturing processes	Achieve super-zero emission	Achieved super-zero emission again (YMC)
		Establishment of recycling system for products in Japan	Voluntary initiatives to maintain a motorcycle recycling system	Proper handling and recycling of motorcycles were implemented through dealerships (Japan only)
		Reduction of parts packaging materials	Making 70% of packaging materials returnable	Goal achieved with 73.2% returnable rate
	Reduce water consumption	Reduce water consumption	Understand actual water consumption status of Group companies	Investigation carried out using global investigation system; amount of water consumption observed.
Eco Management Environmental management through reinforcement of Group environmental governance systems	Create and operate Groupwide environmental management systems		Increase number of companies using integrated certification system (target: 3 companies)	Result: 3 companies Provided Group EMS activities to 44 companies using integrated certification system
			Transition to the ISO 14001:2015 standard	The transition to certification under the ISO 14001:2015 standard has been completed at all 44 companies with unified certification.

Action Areas	Priority Actions	2017 Plans	2017 Performance
Eco Mind Environmental contributions through diverse eco-activities targeting a sustainable global environment	Expansion and support of diverse eco-activities	Achieve 67% participation rate in eco-commuting	Participation rate in eco-commuting reached 76.6%
		Establish the Eco Point system	Number of persons participated in activities under the Yamaha Eco Point system: 4,936 (system firmly in place)
	Change attitudes through continuous environmental education	Provide environmental education in each segment by stratification	Implemented for new employees, general employees, supervisors and general managers (distribution of environmental information)
	Communication with communities	Continue participation of a cumulative total of 40,000 Yamaha Motor Group people in the 40,000 People's V Campaign	Target not reached in 2017, with participation by 31,289 persons (aim: 78.2%), 100.0% compared with 2016
		Give lectures on corporate environmental initiatives at community events and schools	Gave lectures on corporate environmental initiatives at universities in Shizuoka Prefecture
		Ongoing holding of various study trips to factories	Gave environmental lessons to local junior high schools students
		Continue environmental preservation activities in concert with local municipalities and other corporations	Participated in tree thinning and tree planting in areas planted by Iwata City; a beach cleanup campaign in Hamamatsu City; a cleanup campaign at Lake Hamana in Kosai City; a cleanup activity at Lake Hamana; tree planting at a seawall in Kakegawa City; and other programs.
		Participate in events intended to improve communication with local communities	Held dialogues with local governments Participated at environmental events sponsored by local non-profit organizations (communication with non-profit organizations and local residents)
	Preserve ecosystems	Loggerhead sea turtle preservation activities	Participated in loggerhead sea turtle protection activities; conducted monitoring at the Yamaha Motor Kikukawa Test Course to preserve rare plant species including orchids and <i>Penthorum chinense</i> (where the number of <i>Penthorum chinense</i> and <i>Bletilla striata</i> plants is increasing); worked to remove alien plant species at Nakatajima Sand Dunes for protection of the endangered riverside tiger beetle; and continued to carry out reforestation activities in the spring and fall on hilly land that forms the scenery around Lake Hamana.
		Ecosystem monitoring activities	
	Communicating environmental information in relation to products, technologies, and services	Communicate environmental product information	Exhibited environmental products at Communication Plaza
		Promote environmental product information dissemination	Ongoing disclosure on the Company's website regarding environmental information for each motorcycle model and information on 3R designs and motorcycle/FRP recycling systems, etc.

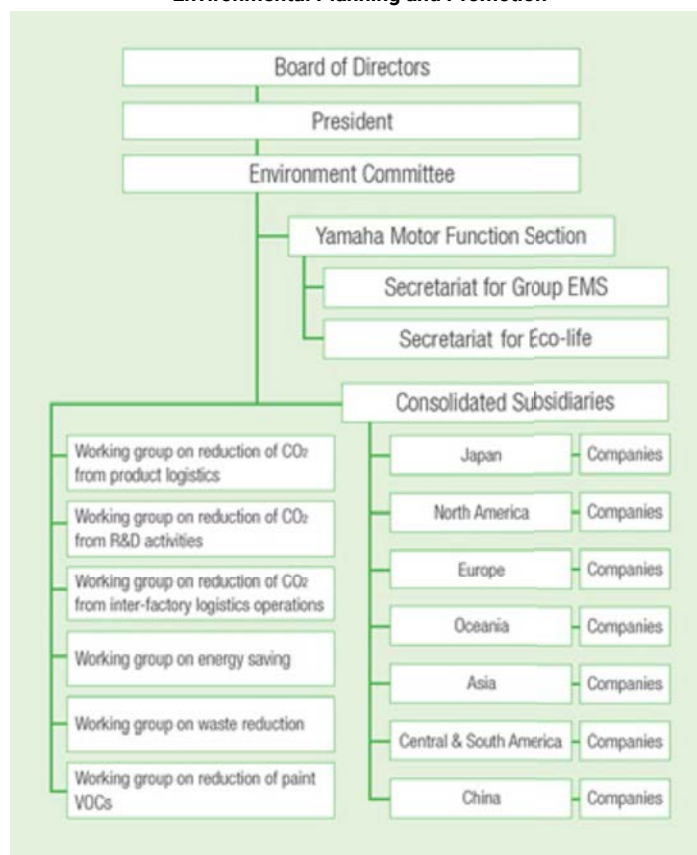
Environmental Management

Introducing information concerning environmental management activities

Organizational Structures for Promoting Environmental Management

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.

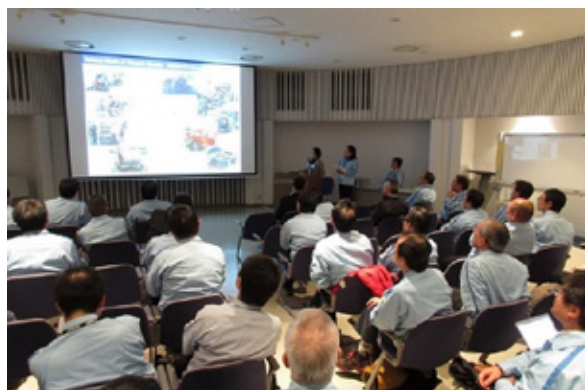
The Yamaha Motor Group Organizational Structure for Environmental Planning and Promotion



“Eco management” is an action area in the Yamaha Motor Group Environmental Plan 2020 under the Basic Policies of CSR. Accordingly, the Group has pursued global environmental ISO 14001 unified certification mainly for manufacturing companies in Japan, Asia, Europe, the United States, and South America, and all 44 target companies joined the program in 2017. At the same time, certification was updated to the ISO 14001:2015 standard.

In addition, the Yamaha Motor Group is developing risk-based environmental management, including the introduction of an in-house certification system that makes use of third-party organizations, for companies with relatively low environmental risks.

Our aim is to link these activities, as well as the development of our proprietary information network system, called G-YECOS, to thorough compliance with environmental laws and regulations and improvement in environmental performance. At the same time, we will enhance the efficiency of our management system and further strengthen environmental governance through Group-wide sharing of the issues facing each company.



ISO 14001 certificate award ceremony for YMPH (the Philippines) and activity report session held at Yamaha Motor headquarters

Global Environmental Information Network System (G-YECOS)

The Yamaha Motor Group makes use of its proprietary global environmental information network system (G-YECOS) to promote sharing and visualizing of Group companies' environmental information 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. As expansion of ISO 14001 unified certification has been completed in 2017, coordination of the content and timing of activities at each company will be promoted. Therefore, we will continue to enhance the effectiveness of system utilization.

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. In 2017, we worked to make the management system more effective by improving the PDCA cycle including risk and opportunity evaluation processes.

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.

Yamaha Motor discloses quantitative information concerning its environmental preservation measures and calculates environmental costs and the effects of these costs, based on the Environmental Accounting Guidelines of Japan's Ministry of the Environment (2005 edition) and by taking into account the concept of natural capital including the equivalent monetary amount for activities to preserve biodiversity, so that it can conduct more effective environmental management.

