



## Yamaha Group

### MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT

Reporting Period: April 1, 2019 to March 31, 2020

Company Name	Address	Other
Yamaha Corporation	10-1, Nakazawa-cho, Naka -ku, Hamamatsu Shizuoka 430-8650, Japan	
Yamaha Music Europe*	Siemensstr. 22-34, 25462 Rellingen	
Yamaha Music Australia**	P.O. Box 268 South Melbourne, VIC 3205	Australian Company Number : 84 004 259 527

\*Yamaha Music Europe is an organisation with a reporting obligation under the UK Modern Slavery Act 2015.

\*\*Yamaha Music Australia is a reporting entity under the Australian Modern Slavery Act 2018.

## **INTRODUCTION**

This joint statement has been formulated by the Yamaha Group pursuant to reporting requirements in accordance with Part 6, Section 54 of the Modern Slavery Act 2015 (the United Kingdom) and the Modern Slavery Act 2018 (Australia). The statement is issued by Yamaha Corporation on behalf of Yamaha Music Europe, which is an organisation with a reporting obligation under the UK Modern Slavery Act 2015, and Yamaha Music Australia, which is a reporting entity under the Australian Modern Slavery Act 2018. This statement was approved on November 13, 2020 by Managing Councils which Yamaha Corporation Executive Officers (including the President and Representative Executive Officer) take part in.

## **OUR STRUCTURE AND SUPPLY CHAINS**

Yamaha Music Europe (YME), headquartered in Rellingen, Germany, imports and sells musical instruments and audio equipment to individuals and corporate customers in the European market including the UK. Yamaha Music Australia (YMA), headquartered in Melbourne, Australia, imports and sells musical instruments and audio equipment to individuals and corporate customers in Australia. YME and YMA, which are wholly owned subsidiaries of Yamaha Corporation, mainly handle Yamaha brand products (and partially deal with products of other brands). The sales ratio of musical instruments and audio equipment in the Yamaha Group is 65% and 28%, respectively. The Yamaha Group employs approximately 20,000 employees (approximately 120 in the UK and approximately 80 in Australia) and has approximately 20 manufacturing subsidiaries and 30 sales subsidiaries and branches. The Yamaha Group operates in approximately 30 countries.

Corporate information and business details for each company can be found at Yamaha Corporation

<https://www.yamaha.com/en/about/>

<https://www.yamaha.com/en/about/profile/>

YME

<https://de.yamaha.com/index.html>

[https://de.yamaha.com/de/about\\_yamaha/corporate/index.html](https://de.yamaha.com/de/about_yamaha/corporate/index.html)

YMA

<https://au.yamaha.com/index.html>

[https://au.yamaha.com/en/about\\_yamaha/corporate/index.html](https://au.yamaha.com/en/about_yamaha/corporate/index.html)

This statement describes the supply chain of Yamaha brand products (including OEM products for other companies, hereafter referred to as “Yamaha brand products”) . Most of the Yamaha brand products are manufactured in manufacturing subsidiaries of the Yamaha Group companies in Japan, China, Indonesia, Malaysia, and India. Locations of these companies can be found at

<https://www.yamaha.com/en/about/locations/>

[https://www.yamaha.com/en/about/locations/group\\_companies\\_worldwide/](https://www.yamaha.com/en/about/locations/group_companies_worldwide/)

[https://www.yamaha.com/en/about/locations/group\\_companies\\_japan/](https://www.yamaha.com/en/about/locations/group_companies_japan/)

These Yamaha Group manufacturing subsidiaries source their raw materials and components from suppliers worldwide. These manufacturing subsidiaries have approximately 4,000 Tier-1 suppliers (this figure includes manufacturing business partners of our Tier-1 trading companies), mainly located in China, Southeast Asian countries, and Japan. We have established long-term cooperative relationships with these Tier-1 suppliers and expect their compliance with the Yamaha Supplier CSR Code of Conduct.

