



## Yamaha Group

### MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT

Reporting Period: April 1, 2022 to March 31, 2023

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 August 30, 2023 by Managing Councils which Yamaha Corporation Executive Officers (including the Director, 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 67% and 24%, respectively. The Yamaha Group employs approximately 20,000 employees (approximately 110 in the UK and approximately 90 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 2,000 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 June 2011.

[https://www.yamaha.com/en/csr/global\\_compact/](https://www.yamaha.com/en/csr/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 January 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/supplier\\_code\\_of\\_conduct/](https://www.yamaha.com/en/csr/supplier_code_of_conduct/)

## **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.

Since FY2020, we have been participating in the CRT Japan Stakeholder Engagement Program and engaging in discussions with 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. Since February 2022, we have been working with experts to improve the Yamaha Group human rights due diligence process. Specifically, we created a long list of human rights issues, based on international standards and guidelines, and distilled it down to seventeen key human rights issues based on the characteristics of the Yamaha Group's primary businesses—musical instruments, audio products, and music schools—as well as regional and national risks. We surveyed Group companies in Japan and overseas to evaluate likelihood of human rights violations, severity of effect in the event of violation, and vulnerability of management systems and preventative/corrective measures, and then analyzed the results to determine

which human rights issues require a prioritized response.

## ② Description of Identified Risks

Based on the results of the aforementioned evaluation and analysis conducted in cooperation with experts, employee harassment, occupational health and safety, and procurement practices were identified as groupwide issues requiring a prioritized response. 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, based on opinions of external experts, we added items ensuring respect for human rights to company rules and guidelines applicable to Group companies, including manufacturing subsidiaries, and we began conducting annual human rights monitoring of Group companies based on these rules. In addition to providing individual companies with feedback based on the results of this monitoring, the results are also visualized and shared with all Group companies so that exemplary Group companies can serve as a benchmark to guide the efforts of other companies. Status of human rights-related response (identification of risks, corrective measures, human rights education) was reviewed during the fiscal year ending March 2023, and we are currently in the process of conducting interviews and giving advice to Group companies that demonstrated a need for improved efforts.

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 the fiscal year ending March 2023, the Yamaha Group requested SAQs from all 2,312 existing suppliers and received reports from 2,179 of them. Among the suppliers which completed SAQs, approximately 40% were located in Japan, approximately 30% were located in China, and approximately 15% were located in Indonesia. Other locations included Malaysia, India, Germany, and the US. Corrective actions were requested of the 418 companies that received a low score on any of the 19 assessment items determined to be of particularly high importance, selected from a total of around 40 items on the SAQ, and a response was verified in writing for 304 of those companies by the end of March 2023. Request for corrective actions and verification of response is still in progress for the remaining companies. For suppliers that did not submit SAQ results, in addition to continuing to request compliance, persons in charge of procurement will review and determine whether to continue conducting business with the suppliers. SAQ assessments of all existing suppliers are conducted every three years, and in anticipation of the next assessment, we plan to further increase SAQ effectiveness by soliciting feedback from third-party experts. SAQ assessments were also conducted for 60 new suppliers in the fiscal year ending March 2023, and as of now no particular issues have been found.

For timber used in Yamaha brand products, due diligence processes are being 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 expanding efforts to use certified timber and other timber that is procured with an emphasis on sustainability, including the human rights aspect.

## **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 the fiscal year ending March 2004 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. For Group companies in Japan, in addition to establishing and operating in-house consultation counters, counters outside of companies at law offices, and outside counters operated by outsourced contractors, we are working to increase employee awareness by putting up posters and distributing cards that explain how to use the counters. Group companies outside of Japan have reporting counters operated by those companies, and lawyer consultation counters and externally operated counters were established at each company in the fiscal year ending March 2023. There is also an online counter operated by Yamaha Corporation and available in 16 different languages. The Yamaha Legal Division reviews Group company reporting counter operation status quarterly (four times per year).

Furthermore, in order to respond to reports and consultations related to human rights violations in the supply chain, Yamaha joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) in October 2022 and began accepting grievances via the engagement support platform operated by the organization.

No cases were reported to these counters 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. Provision of information using the corporate intranet, lectures, and research and study groups focused on human rights in the context of operations are all ongoing. We are also



engaging in human rights education using the Yamaha Human Rights Guidebook, a human rights education booklet looking at the complete value chain from a perspective of human rights issues related to Yamaha businesses and operations. In the fiscal year ending March 2023, we conducted standardized e-learning courses in Japan based on the guidebook content (3,935 participants in the fiscal year ending March 2023), and when individual Group company educational initiatives are included, 44 of 47 Group companies worldwide were engaged in activities to promote human rights awareness among employees.

In addition, Yamaha Group employees in charge of procurement are requested to participate in seminars and study groups focused on CSR procurement aligned with the Yamaha Supplier CSR Code of Conduct and the Yamaha Supplier CSR Self-Assessment Questionnaire.

## **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 board of directors' meetings and the results are reviewed by management. (Twice 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**

Within the Sustainability Committee, which is an advisory body to the President and Representative Executive Officer, we established the "Working Group for Human Rights, DE&I" and "Working Group for Procurement" subcommittees to strengthen our systems for responding to human rights issues throughout the Yamaha Group and the issue of modern slavery in the Group's supply chain. Under the guidance of the Working Group for Human Rights, DE&I, we are working to improve our systems for determination of human rights issues and risk assessment based on expert

advice. In addition to selecting auditing organizations and audit targets in order to introduce on-site audits for our suppliers, we also began requiring compliance with the Yamaha Supplier CSR Code of Conduct from not only suppliers of Yamaha brand products that are manufactured by Yamaha Group manufacturing subsidiaries, but also suppliers of products of other brands within Yamaha Group, products purchased by sales companies such as YME and YMA for sales purposes, as well as other goods and services used and consumed by Yamaha Group.

We recognise that the socioeconomic impacts of political unrest around the world and global environment issues such as climate change 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 these global issues on human rights and respect for workers' rights, improving health and safety measures, 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. We plan to introduce human rights education initiatives at all Group companies globally by the end of the fiscal year ending in March 2025.

## **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.

A handwritten signature in black ink, appearing to read 'Takuya Nakata', with a long horizontal stroke extending to the left.

Takuya Nakata

Director, President and Representative Executive Officer

September 5, 2023