



MAZDA SUSTAINABILITY REPORT 2024



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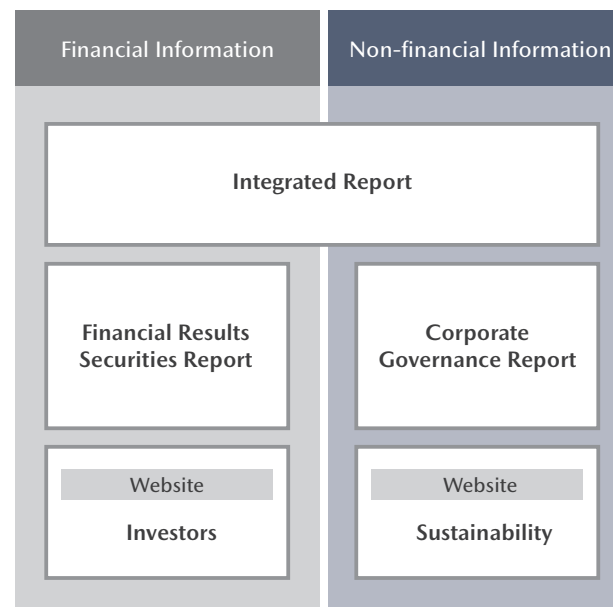
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EDITORIAL POLICY

This sustainability website is designed to supplement the non-financial information provided by Mazda's integrated report and therefore focuses on historic data related to Mazda's business activities and initiatives for contributing to the sustainable development of society. Input gained from stakeholders during engagement activities was used to shape the content of this website so as to help our various stakeholders gain a better understanding with regard to Mazda's sustainability policies and initiatives.

The content of this website as of November 2024 has been compiled into a PDF document titled "Mazda Sustainability Report 2024".

Position of the Sustainability Website



Referenced Guidelines

- GRI Sustainability Reporting Standards
- Japanese Ministry of the Environment's Environmental Reporting Guidelines (2018 Edition)
- Japanese Ministry of the Environment's Environmental Accounting Guidelines (2005 Edition)
- ISO 26000

Reporting Period

This sustainability website focuses on reporting activities from FY March 2024 (April 1, 2023–March 31, 2024), but also includes information on activities before and after this period.

Date of Publication

Japanese version: November 2024 (The previous report was published in October 2023; the next report will be published in the autumn of 2025.)

English version: December 2024 (The previous report was published in December 2023; the next report will be published in the autumn of 2025.)

Organizations Covered

The entire Mazda Group, including Mazda Motor Corporation and Group companies, is covered by this sustainability website. (When a reporting item is not applicable to the entire Mazda Group, specific notification of the organizations applicable is provided.)

Disclaimer

This sustainability website includes future projections for Mazda Motor Corporation and Group companies' performance based on plans, forecasts, management plans, and strategies at the time of preparation, in addition to actual past and present facts. Such forward-looking statements are predictions based on information or assumptions available at the time of edit, and may differ from future operational results due to changes in circumstances.



CEO MESSAGE

Creating the Joy of Living with a Joy of Driving that is matched to the times to Contribute to a Sustainable Society

The automotive industry currently finds itself at a once-in-a-century turning point. Amid this uncertainty, Mazda established a corporate philosophy in 2023 to clarify our purpose and objectives and guide us as our North Star in our ongoing quest to practice consistent brand value management and to become a company deemed necessary by future generations. One element of this philosophy is our Purpose of “enrich life-in-motion for those we serve.” To fulfill this purpose, we are committed to extending the value of creating moving experiences through the joy of driving to create the joy of living. We thereby aim to help enrich people’s lives and contribute to the realization of a sustainability society. As a milestone toward accomplishing these objectives, Mazda established the 2030 Vision, which describes the goal for the Company in 2030. We are working toward this vision by advancing the Management Policy up to 2030, which is underpinned by three pillars: contribution to curbing of global warming, realization of an automotive society that offers safety and peace of mind, and creation of unique value. In addition, we are revising our sustainability promotion systems to better facilitate initiatives for contributing to the realization of a sustainability society.

Environment

Contribution to curbing of global warming has been identified as an important task. Accordingly, Mazda is focused on promoting electrification and achieving carbon neutrality. The Company has declared its intent to endeavor to achieve carbon neutrality across its supply chain by 2050, and we are working to achieve carbon neutrality at Mazda factories around the globe by 2035. As a milestone on the way toward these targets, we have set the medium-term target of reducing, by FY March 2031, CO₂ emissions at domestic plants and operational sites by 69% in comparison to the level in FY March 2014. For reference, the reduction as of March 31, 2024, was 22%.