Total environmental costs, including capital investment and operating costs, were approximately 34.1 billion yen in 2017, an increase of approximately 4.7% from the previous year.

Broken down by category, the impact of an increase in R&D costs (5.0%) has been significant.

The Company did not incur any environment-related fines or penalties during the fiscal 2017 accounting period. Yamaha Motor continues to strive to comply with environmental laws and regulations.

2017 Environmental Costs and Economic Effects
(The scope of environmental accounting is the YMC integrated management system.)

Category		Environmental Costs			Economic Effects	
		Capital Investment	Operating Costs	Total	Within FY	Full-Year Equivalent
Business area costs	Pollution prevention costs	22	269	291	1	4
	Global environment preservation costs	262	152	414	39	83
	Resource recycling costs	10	258	268	20	23
	Subtotal	294	679	973	60	110
Upstream/Downstream costs		1	12	13	0	0
Administration costs		3	385	388	1	1
R&D costs		1,704	30,993	32,697	0	0
Social activity costs		3	17	20	0	0
Environmental remediation costs		0	9	9	0	0
Total		2,005	32,095	34,100	61	111

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

- R&D costs: includes some estimates
- Economic effects do not include deemed effects such as risk avoidance and enhancement of corporate image.
- Calculations are on a cash-flow basis and do not include depreciation or reserves.

Environmental Preservation Effects		
Category	Within FY	Full-Year Equivalent
Reduced energy (GJ)	161,757	175,659
Reduced CO ₂ (t-CO ₂)	6,926	9,234
Conserved water (t)	10,000	30,034
Reduced waste (t)	1,258	1,259
Reduced VOC (t)	8	8

- All of the environmental preservation effects are estimated based on environmental conservation costs.
- Reduced energy: effects of reducing electricity, oil, gas, etc., are corrected in the unit of energy
- Effect of reduced CO₂: effect of reducing energy origin CO₂

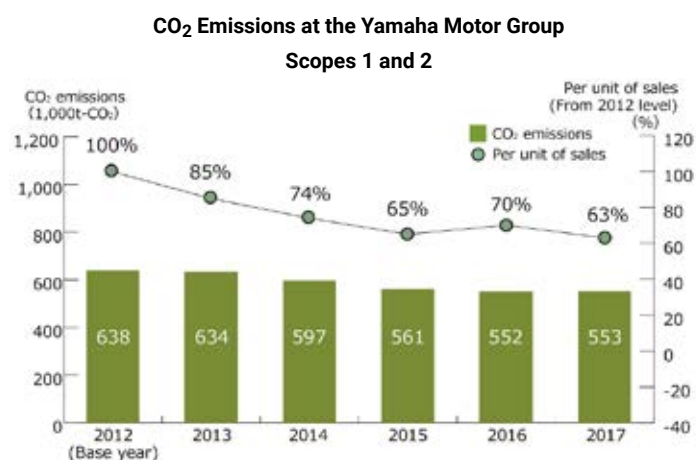
Reducing CO₂ Emissions

Introducing corporate efforts to reduce CO₂ emissions

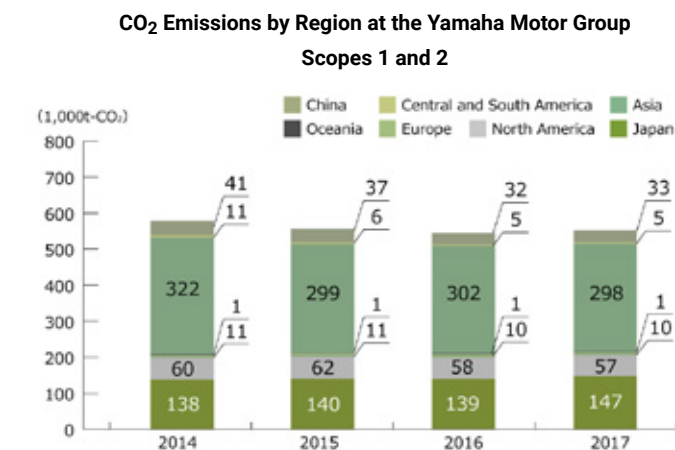
CO₂ Emissions at the Yamaha Motor Group

As a manufacturer of motorcycles and other transportation machinery, the Yamaha Motor Group considers the reduction of greenhouse gas emissions to be the most critical environmental issue facing the world today and is working on this issue. We are targeting an annual 1% reduction in CO₂ emissions per unit of sales as a common goal for the entire Group, and are working to reduce emissions in all of our business activities including product development and manufacturing.

Since 2013, we have been implementing global energy conservation activities at all of our manufacturing sites including those overseas, with the aim of achieving a balance between economic and environmental considerations (CO₂ emissions reduction). We are also promoting the efficient use of energy by introducing energy conservation expertise accumulated in Japan to Group companies in Japan and overseas.



Note: Calculated as total emissions excluding reduction effect from power generation from 2017.
Previous years' data has been recalculated accordingly.



Scope 1 Greenhouse gases directly emitted by businesses

Scope 2 Greenhouse gases emitted by businesses' use of electricity, heat, and hot water

Notes:

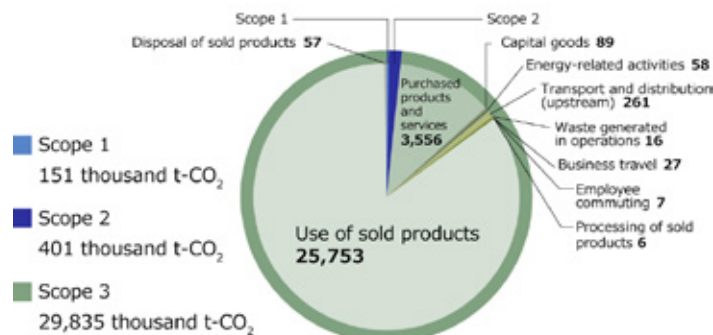
Boundary 115 companies, comprising Yamaha Motor Co., Ltd. and its manufacturing and non-manufacturing consolidated subsidiaries and affiliated companies.

CO₂ emission factors Gasoline: 2.32t-CO₂/kL; Kerosene: 2.49t-CO₂/kL; Diesel: 2.62t-CO₂/kL; Bunker A (No. 2) fuel oil: 2.71t-CO₂/kL; LPG: 3.00t-CO₂/t; Butane: 3.03t-CO₂/t; natural gas (overseas): 1.81t-CO₂/1,000m³; city gas (Japan): 2.05t-CO₂/1,000m³; coal (China): 1.93t-CO₂/t; Hot water supplied by third parties: 0.057t-CO₂/GJ
Electricity (t-CO₂/1,000kWh): Japan: 0.381; U.S. (California: 0.365; Southeast: 0.708; Ohio Valley: 0.892; Florida: 0.631; ERCOT (Texas): 0.639; Tennessee Valley: 0.623); Canada: 0.209; the Netherlands: 0.440; U.K.: 0.467; Italy: 0.455; France: 0.087; Spain: 0.383; Portugal: 0.452; Sweden: 0.051; Germany: 0.453; Turkey: 0.462; Russia: 0.325; India: 0.942; Singapore: 0.526; Taiwan: 0.628; China: 0.851; Brazil: 0.085; Argentina: 0.371; Peru: 0.206; Colombia: 0.121; Mexico: 0.522

Activities for Identifying and Reducing Greenhouse Gas Emissions

The Yamaha Motor Group endeavors to identify greenhouse gas emissions resulting both directly (Scope 1, e.g., from the burning of fuel at factories) and indirectly (Scope 2, e.g., from electricity use at factories and offices), as well as other emissions (Scope 3) from its corporate activities at the locations in which it operates, and to reduce those amounts.

We will also work to more precisely measure direct and indirect emissions at each location, and to further reduce emissions at each factory and office.