## **OUR POLICIES ON MODERN SLAVERY AND HUMAN TRAFFICKING**

In accordance with the Guiding Principles on Business and Human Rights, the Yamaha Group, which consists of Yamaha Group Companies including both YME and YMA, bases its entire business, including transactions within its supply chain, on ethical conduct and integrity. The Group continuously works in accordance with the policies listed below in order to realize its commitment to eliminate modern slavery and human trafficking.

The Yamaha Group also respects the principles set out in the United Nations Global Compact, which stipulate norms of human rights and labour practices. The Yamaha Group has been a signatory of the United Nations Global Compact since 2011.

[https://www.yamaha.com/en/csr/csr\\_management/global\\_compact/](https://www.yamaha.com/en/csr/csr_management/global_compact/)

The Yamaha Compliance Code of Conduct sets out the Group's commitment towards human rights, the prohibition of forced and child labour, and the protection of labour rights.

The full text of Yamaha Compliance Code of Conduct can be found at [https://www.yamaha.com/en/csr/compliance\\_code\\_of\\_conduct/](https://www.yamaha.com/en/csr/compliance_code_of_conduct/)

In Fiscal Year2018 (From April 1, 2017 to March 31, 2018), the Yamaha Group formulated the Yamaha Group Human Rights Policy, which states that the Yamaha Group endeavours to prohibit human rights violations including poor labour practices such as the use of forced labour and child labour, any forms of discrimination in employment practices, and inhumane treatment throughout Yamaha's entire business, through human rights due diligence in line with internationally recognized human rights norms. When formulating the Yamaha Group Human Rights Policy, to effectively eliminate the risk of modern slavery in our business activities, we received advice from experts, collected comments from all the Yamaha Group companies, discussed the issues at the Managing Council, and received an endorsement from the President of the Yamaha Corporation.

The Yamaha Group Human Rights Policy applies to all officers and employees of Yamaha Corporation and its consolidated subsidiaries, including YME, which has a reporting obligation under the UK Modern Slavery Act 2015, and YMA, which is a reporting entity under the Australian Modern Slavery Act 2018, and it is expected that all of the Yamaha Group's business partners uphold the policy.

The full text of the Yamaha Group Human Rights Policy can be found at [https://www.yamaha.com/en/csr/human\\_rights\\_policy/](https://www.yamaha.com/en/csr/human_rights_policy/)

To eliminate modern slavery in the Group's supply chain, including business partners of the Group's manufacturing subsidiaries, the Yamaha Group clearly expresses its commitment to responsible procurement, including protection of human rights, by implementing the Yamaha Group Purchasing Philosophy, which includes selection criteria for suppliers. In addition, the Yamaha Supplier CSR Code of Conduct, which suppliers of the Yamaha Group are requested to comply with, establishes detailed requirements aimed at preventing modern slavery in their operations.

More details on this can be found at

[https://www.yamaha.com/en/csr/guideline\\_procurement/](https://www.yamaha.com/en/csr/guideline_procurement/)

[https://www.yamaha.com/en/csr/fair\\_practices/value\\_chain/](https://www.yamaha.com/en/csr/fair_practices/value_chain/)

## **DUE DILIGENCE AND RISK ASSESSMENT PROCESSES FOR MODERN**

### **SLAVERY AND HUMAN TRAFFICKING**

#### ① Risk Identification Efforts

It is important to us that the Yamaha Group's suppliers share our principles and values, and that they too respect human rights and work towards eliminating modern slavery and human trafficking throughout the supply chain.

The Yamaha Group recognises the importance of formal systems and procedures for managing and overseeing complex supply chains.

In order to implement human rights due diligence, Yamaha Corporation continues to maintain awareness of issues associated with human rights risks and the demands from society through participating in the operation of the subcommittee of the United Nations Global Compact Network Japan (GCNJ) on human rights, and through communication with NGOs and experts.

ESG investor feedback and engagement also help us understand the demands of society.

The Yamaha Group is monitoring human rights risks in countries and regions identified in NGO and specialized agency reports, such as the TRAFFICKING IN PERSONS REPORT issued by the United States Department of State.