In our initiatives to promote electrification, we are advancing our multi-solution approach through which we utilize Mazda's technology assets to offer combinations of high-efficiency internal combustion engines and electrified devices. This approach has been deemed effective for reducing total CO₂ emissions by helping as many customers as possible embrace low-emissions solutions through the provision of diverse solutions based on the energy sources and regulations of the regions we serve. Furthermore, we unveiled our new Mazda EZ-6 EV in China in 2024. This model is designed to enhance our lineup of electrified vehicles for the Chinese market, where the electrification trend is advancing most rapidly.

Social

The realization of an automotive society that offers safety and peace of mind is an incredibly important task. Mazda will continue developing technologies and collaborating with communities and the greater society in order to contribute to the realization of an automotive society that offers safety and peace of mind with the goal of achieving zero deaths resulting from new vehicles. To this end, we continue to develop sophisticated driving support technologies based on our human-centric research and to expand our lineup of large products equipped with various advanced safety technologies such as our Driver Emergency Assist system. People, meanwhile, are Mazda's most important asset, and the sum total of the improvement and growth of each person's abilities is also the source of the Company's growth. People are also our most important resource when it comes to adapting to the trends toward carbon neutrality and electrification and other massive changes. The starting point for Mazda's development of people can be found in the Mazda Way. The Mazda Way is a summary of our approach toward work, i.e., our code of conduct, passed down within the Company since it was founded. This code helps ensure that employees can continue to demonstrate their unique talents while the organization maintains a consistent direction and that these values can be faithfully passed on to future employees. At the moment, we are endeavoring to encourage employees to act based on greater consideration for the feelings of others while respecting the growth and diversity of all employees and cherishing the code of conduct that is the Mazda Way. To facilitate these efforts, we launched the Blueprint organizational culture reform program in 2023. All of our roughly 11,000 back-office employees have taken part in this program, and we plan to expand the program to include employees involved in production going forward. Through this program, we aim to develop a workplace environment that is home to a culture of supporting the front lines and that allows for the exercise of creativity. Furthermore, we established the Mazda Human Rights Policy and organized an internal human rights due diligence project team in 2023. Mazda is currently in the process of identifying important human rights-related themes based on the United Nations Guiding Principles on Business and Human Rights and other international standards.

Governance

In order to respond to the current times of great change, where both risks and opportunities are emerging, we introduced a new Team Management approach and Chief Officer system in 2023. These frameworks are anticipated to help management be more attentive to the front lines while incorporating input from customers in order to accelerate operations through swift and flexible responses to such input. We also revised officer remuneration systems to drive changes in management's perspectives and actions as part of our brand value management efforts. Specifically, we have defined evaluation indicators for performance-based remuneration that include return on equity and greenhouse gas emissions reductions amounts as well as indicators related to employee engagement and customer-oriented mindsets. The new systems are expected to contribute to medium- to long-term improvements in corporate value through higher shareholder value, increased employee engagement, greater emphasis on the customer, and stronger action to address social issues.

Mazda is a company that is dedicated to providing the joy of driving and creating the joy of living by adapting its technology innovation and business operation activities to match the times. We thereby aim to contribute to the realization of a sustainable society. With our focus on people, we will unite our diverse technologies with the knowledge and passion of our various co-creation partners in order to contribute to the realization of a carbon-neutral society where everyone feels safe to move freely. In doing so, we aim to bring emotion in motion and excitement to everyday life, sharing happiness with family, friends, and those around us.



Masahiro Moro
Representative Director, President and CEO
Mazda Motor Corporation

CHAPTER

1

SUSTAINABILITY

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BASIC POLICY ON SUSTAINABILITY

While striving to sincerely meet the requests and expectations of all stakeholders under our [corporate philosophy >](#), Mazda aims for sustainable growth as a company through our global business activities. We are determined to contribute to the sustainable development of society through efforts to resolve various social issues by making the most of our strengths.



Earth

Through environmental conservation initiatives, we aim to prevent global warming, realize a sound material-cycle society, and create a sustainable future in which people and vehicles coexist with a bountiful, beautiful earth.



People

Respecting diverse talents and values, Mazda understands that individuals working together each play an active role in their own way. This leads to innovation in products and services that offer true Joy of Driving and emotional enrichment to our customers.



Society

We will realize vehicles and a society where all people, wherever they live, can enjoy unrestricted mobility that offers safety and security and contributes to enriching lives and the sustainable development of local communities.



Management

While working to build a good relationship with all stakeholders, we will continue our efforts to enhance corporate governance by ensuring compliance and making fair, transparent, prompt, and decisive decisions.