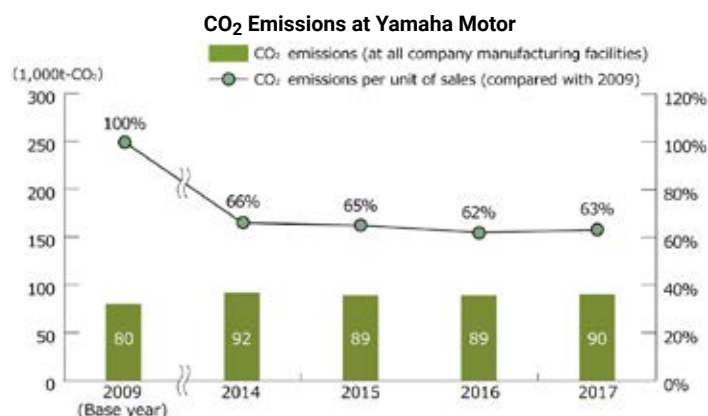
Notes:

Boundary	Scopes 1 and 2: 115 companies, comprising Yamaha Motor Co., Ltd. and manufacturing and non-manufacturing consolidated subsidiaries or affiliated companies
	Scope 3: Yamaha Motor Group
Calculation method	Energy usage per vehicle based on average fuel consumption or electricity usage rate vehicle life expectancy by annual unit sales
Emission factors	Gasoline: 0.002322t-CO ₂ /ℓ; Electricity: 0.000512t-CO ₂ /kWh

Reducing CO₂ Emissions at the Manufacturing Stage

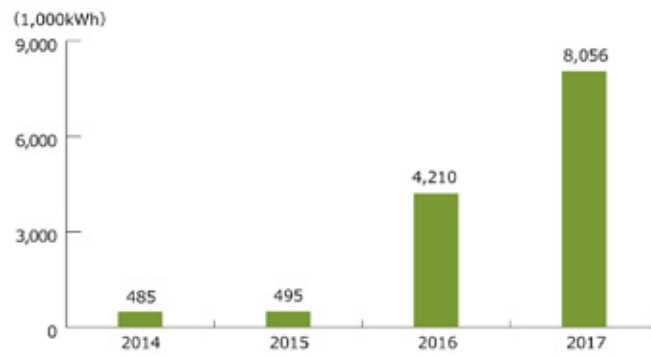
Though Yamaha Motor's initial target for fiscal 2017 was an 8% reduction in CO₂ emissions per unit of sales compared with fiscal 2009, the Company was able to reduce emissions by 37%, thereby achieving the target. However, CO₂ emissions per unit of sales increased 1% year on year due to the introduction of large-scale equipment and other factors.

New energy sources such as solar power and natural gas cogeneration accounted for 13 thousand MWh (5% of total electric power consumption). We are committed to continuing the introduction of energy-saving devices and improving our operational management system.



Note: Calculated as total emissions excluding reduction effect from power generation from 2017. Previous years' data has been recalculated accordingly.

Renewable Energy Usage at the Yamaha Motor Group



Power Generation System Using Solar and Wind Power at Factories

The Yamaha Motor Group is installing power generation systems that use solar and wind power. Following the installation of a solar power generation system at the Iwata Main Factory in 2004, these systems have been successively installed elsewhere and the use of renewable energy is expanding. Installations continue at overseas locations as well, and in 2017, the solar power generation system in Delhi, India was increased from 4.0 MW to 6.2 MW.

The amount of power generated in 2017 totaled 8,056 MWh (equivalent to a reduction of roughly 7,302 t-CO₂), and was used for various factory operations and office lighting and air conditioning.



Solar power – 1,000 kw (IYM-CHE, India)

In 2017, the Yamaha Motor Group continued to pursue activities aimed at further reducing CO₂ emissions. The main initiative has been the rollout of the Global Utility Cost Reduction Project (GUTS) since 2013, 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.

Initiatives during the year included consolidation of compressor pipes, automated shutdown of electrical machinery when not needed, application of heat-blocking coating of furnaces, a shift to hydraulic servomotors, and introduction of precision air conditioners that recover exhaust heat. These led to lowering of CO₂ emissions per unit of sales (37% below the 2012 level, the year prior to the start of the project) and reductions in CO₂ emissions (13% below 2012).

Since launching this project, Yamaha Motor's energy efficiency technicians have visited a total of 30 locations in 13 countries, in which Yamaha Motor Group companies operate, including those in Japan, and the project has been expanded to cover 98% of Group-wide CO₂ emissions with the aim of reducing energy loss.

Since launching this project, Yamaha Motor's energy efficiency technicians have visited a total of 30 locations in 13 countries, in which Yamaha Motor Group companies operate, including those in Japan, and the project has been expanded to cover 98% of Groupwide CO₂ emissions with the aim of reducing energy loss.

Going forward, we will continue pursuing activities aimed at further reducing emission volumes at each factory and office in order to lower overall CO₂ emissions.



Providing instruction in use of measuring devices at TBI (Indonesia)



Group photo of energy conservation team at IYM (India)

Reducing CO₂ Emissions at the Distribution Stage

Yamaha Motor has established the goal of "improving transportation efficiency by 1% a year (compared with 2006)" for all divisions. Yamaha Motor's basic approach is to implement measures beginning with those that will have the greatest CO₂-limiting impact while balancing the energy conservation benefit with cost benefit. Yamaha Motor has also established a working group that centrally promotes CO₂ emission reductions in distribution.

Distribution has improved with the realignment of the manufacturing layout completed in 2016, reducing the transportation of goods in terms of both volume and distance, and thereby lowering total distribution-related CO₂ emissions by 2.1%.

In 2017, distribution-related CO₂ emissions per unit of sales were reduced by 9.7% year on year, owing to efforts including improving the load factor, consolidated transportation, and increasing transportation efficiency.

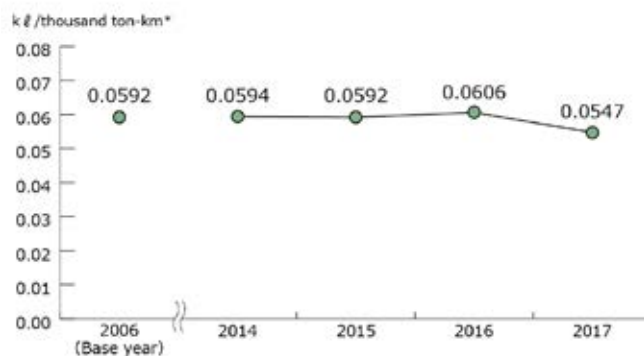
We will continue working to improve transportation efficiency going forward.

CO₂ Emissions in Distribution at Yamaha Motor



Note: Differences with figures in the text are due to rounding.

Transport Efficiency at Yamaha Motor



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

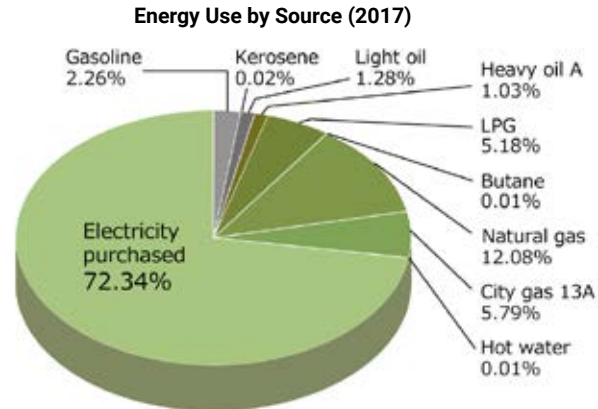
Reducing CO₂ Emissions in Product Packaging

“Packaging solution for Yamaha outboard motor repair parts” received a WorldStar award at the WorldStar Competition 2017, held by the World Packaging Organization. The award was given for improvements made to increase the stability of the product and to reduce operational and material costs.