In FY2020, we participated in the CRT Japan Stakeholder Engagement Program and engaged in discussions with 13 organisations, including NPOs and NGOs, to identify important human rights issues by industry.

By engaging in such discussions, conducting research, and participating in programs, the Yamaha Group is working to identify important human rights issues.

#### ② Description of Identified Risks

The Group's manufacturing subsidiaries that manufacture the Yamaha brand products imported and sold by YME and YMA are located in Japan, China, Indonesia, Malaysia, and India, which are classified as Tier 2 and Tier 3 risk regions by the TRAFFICKING IN PERSONS REPORT issued by the United States Department of State. Because the suppliers from whom these manufacturing subsidiaries source their raw materials and components are also in Tier 2 and Tier 3 countries according to the same report, the Yamaha Group is aware of human risks for workers in the

supply chain. Timber is a major raw material used in Yamaha brand products, and we are also aware of human rights risks in local communities resulting from illegal logging, etc. We are working to reduce and avoid these risks.

### ③ Actions to Address Identified Risks (incl. Correction/Redressal)

Dedicated Yamaha Corporation staff assist with occupational health and safety and environmental protection efforts at the manufacturing subsidiaries that manufacture Yamaha brand products in Japan, China, Indonesia, Malaysia, and India, which helps ensure the safety of workers and the local community. These manufacturing subsidiaries have also obtained ISO45001 and ISO14001 management system certifications and are continually working to improve health and safety and environmental protection standards.

In addition, we have developed a checklist based on opinions of external experts to understand and address human rights risks concerning employment, labour and management, and local communities. From FY2019 to 2020, we reviewed the status of our internal regulations covering the checklist items and made additions where they were found to be lacking. In FY2020, we began rolling out the updated and improved rules and regulations across all Group companies, including the manufacturing subsidiaries.

The Yamaha Group requires compliance with the Yamaha Supplier CSR Code of Conduct as part of the basic transaction agreement with raw material and component suppliers of the Group's manufacturing subsidiaries that manufacture Yamaha brand products. We also assess risks by requesting the suppliers to fill out self-assessment questionnaires (SAQs) developed in accordance with the Supplier CSR Code of Conduct. When any human rights risks of workers or doubtful situations arise as a result of the assessment, the Yamaha Group works with the suppliers based on mutually agreed improvement plans. In FY2019, we did a reevaluation of this whole process to enhance the effectiveness of this risk assessment. We listened to opinions of experts and NGOs, added more items to the SAQ, raised the assessment standards, and developed a supplier verification tool for use during onsite visits. In FY2020, the Yamaha Group conducted SAQs for 3,748 existing suppliers and received reports from 3,694 of them. Based on the SAQ results, we identified 11 suppliers in need of corrective actions, and then followed up and confirmed improvement status in writing from 5 of these suppliers. Of the 54 suppliers who did not respond, 17 were determined to be low risk based on RBA standards and other disclosed information. We are currently attempting to

determine the status of the remaining 37 suppliers who did not respond and the 6 suppliers in need of corrective actions whom we have yet to be able to confirm their improvement status in writing. SAQ assessments were also conducted for 117 new suppliers in FY2020, and as of now no particular issues have been found.

For timber used in Yamaha brand products, due diligence processes have been established to reduce the risk of illegal and/or uncontrolled logging, which may violate the rights of workers and local residents. Procured timber requires documentation specifying its origin and showing that it was legally and sustainably logged. In the event that timber is determined high-risk based on origin, species of tree, etc., additional rigorous investigation, including on-site visits, is conducted to determine legality of logging. We are also making efforts to use certified timber that is procured in such a way so as not to adversely impact local communities.