(Established in December 2021)

Sustainability Promotion Framework

Each department carries out its operations based on goals and plans formulated with an understanding of the policies and guidelines determined by the Sustainability Committee, which the Executive in charge of sustainability chairs, and in cooperation with other Group companies, each internal department, and various committees. The Board of Directors has been discussing sustainability issues since FY March 2016. Mazda recognized that a more effective organization is necessary to meet recently growing interests over ESG. In FY March 2025, the Company updated companywide promotion organization, and renamed and reorganized former CSR Management Strategy Committee to Sustainability Committee.

Sustainability Committee

According to the changes of social environment trends in global, discuss direction of sustainability initiatives from long-term perspective and also short to medium term perspective.

- Chair: Executive in charge of sustainability

- Frequency: Quarterly

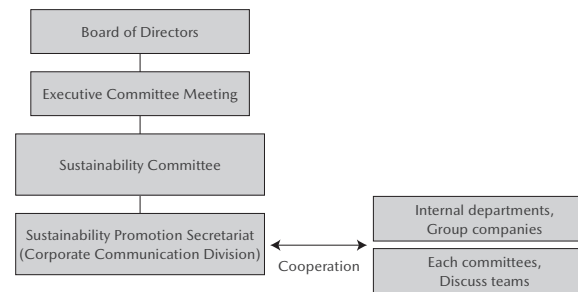
- Member: Executive Committee Meeting members

* Frequency and members are different by discussion agenda

Established following 2 subcommittees in accordance with discussion agenda.

- Future Subcommittee: Discuss direction of the Group-wide sustainability initiatives
- Issue Response Subcommittee: Discuss action for urgent sustainability issues

Sustainability Promotion Framework (as of July 31, 2024)



History of the Sustainability Framework

FY March 2005	<ul style="list-style-type: none"> • Began company-wide CSR initiatives • CSR Committee established
FY March 2008	<ul style="list-style-type: none"> • Mazda evaluates its CSR initiatives in the six areas referencing the Charter of Corporate Behavior issued by the Japan Business Federation (Keidanren), etc. • CSR Promotion Department established as a permanent structure • Announced Long-Term Vision for Technology Development “Sustainable Zoom-Zoom”
FY March 2009	<ul style="list-style-type: none"> • Integrated CSR initiatives and management • Reinforced global perspective • CSR Committee reorganized as the CSR Management Strategy Committee
FY March 2010	<ul style="list-style-type: none"> • Promoted initiatives both globally and across departments • CSR & Environment Department established as a permanent structure • Former CSR Promotion Department reorganized as a supervising compliance body and renamed as the Compliance Administration Department
FY March 2013	<ul style="list-style-type: none"> • CSR Targets established • Started to implement the PDCA cycle to promote CSR initiatives based on ISO 26000 • Compliance supervision functions transferred to the Office of General & Legal Affairs
FY March 2014	<ul style="list-style-type: none"> • Started study to review and identify key CSR issues (materiality)
FY March 2015 - FY March 2016	<ul style="list-style-type: none"> • Disclosed the process of reviewing and identifying materiality • Continued to conduct interviews with interested parties in the Company and with external experts and specialists
FY March 2017	<ul style="list-style-type: none"> • Disclosed the results of the materiality review, and the items that were identified • Reviewed the areas of CSR initiatives
FY March 2018 - FY March 2021	<ul style="list-style-type: none"> • Continued the process of reviewing and identifying materiality • Discussions under way to clarify the relationship between the Company's initiatives based on the Medium-Term Management Plan and the SDGs • Announced Long-Term Vision for Technology Development “Sustainable Zoom-Zoom 2030”
FY March 2022	<ul style="list-style-type: none"> • Completed the process of reviewing and identifying materiality • Identified the social issues that the Mazda Group should resolve through its business and clarified the relationship between these issues and the SDGs and targets adopted by the United Nations • Formulated the Basic Policy on Sustainability
FY March 2023	<ul style="list-style-type: none"> • Reviewed materiality
FY March 2024	<ul style="list-style-type: none"> • Reviewed sustainability promotion framework

Sustainability Promotion throughout the Entire Value Chain

In cooperation with suppliers and dealerships, Mazda has established a sustainability initiative promotion system throughout the entire value chain. The Company places emphasis on dialogues with stakeholders, to ensure that its sustainability initiatives not only comply with international rules as well as the laws and regulations of each country/region, but also respect local history, culture, and customs.