Compared with the conventional packing method in which materials were bonded, this packaging simplifies materials by fixing the center of gravity and sharp shape at one point. It also uses paper tubes made of scrap wood as the material to bear the load. This has reduced operational and material costs by 10%, and made it easier to package and dispose of the packaging, while contributing to reduced material weight and lower CO₂ emissions.



In 2017, the Yamaha Motor Group's total energy consumption was 9.88 million GJ, of which electricity accounted for 72%, or 7.15 million GJ. Around 85% of the Group's energy consumption was in Asia, including Japan. Seeking to reduce our electricity consumption, we are working in a deliberate manner on various initiatives. These include implementation of status analysis and reduction activities through the introduction of equipment that visualizes electricity usage, installation of power-saving equipment in factories, and adoption of LED lighting at offices.



Note:

Unit calorific value Electricity purchased: 9.76GJ/1,000kWh; Gasoline: 34.6GJ/kL; Kerosene: 36.7GJ/kL; Light oil: 38.2GJ/kL; Heavy oil A: 39.1GJ/kL; LPG: 50.2GJ/t; Butane: 49.6GJ/t; Natural gas: 35.2GJ/1,000m³; City gas: 41.1GJ/1,000m³; Hot water: 1.36GJ/GJ

By Area (FY2017)

	Japan	North America	Europe	Oceania	Asia	Central and South America	China	Total Emissions
Manufacturing	144,776	51,341	6,283	0	296,545	5,026	31,446	535,416
Non-manufacturing	2,412	5,824	4,133	1,292	1,889	17	1,578	17,145
Total	147,187	57,164	10,416	1,292	298,434	5,043	33,024	552,561
%	27%	10%	2%	0%	54%	1%	6%	100%

(Unit: t-CO₂)

Note: Totals may not add up due to rounding.

Top 10 Countries (FY2017)

Rank	Country	CO ₂ Emissions	%
1	Japan	147,187	26.6%
2	Indonesia	132,570	24.0%
3	India	57,709	10.4%
4	USA	56,157	10.2%
5	Thailand	36,754	6.7%
6	Vietnam	34,575	6.3%
7	China	33,024	6.0%
8	Taiwan	28,862	5.2%
9	Malaysia	5,730	1.0%
10	France	4,400	0.8%

(Unit: t-CO₂)

Note: Totals may not add up due to rounding.

Reducing Environmentally Hazardous Substances

Introducing corporate efforts to reduce use of environmentally hazardous substances

Reducing Environmentally Hazardous Substances

Reducing PRTR*1 Substances

In accordance with various countries’ regulations, the Yamaha Motor Group tracks and reports the content of chemical substances that may be harmful to human health or the environment in the waste materials it generates or discharges. More than 99% of the PRTR substances released by Yamaha Motor are VOCs*2, most of which are generated in painting processes.

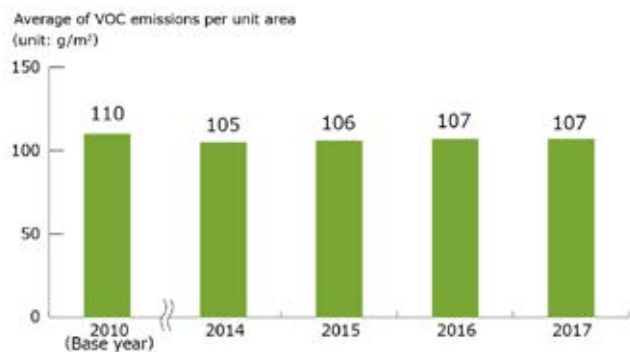
In 2013, we upgraded the painting booth at our main Iwata Factory, which now uses low-VOC paints. The new engine parts line set up in 2015 uses a smaller volume of painting materials as it has adopted a robotic painting booth that features the latest airflow control system. At other factories, as well, we are reducing VOC emissions through optimization of the paint robot system and other means.

We plan to continue reducing VOC volumes by promoting expanded use of low-VOC paints, improving coating efficiency, and reducing paint volumes.

*1 PRTR: Pollutant Release and Transfer Register

*2 VOCs: Volatile Organic Compounds

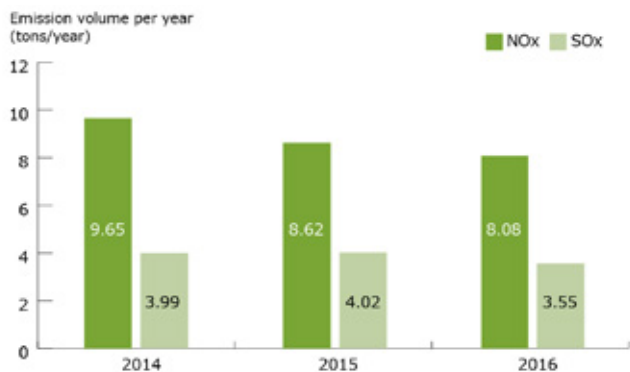
Trends in VOC Release at Yamaha Motor



Managing Environmentally Hazardous Substances at the Manufacturing Stage

Yamaha Motor manages environmentally hazardous substances emitted from its factories in accordance with relevant laws and regulations, and is working to reduce its emissions of these substances by adjusting conditions for the operation of equipment to curtail the creation of nitrogen oxides, improving heat efficiency to reduce fuel consumption, and switching to low-nitrogen and low-sulfur fuels.

Annual NOx and SOx Emission Volumes at Yamaha Motor (Iwata Main Factory)



As countries have increasingly regulated the use of environmentally hazardous substances over recent years, the number of regulated substances has increased. The Yamaha Motor Group is responding by steadily developing environmental management activities at factories overseas as well as in Japan.

For example, we handle some of the products that fall under the scope of the revised RoHS Directive* regulating the use of certain substances in electrical and electronic equipment in Europe; therefore, we are preparing to comply with the Directive before the revised restrictions come into force on July 22, 2019.

Furthermore, in the United States, in response to the revision of warning label rules under Proposition 65 in California, we are switching to warning labels based on the new rules by August 30, 2018 concerning chemical substances contained in products marketed in California.

Going forward, we will work to share information from across the entire supply chain, while systematically reducing the use of environmentally hazardous substances and pursuing alternatives.

* Directive 2011/65/EU of the European Parliament and of the Council on the restriction of the use of certain hazardous substances in electrical and electronic equipment (recast)

Reducing, Reusing, and Recycling

Introducing measures for recycling and limiting the use of natural resources

Reducing, Reusing, and Recycling

The 3R concept (Reduce, Reuse, Recycle) is becoming ever more important in all phases of product life cycles, from development and production to use and final disposal, in order to create a 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.

We are adopting various approaches to conserve natural resources and enhance recycling efficiency. In addition to actively utilizing recyclable materials, we are reducing the number of parts 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.

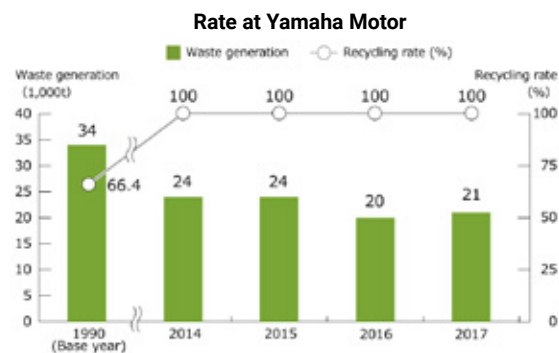
Measures to Reduce Waste and Conserve Resources at the Manufacturing Stage

In 2017, Yamaha Motor generated a total of 20.8 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).