## **OPERATION OF AN INTERNAL REPORTING SYSTEM**

The Yamaha Group believes that openness, transparency, accountability, and grievance mechanisms are essential features of an ethical supply chain. The Yamaha Group has been operating an internal reporting system since FY2004 to provide consultations and receive reports related to compliance. Internal policies and regulations on this internal reporting system have been formulated with provisions for non-disclosure of information regarding the whistleblowers and prohibition of unfair treatment as a result of reporting issues. Internal reporting is mainly open to Group employees, and both anonymous and non-anonymous reports are accepted. To make internal reporting more accessible to employees of Group companies in Japan, in addition to the existing in-house consultation counters and counters outside of companies at law offices, new outside counters operated by outsourced contractors were added in March 2020 and cards explaining how to use the counters were distributed to employees to make sure all staff are aware of them. Group companies outside of Japan have reporting counters operated by those companies, and an online counter operated by Yamaha Corporation and available in 16 different languages was established in FY2018. No cases were reported in relation to modern slavery and/or human trafficking risk in the reporting year.

## **TRAINING AND CAPACITY BUILDING**

The Yamaha Group is engaging in training and capacity building to increase

awareness of human rights issues among all Group employees, including executives, and fulfill its corporate responsibility to respect human rights. In addition to ongoing provision of information using the corporate intranet, lectures, and research and study groups focused on human rights in the context of operations, in FY2020, a human rights education booklet looking at the complete value chain from a perspective of human rights issues related to Yamaha businesses and operations was published and distributed within the Group.

To ensure respect for human rights in its supply chain, the Yamaha Group employees in charge of procurement are requested to participate in seminars on CSR procurement aligned with the Yamaha Supplier CSR Code of Conduct and the Yamaha Supplier CSR Self-Assessment Questionnaire. From February through June 2019, we held 10 training seminars for the employees in charge of procurement at manufacturing subsidiaries that manufacture Yamaha brand products, and 193 employees participated. Also, we held a seminar that covered the theme of business and human rights for suppliers in Japan, and 81 persons participated.

## **ASSESSMENT OF EFFECTIVENESS**

Assessment to enhance the effectiveness of due diligence is conducted in the following ways:

- Results of human rights risk assessments and risk reduction efforts are reported on at management conferences attended by top executives and board of directors' meetings and the results are reviewed by management. (Once annually)
- In regard to the manufacturing subsidiaries that manufacture Yamaha brand products and other Group operations, assessment is conducted via monitoring and auditing by dedicated Yamaha Corporation staff.
- In regard to the suppliers from whom Yamaha manufacturing subsidiaries source their raw materials and components, processes, standards, and tools incorporating advice from outside experts are being updated to enhance effectiveness.

## **FURTHER STEPS**

In addition to suppliers of Yamaha brand products that are manufactured by Yamaha Group manufacturing subsidiaries, we further plan to work with other suppliers of the products of other brands within Yamaha Group, the products purchased by sales companies such as YME and YMA for a sale purpose as well as

other goods and services used and consumed by Yamaha Group.

We recognise that the socioeconomic impacts of the COVID-19 global pandemic may have posed heightened human rights risks, especially to those who are socially vulnerable.

Going forward, we will work to prevent, correct, and redress adverse human rights impacts by assessing the effects of COVID-19 on human rights, improving health and safety measures to prevent infection, stabilizing business relations with suppliers to help ensure job stability for workers in the supply chain, and improving internal reporting system operations.

Radical improvement of human rights issues will require the rectification of severe inequality and discrimination within our society. The Yamaha Group will promote engagement with external organisations and experts who are attempting to solve these problems, along with human rights training and capacity building amongst its employees and suppliers.

## **STATEMENT PREPARATION PROCESS AND CONSULTATION**

The statement is issued by Yamaha Corporation on behalf of Yamaha Music Europe, which is an organisation with a reporting obligation under the UK Modern Slavery Act 2015, and Yamaha Music Australia, which is a reporting entity under the Australian Modern Slavery Act 2018. In the process of statement preparation, the Yamaha Corporation Sustainability Division consulted and explained to the senior management of the both companies the contents of this statement regarding the Group efforts on human rights in the supply chain of the Yamaha brand products that both companies import and sell, and mutually confirmed that the statement is in alignment with both companies' understandings of human rights issues in their operations and supply chains .



Takuya Nakata  
President and Representative Executive Officer  
December 1, 2020