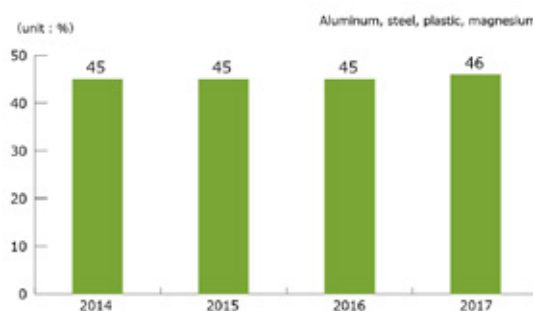
The Yamaha Motor Group began tracking its volume of waste from 2016. Group Companies in Japan and overseas have been working to reduce their volumes of waste by thoroughly separating waste, introducing returnable packaging materials, and using longer-lasting cutting fluids and oils. The Yamaha Motor Group’s waste material volume (aggregate for 46 companies) in 2017 was 29 thousand tons.

^{*1} Yamaha Motor Group’s aggregate volume of materials discharged (including both waste and materials with value).

Waste Generation at the Manufacturing Stage and Recycling

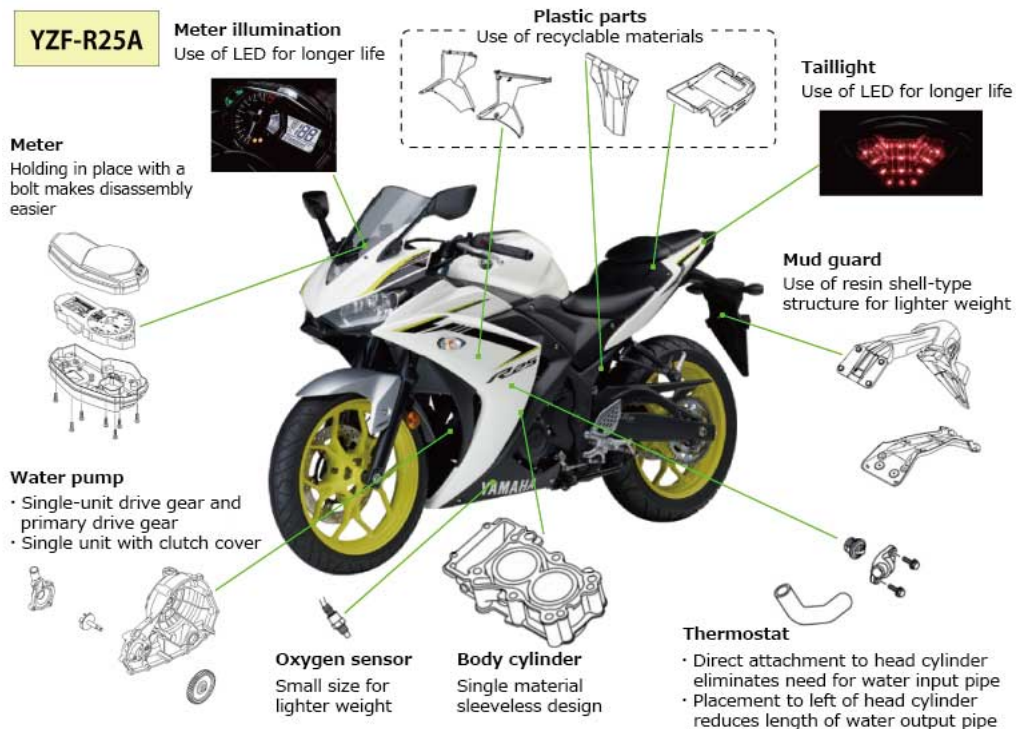


Percentage of Recycled Materials Procured by Yamaha Motor



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

Example of 3R Design

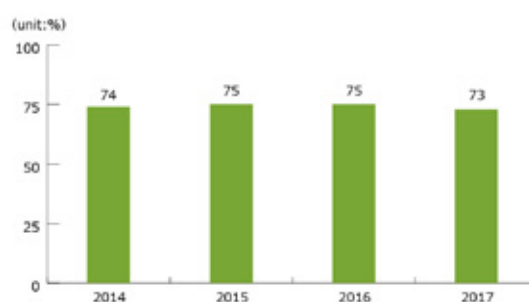


3R Initiatives in Spare Parts Distribution

Yamaha Motor's Spare Parts Section is working to save energy and resources through various 3R initiatives. These include "reducing" by improving the filling rate with respect to packaging for spare parts sent overseas, "recycling" through the introduction of dedicated returnable packaging, such as plastic pallets and buckets, for spare parts sent overseas, and "reusing" by increasing the number of overseas shipping destinations that use returnable materials.

Thanks to these initiatives, in 2017 we achieved a 73.2% returnable rate (percentage of total shipping cases sent overseas that use returnable materials), compared with our target of 70% or higher.

**Percentage of Returnable Parts Containers
for Overseas Shipment at Yamaha Motor**





Returnable pallet body



Returnable bucket body

Returnable Pallets/Buckets Used in 2017

Delivered to	Number of Returnable Pallets	Number of Returnable Buckets
Europe	2,167	52,303
North America	4,010	107,048
Oceania	161	5,393
Asia	439	26,881
Total	6,777	191,625

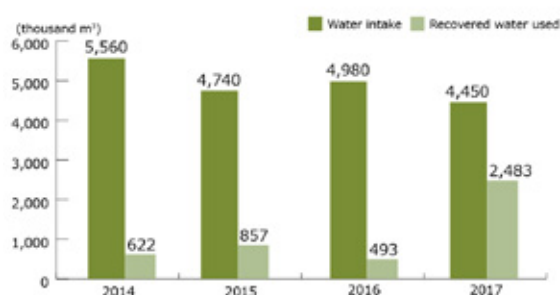
Measuring and Reducing Water Consumption

The Yamaha Motor Group is working to reduce consumption of water.

In accordance with our 2020 goal of “promoting recycling and the effective use of limited resources,” we continue to strive to measure our global use of water and reduce our water consumption through programs including the reuse of coolant water and water collection (rainwater and other sources) at factories.

In 2017, Yamaha Motor’s water intake volume was 1,170 thousand m³ and waste water volume was 1,220 thousand m³.

Water Intake and Recovered Water Used at the Yamaha Motor Group



Note: The increase in the volume of recovered water used in 2017 includes the effect of new sites able to measure recovered water. Boundary: 99 companies, comprising Yamaha Motor Co., Ltd. and its manufacturing and non-manufacturing consolidated subsidiaries and affiliated companies. (The boundary for affiliated companies changed from 2017.)

Breakdown of Water Intake at the Yamaha Motor Group

	2014	2015	2016	2017
Underground water	243.3	198.7	177.2	222.1
Industrial water	235.1	225.3	179.8	148.7
Tap water	67.0	39.1	131.7	57.5
Other fresh water	10.2	11.4	8.5	16.7

Note: Breakdown includes estimated figures.

Preserving Biodiversity and Sustainable Use

Introducing the Outline of Yamaha Motor Group's Main Biodiversity Initiatives

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 Basic CSR Policy, and the Environmental Plan 2020, from the perspectives of "diversity of ecosystems, biological species, and genes," "activities that supplement the benefits of nature," and "minimizing the impact created." Declaration

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.

Biodiversity Initiatives

We are continuously implementing systematic activities in line with the Outline of Yamaha Motor's Main Biodiversity Initiatives, based on voluntary participation of employees.

We have been engaged in beach cleanup campaigns since the early 1990s on coasts in Japan and abroad to protect our beautiful and abundant seas. We are carrying on these activities and cultivating an ecological mindset. Some of our specific biodiversity initiatives are introduced below, including efforts to protect the habitats of creatures in danger of extinction.

Protecting the Endangered Loggerhead Sea Turtle

Every year, females of the endangered loggerhead turtle species come to Enshunada Coast, a natural site popular with locals, to lay their eggs.

We have been conducting beach cleanup campaigns at the coast in cooperation with Sanctuary N.P.O. for 27 years starting in 1991. A cumulative total of 12,600 volunteers have participated in these activities, including employees, their families, and friends.

Organizing "Sustainable Beach" Project

We organize cleanup activities to protect the endangered loggerhead sea turtle by collecting garbage that could be an obstacle to egg-laying, scraps of vinyl that could be eaten by mistake, empty plastic bottles or cans, and other litter. We also put down sand-filled cloth bags to prevent sand from blowing away, in order to restore the sandy soil of the beach itself that is essential for laying eggs.



Enshunada beach cleanup campaign



Even the smallest scraps of vinyl are picked up



**Activities to restore the sandy soil of
Enshunada Coast**



Filling cloth bags with sand

> Sustainable Development Goals (SDGs)

Participating in the 28th Loggerhead Turtle Cleanup Campaign

Employees, their families, and friends continue to participate every year in cleanup activities organized by Hamamatsu City to protect the loggerhead turtle at the Nakatajima Sand Dunes.



120 volunteers participated in 2017



Cleaning Loggerhead Turtle Beach

Protecting the Endangered Riverside Tiger Beetle

The riverside tiger beetle is an endangered species that was driven from its riverside home by construction of levees and has managed to survive in the Nakatajima Sand Dunes. Since 2015, we have continued to carry out activities twice a year to protect the beetle's habitat through the removal of alien plant species* in collaboration with the Coastal Control Division of Shizuoka Prefectural Government.

* Alien plant species: *Diodia teres*, *Oenothera laciniata*, *Lolium perenne*, *Conyza canadensis*

Implementation of Campaign to Remove Alien Plant Species

We carry out campaigns to remove alien plant species with volunteers, focusing on *Oenothera laciniata* in May and *Diodia teres* in September, when each species can be most effectively weeded out.



Removing *Oenothera laciniata*



**Before seeds appear, the plants are pulled for
greater effect**



Removing *Diodia teres*



Participants removed a total of 203 kg of plants

> Sustainable Development Goals (SDGs)

Protecting Nature Around Us

Lake Hamana is one of Shizuoka Prefecture's cherished natural sites. In order to protect the lake's nature, shore-cleaning activities are carried out twice a year, mainly by employees from Marine Business Operations.

Organized Marine Cleanup Activities at Lake Hamana

Employees from Marine Business Operations carry out cleanup activities twice a year using products such as personal watercraft and boats to collect trash that has washed onto shore, even in areas that cannot be reached by land.



Volunteers collect trash via personal watercraft



Activities in Matsumigaura



Wearing lifejackets and ready to board



Trash is relayed across the water

Okinawa Prefecture is said to be home to more than approximately 360 species of coral. However, there are also reports that coral has been diminishing rapidly in recent years both in variety and in number. Alarmed by this situation, a local group launched “Team Tyura Sango,” a public-private joint project to restore the coral reefs.

Yamaha Motor has supported this project since 2007 through measures including volunteer participation in coral planting and financial assistance.



Volunteers planting coral

> Sustainable Development Goals (SDGs)

Protecting Rare Species at Test Courses

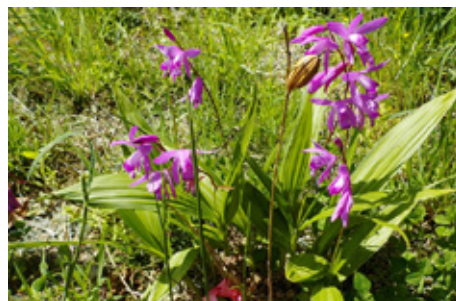
In order to minimize the impact of our test courses on the natural surroundings, we carry out ongoing initiatives to offset the effect of the courses on the areas around them.

Protecting Rare Plant Species at the Yamaha Motor Kikukawa Test Course

Yamaha Motor is maintaining wildlife diversity and preserving the environment through measures such as protecting areas of existing vegetation and planting trees around the perimeter of the Kikukawa Test Course in Shizuoka Prefecture. In 2008, before the start of construction, the Company conducted a one-year environmental assessment of the site and surrounding area. When the course commenced operations in 2013, we simultaneously began initiatives to preserve rare plant species. Initially, the number of plants declined, but as a result of monthly activities, the number of certain species of plants (*Bletilla striata* and *Penthorum chinense*) recovered to an increase in 2016, the third year of the project. We are still protecting the endangered species and near threatened species *Cymbidium lancifolium*, *Cephalanthera falcata*, *Bletilla striata*, *Calanthe discolor*, and *Penthorum chinense* through monthly monitoring by employees and with the cooperation of specialists.



A cluster of *Penthorum chinense*



***Bletilla striata* in a lush valley**



Cymbidium lancifolium in a remaining grove



Cephalanthera falcata on a ridge (Pink biodegradable tape is used for marking)

Holding Nature Conservation Activities at Various Locations at Our Facilities



The egg-laying of the endangered forest green tree frog is monitored each year at Trail Land Hamakita.



We apply insecticides and plant insect-resistant black pines as measures to combat the pine weevil in the black pines that form a windbreak forest at the Hamaoka Test Course.



We created a pamphlet introducing the seven species of acorn native to the area around the Fukuroi Test Course and distributed it to employees.

Activities that Supplement the Benefits of Nature

We pursue activities to understand and supplement the benefits of nature by carrying out reforestation to supplement the natural beauty of the hilly land that forms part of the scenery of Lake Hamana and participating in Iwata City's groundwater recharge project.

Reforestation

We aim to create a beautiful bamboo forest in a bamboo grove that has been neglected and become overgrown on hilly land next to the Yamaha Marina Hamana-ko facing the lake. At the same time, we have been carrying out reforestation activities every spring and fall since 2015 to keep the bamboo from invading the broadleaf forest.



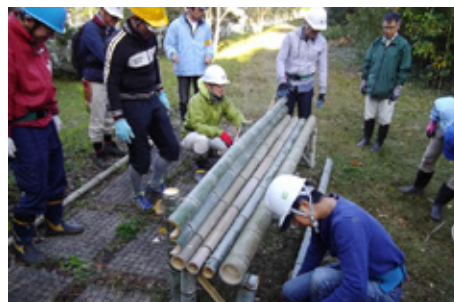
Accumulated bamboo



Thinning moso bamboo



Setting up birdhouses



Building a bench with thinned bamboo

Participating in Iwata City's Groundwater Recharge Project

We carry out Japanese cypress planting and tree thinning in the forest in Iwata City's northernmost area, a rich source of water. (The area is a "property ward," a special public body in Japan.)

Protecting Upstream River Areas in National Parks

Group companies in Thailand are pursuing activities aimed at maintaining a balanced ecosystem and mitigating the impact of disasters (measures to prevent flooding by creating erosion-prevention dams) in coordination with the environmental activities of the United Nations.



Environmental Management

Introducing measures aimed at promoting environmental awareness and activities

Environmental Communication

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

Under the Yamaha Motor Group Environmental Plan 2020, Yamaha Motor aims to “be trusted and respected as a corporate citizen by local communities.” In response to requests from outside parties, we are working to enhance our communication with all stakeholders through seminars explaining our environmental activities (eco-commuting, baby turtle observation tour, sustainable beach campaign) and the dissemination of information via our environmental report and other CSR reports.

Yamaha Motor has promoted eco-commuting initiatives since 2004. It now has 11 sites registered under the Excellent Eco-Communing Business Site Accreditation System of Japan’s Ministry of Land, Infrastructure, Transport and Tourism (MLIT). The Company’s ongoing efforts were recognized by the Ministry, receiving an MLIT award for environmental protection excellence in the transport industry in December 2013. The 12 sites continue to be registered under this system.



**Registered under the Excellent
Eco-Communing Business Site
Accreditation System since 2009**



**Participants in eco-commuting
campaign**



**Volunteer neighborhood cleanup
in Iwata City**

Introduced Yamaha Eco Point System

In January 2008, the Group introduced its Yamaha Eco Point System in support of the Yamaha Motor Group Environmental Plan 2020 goal of having “every Group member strongly motivated to proactively participate in environmental programs.” This system established an index that assigns points to environmental activities and allows members to select eco prizes according to the number of activities conducted and the number of points earned in one year. In 2017, participation in this program reached 4,936 persons (the number of persons who participated in activities included in the system).



2016 environmental activity schedule



"Green Curtain" at Nakaze

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

These harvested *goya* (bitter melon) and passion fruit were distributed to and well received by local residents.



Watering the *goya* bitter melon vines

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.



Risk Management

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

Risk Management Structure

The risk management structure works toward the thorough reduction of risks on a Groupwide basis, and is led by the Risk Management and Compliance Committee. The Committee, chaired by the President and Chief Executive Officer, monitors risks on a Groupwide basis while also implementing measures to address any significant risks imposed on the Group.

Specific activities are carried out as per the Rules of Risk Management, and the risk management supervising section manages Groupwide risk management activities.

From Risk Assessment to Response

Risk responses are carried out repeating a PDCA cycle based on the following steps.



- *1 Risks specific to operating divisions and Group companies can be added to the risk management ledger as appropriate, and assessed.
- *2 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.
- *3 Operating divisions and Group companies also carry out activities to address risks that they have identified themselves that are not designated significant risks at the Group level.

Significant Risks at the Group Level

Significant risks to the Yamaha Motor Group at the Group level are as follows, and are addressed under the guidance of the risk management supervising section.

“Cyber security” has been newly added as a significant risk at the Group level from 2018, and is being addressed Groupwide.

2017 Significant Risks at the Group Level	2018 Significant Risks at the Group Level
Natural disaster	Natural disaster
Labor dispute	Labor dispute
Major accident involving a Yamaha product	Major accident involving a Yamaha product
Fire or explosion*	Cyber security
Risk related to transfer pricing*	
Violation of antimonopoly law*	

* The risk management supervising section has addressed the three risks of “Fire or explosion,” “Risk related to transfer pricing,” and “Violation of antimonopoly law” by establishing a structure to address these risks at the Group level, and with the establishment of this framework for continuous monitoring, these risks have been transferred from significant risk at the Group level designation to risks managed at the division level.

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 at the head office 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 Company 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.

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 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, Companywide evacuation drills (including Group companies located nearby and night drills) and safety confirmation drills are carried out regularly, 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 identify issues that could affect the continuity of their operations and formulate response plans. Drills simulating actions to be taken at various stages prior to the full-scale outbreak of a pandemic are carried out regularly, and a structure is in place to guarantee that businesses are able to continue operating.

Management of information

The Yamaha Motor Group has formulated the Group Operational Guidelines for Information Management to ensure the proper handling of confidential information, including information received from customers and employees, and the Company's financial and technical information. We aim to increase the awareness and understanding of these Guidelines at Group companies by sharing educational materials and other template tools with employees at those companies.

Organizations handling important information involving the Yamaha Motor Group regularly inspect the status of management and this information becomes the basis for reviews and revisions of information management. The results of these inspections are communicated to the employees in positions of each organization as a way to raise awareness of information management.

Heightened awareness and efforts to strengthen regulations regarding privacy has been a major global theme in recent years, and at the Yamaha Motor Group we formulated the Yamaha Motor Group - Privacy Policy in 2003 and comply with the local laws and regulations related to the protection of personal information in each of the countries in which we operate. In Japan, we responded proactively to the introduction of the My Number system in 2016 by formulating the Yamaha Motor Group Detailed Operational Guidelines relating to the Protection of Designated Personal Information in 2015. We have also revised the previously formulated Group Operational Guidelines for Protecting Personal Information to reflect the 2017 revisions to the Act on the Protection of Personal Information and to expand coverage to the Group's subsidiaries in Japan in addition to the parent company. As for the regulatory changes being enacted in Europe in 2018, Yamaha Motor Europe N.V. and the parent company are working together toward global compliance.

Employees handling personal information received from customers undergo training and education via compliance seminars held by the risk management supervising section and e-training. The risk management supervising section of the parent company also provides direct advice and guidance and other measures to ensure that customer information is handled appropriately.

No complaints were filed with regard to infringements of personal privacy in fiscal 2017.

> Yamaha Motor Group - Privacy Policy

Cybersecurity

Based on the IT Risk Management Group Guidelines, the Yamaha Motor Group has implemented IT-related information security measures for the entire Group, covering areas including access management, malware countermeasures, and disaster responses. Group employees also undergo IT risk training annually, and assessments are carried out every year at Group companies as we strive to strengthen security. In addition, given the increasing sophistication of cyberattacks in recent years, a set of new Cybersecurity Group Guidelines has been formulated covering both tangible and intangible aspects of cybersecurity to increase our protection against external attacks, and to detect an attack at an early stage and to minimize the damage in the event an attack were to occur. A Groupwide Computer Security Incident Response Team has also been established to prepare against unforeseen events and also to function as a structure for receiving and transmitting security information inside and outside the Company.

> Business Risks in the Securities Report

Compliance

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

Compliance Structure

The Yamaha Motor Group has established a Risk Management and Compliance Committee, chaired by the Company President, 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.

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

As one way to ensure that compliance is incorporated into the corporate culture, Groupwide compliance awareness surveys in Japan are carried out annually to confirm the effectiveness of Group 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. The results of these surveys are reflected in the formulation of subsequent measures.

Although individual awareness surveys are carried out at overseas Group companies, from 2018 a unified Group compliance awareness survey will be carried out.

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 familiarize all employees with the Code of Ethics. Group companies also hold training sessions in the Code of Ethics for new employees.

Code of Ethics (PDF)



Yamaha Motor's Code of Ethics

In the 2017 compliance awareness survey, in response to the question, "Do you have a full understanding of the contents of the Code of Ethics?", 71.3% of respondents answered "Yes" while 4.5% answered "No."

The Yamaha Motor Group's business activities span the entire world, and these business activities need to comply with various laws and regulations. A Groupwide risk assessment is carried out annually to identify the common risks that need to be identified, covering many compliance risks 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.

In the 2017 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?", 76.5% of respondents answered "Yes" and 2.5% answered "No."

Compliance and Legal and Regulatory Training

A compliance activity plan is formulated each year, and compliance training is carried out based on this plan. There are two types of training: level-specific stratified training and specialized training.

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 supervising position, division manager, or head of a business site, they take compliance training focusing on that position or function annually or as required.

b. Annual compliance training for all employees

All persons who work for Yamaha Motor take compliance training, with the aim of each individual 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 annually (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 in an effort to implement compliance from top management down.

In addition, 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. Legal and regulatory compliance courses in 2017 covered topics including the protection of personal information, cartels, the prevention of insider dealing, import and export management, management of chemical materials, the Subcontract Act, intellectual property rights, disaster prevention and response, risks in information technology, and safety overseas. In the 2017 compliance awareness survey, in response to the question, "Do you consider the Company's compliance to be meaningful?", 76.3% of respondents answered "Yes" and 5.0% 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	27
Division manager training	238
Workplace training	16,057
Laws and regulations training	6,847
E-learning	62,535
Level-specific stratified training (division manager, manager, floor manager, new hires, mid-career hires and temporary staff, etc.)	1,684

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
14,794	14,359	12,599	9,191	1,915	52,858

Whistle-Blowing Systems (Compliance Hotlines)

Yamaha Motor has established its Compliance Hotline for any notification of behavior that could violate the Code of Ethics and for discussion or inquiries regarding compliance in general. The Compliance Hotline has been set up at an external, specialist institution, and is the common contact point for notification and consultation for all domestic Group companies. A Yamaha Motor Group Compliance Hotline has been established at an outside institution as a common contact point for employees of Group companies in Japan to report or discuss issues anonymously. By making it easy to report these issues, we are striving to prevent the occurrence of and detect at an early stage any illegal or unfair practices. Internal regulations also clearly state that any retaliation for the use of the internal notification system is strictly prohibited, and employees are reminded of this in annual compliance training programs.

The Human Resources Division has also established a Harassment Hotline as a contact point and to respond to reports of harassment.

A Yamaha Motor Group Fair Business Hotline was also established in 2017 as a contact point for suppliers.

During 2017, the Yamaha Motor Group Compliance Hotline received 108 reports (including consultations), the subjects of which are broken down below. There were no reports involving violations of human rights or bribery and corruption.

	2014	2015	2016	2017
Reports made	47	63	76	108

Subject of Reports in 2017	Percent of Total
Human resources and labor relations	64%
Financial/accounting	11%
Information management	10%
Human rights violation	0%
Corruption prevention	0%
Other	15%

In addition to ongoing activities to promote awareness of the internal notification system, efforts are made through activities including annual workplace compliance training to deepen employees' understanding of the system and ensure that it functions swiftly and appropriately, as a way of instilling a system and corporate culture that incorporates compliance.

Internal notification systems have also been established and operate at major overseas Group companies, based on the local laws and regulations and other circumstances specific to each respective company.

Internal notifications that are confirmed to point to a problem are handled as cases and are responded to based on the "Rules for Initial Response to an Emergency." In addition, a global internal notification contact point is being set up at an outside institution from 2018 to enable notification of inappropriate actions being taken by managers of overseas subsidiaries, as we strive to detect inappropriate behavior globally at an early stage.

In relation to bribery, Yamaha Motor has prepared and disseminated throughout the Group its Guidebook to Prevent Bribery of Public Officials, and established other programs that ensure the thorough prevention of corruption including laws and regulations training and training targeted for specific groups or individuals. 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 as a result of failure to comply with the policy for the prevention of corruption during 2017, and no corruption-related fines, penalties, or settlements were paid.

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

Sustainable Development Goals (SDGs)

Introducing the Yamaha Motor Group's 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 Group’s CSR in the preamble of our Basic Policies of CSR, adopted in 2011, which states that the Group “strives to contribute to the sustainable development of society through our business activities based on our corporate philosophy.”

We are pursuing the SDGs as part of our commitment to CSR, 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.

Examples of SDG-Related Activities

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	    

Examples of SDG-Related Activities

Activity	Related SDG
Training engineers by transferring FRP boat manufacturing technology	   
Verification testing of mobility support for persons with limited mobility	
Increasing efficiency of agricultural operations with unmanned helicopters	
Yamaha Clean Water Supply System	     
Cleaning up beaches to protect endangered species	
Cleaning up lakeshores using marine products	
Protecting rare plant species	
Removing alien plant species	 
Yamaha Motor Foundation for Sports	

Approach to Sustainable Development Goals (SDGs)

Introducing the Yamaha Motor Group's SDGs

Creating possibilities and enriching the lives of young people

Supporting employment and education with motorcycles

More than 80% (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

Yamaha Motor has roughly 150 Group companies in more than 30 countries and regions around the world, developing, manufacturing, and selling products in a broad range of fields. Our manufacturing activities in emerging markets such as India, in particular, are gaining momentum year by year, significantly contributing to increased employment in these local communities.



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 Movie
- > Yamaha Riding Academy



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 GP



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. Both facilities are contributing to higher levels of technology and enriching daily lives in the communities in which they operate.

> 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, 14 facilities spanning 13 countries produce 3,000 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.



Increasing agricultural productivity 10-fold

Increasing efficiency of agricultural operations with unmanned helicopters

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. We are working toward achieving the 2016–2018 Medium-Term Management Plan target of "offering productivity 10 times greater than previously."

- > Annual Report 2016
- > Rev Story: Transforming Agriculture from the Air [Movie](#)



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 Clean Water Supply System
- > Working to Change Water and Lives in Africa [Movie](#)
- > Bringing Beautiful Change to People's Lives [Movie](#)
- > Annual Report 2016



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.

- > Baby Turtle Observation Tour and "Sustainable Beach" Project



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 semiannual “Marine Cleanup Activities at Lake Hamana” continuously since 2013, using Yamaha Motor’s boats and outboard motors. We conduct effective cleanups by utilizing the distinctive features of our products.

> Marine Cleanup Activities at Lake Hamana



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.

> Protecting Rare Plant Species at the Yamaha Motor Kikukawa Test Course



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.

> Removing Alien Plant Species



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



Supporting 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.

The Yamaha Motor Group's president committed to participate in these principles, and registered as a participating company in December 2017.



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.

External Assurance

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 2017.

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
- Yamaha Motor Co., Ltd.'s occupational illness frequency rate



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.

Morningstar Socially Responsible Investment Index (MS-SRI)



Yamaha Motor was among the 150 companies included in the 2018 Morningstar Socially Responsible Investment Index (MS-SRI), Japan's first stock price index for socially responsible investment.

SNAM Sustainability Index



Yamaha Motor was included in the 2018 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.

Certified Health and Productivity Management Organization Recognition Program – White 500



Yamaha Motor was recognized in 2018 in the Certified Health and Productivity Management Organization Recognition Program – White 500, established by the Ministry of Economy, Trade and Industry to recognize outstanding companies and organizations for their health and productivity management.

Human Rights

Thoughts on Human Rights

As described in Basic Policies of CSR, 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 and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, which are cornerstone 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.

Respect Employees' Human Rights

Basic Policies of CSR

We will provide equal employment opportunities and fair working conditions to employees, recognizing diversity and refraining from discriminatory practices, prohibit child labor and forced labor, and engage employees in honest communication and dialogue.

Basic Policies of CSR—Employees column



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)



Basic Policies of CSR

We will respect our suppliers and business partners and maintain an open door to new business partners around the world to find suppliers, regardless of nationality or size.

Basic Policies of CSR—Suppliers' column



Requiring Suppliers and Other Business Partners to Respect Human Rights

CSR 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.

CSR Guideline for Suppliers



Preamble to Basic Policies of CSR

Suppliers are asked to uphold the Basic Policies of CSR maintained by the Yamaha Motor Group.

Approach to CSR



Statement on UK Modern Slavery Act

We issued our first statement in July 2017, in accordance with the UK Modern Slavery Act.

Yamaha Motor Europe Modern Slavery Act
Statement for FY2016 (PDF 301KB)



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 2017, risk related to human rights was identified at four Group companies. Of the issues that came to light, most had to do with harassment. Compliance training and other approaches were subsequently implemented.

Risk Management



In addition to the use of a risk management system, we conduct a compliance awareness survey at Group companies in Japan to gauge how aware employees are about human rights. The scope of implementation is to be gradually expanded throughout the Group, beginning in 2018. We will establish a reporting line to enable employees to report a problem right away in the event a situation arises, and we intend to set up and operate a whistleblowing system.

Compliance



Complementing the whistleblowing system, which 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 violation of human rights, we maintain a Harassment Hotline. In 2017, we opened a Fair Business Hotline as a contact point for suppliers and other business partners to make issues known to us. This hotline deals with comments regarding Yamaha Motor Company and domestic companies under the Group umbrella.

We believe that education is the most vital means to prevent the risk of human rights violations from appearing. 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 2017, we ran compliance training for directors on the theme of human rights in the supply chain.

[Compliance and Legal and Regulatory Training >](#)

Note that the Yamaha Motor Group had no reports of human rights violations in 2017.

Anti-Corruption

The related information can be viewed from here.

We have implemented anti-corruption measures throughout the Group.

Anti-Corruption Measures



We participate in the UN Global Compact, which strives to prevent corruption.

Supporting the UN Global Compact



Includes amounts used for political contributions, lobbying, etc.

Amounts Used for Political Contributions,
Lobbying, etc.



Amounts Used for Political Contributions, Lobbying, etc.

Disclosing the amounts used for political contributions, lobbying, etc.

Amounts used for political contributions, lobbying, etc. (not including donations to business organizations, NGOs, etc.)

Yamaha Motor: Unit – million yen

	2014	2015	2016	2017
Amount	13	14	15	13

Note: The amount shown above for contributions to political organizations in 2017 includes ¥6.40 million to the People's Political Association.