Research and development



Research and development in Japan, North America, Europe and China for providing innovative products tailored to the markets

Purchasing



Implementation of a broad range of initiatives, in tandem with our many suppliers in Japan and overseas, aiming for harmonious coexistence and co-prosperity

Manufacturing



Pursuit of high-level manufacturing in countries such as Japan, Thailand, China, Mexico and the United States

Logistics



Pursuit of high-quality, safe and environmentally conscious transportation on a global basis

Sales and services



Provision of vehicles and services to customers in a range of countries and regions

Recycling end-of-life vehicles



Pursuit of end-of-life vehicle recycling and waste reduction

MATERIALITY

Reviewing and Identifying Key Issues (Materiality)

Mazda has worked to identify the social issues that the Mazda Group should address while reflecting the external opinions of experts and various other stakeholders and taking into account opinions from both management and the relevant divisions. In July 2016, Mazda identified and disclosed the key issues (materiality). In subsequent years, which saw growing worldwide interest in environmental, social, and governance (ESG) issues, expectations from stakeholders became more specific and the social environments surrounding the Mazda Group underwent some changes. Given these circumstances, in FY March 2018, the Company started to review materiality. In 2021, Mazda identified the social issues that the Mazda Group should resolve through its business and clarified and disclosed the relationship between these issues and the Sustainable Development Goals (SDGs) and targets adopted by the United Nations. Then, given the update to the Medium-Term Management Plan and Management Policy up to 2030, announced in November 2022, Mazda once again reviewed its materiality.

Materiality Review and Identification Process

In reviewing materiality, Mazda took into account two perspectives. One is the stakeholders' perspective in reference to the SDGs adopted by the United Nations and the details of surveys conducted by global ESG rating organizations. The other perspective is the importance to the Mazda Group, for instance, business initiatives toward realizing the Management Policy up to 2030.

Step 1 Extraction of social issues

To select social issues from the stakeholders' perspective, Mazda analyzed and clarified what investors and the global society expect of the Company from the details of surveys conducted by global ESG rating organizations. As for the importance to the Mazda Group, specific issues described in the Management Policy up to 2030, "[Sustainable Zoom-Zoom 2030 >](#)," and the Company's securities report were analyzed so as to select the social issues.

Step 2 Evaluation of the impact / prioritization of social issues

Mazda identified potential priority issues to be tackled by evaluating the social issues selected in Step 1 according to two axes: Impact on stakeholders*1 and impact on the Mazda Group.*2 The Company also clarified the themes to be addressed from a long-term viewpoint by correlating with the 169 targets of the SDGs.

Step 3 Validation

To validate the priorities of themes identified in Step 2, discussions were held with management to reach a consensus regarding the priorities.









Step 4 Disclosure of materiality

A specific action plan is currently being prepared to ensure steady implementation of the materiality themes identified in Steps 1-3 and follow up on the progress. The materiality themes that Mazda recently identified and an action plan that will be formulated henceforth will be disclosed to stakeholders. By periodically evaluating and revising the materiality themes and plan, Mazda will implement a plan-do-check-act (PDCA) process.

*1 Expectations for the Mazda Group and the automotive industry

*2 Risks and opportunities for the Mazda Group

Mazda will carry out initiatives to address the eight themes of materiality that the Company has identified.

Eight themes of materiality	Social issues (Relevant keywords)	Mazda's initiatives / targets	SDGs goals
Earth	Endeavoring toward carbon neutrality by 2050	<ul style="list-style-type: none"> Efforts to reduce CO₂ emissions over a vehicle's entire life cycle from the perspective of well-to-wheel and Life Cycle Assessment (LCA) Accumulation of technological assets in line with Mazda's Building Block concept and utilization of these assets in highly efficient manufacturing Initiatives toward making Mazda factories globally carbon neutral by 2035 <p>[Targets]</p> <ul style="list-style-type: none"> Achieve carbon neutrality across the entire supply chain by 2050 Achieve 69% decrease in CO₂ emissions at plants and operational sites in Japan by FY March 2031, in comparison to the level in FY March 2014, and a usage rate of electricity generated from non-fossil fuel sources of 75% 	
	Promoting resource circulation	<ul style="list-style-type: none"> Increase in the recyclability of new vehicles Initiatives to promote the three Rs (reduce, reuse, and recycle) at plants and global efforts for zero emissions and the expansion of resource recycling <p>[Targets]</p> <ul style="list-style-type: none"> Resource recycling for materials: Achieve zero emissions in manufacturing and logistics processes on a global basis by 2030 Resource recycling for water: Implement an optimal approach to water resources recycling and circulation at model plants* in Japan by 2030 	
People	Uplifting the mind and body	<ul style="list-style-type: none"> Creation of moving experiences in driving and mobility through human-centered approach 	
	Strengthening human capital	<ul style="list-style-type: none"> Respect for the diversity of employees and fostering of a corporate climate in which every employee can express their individuality while working alongside others to contribute to the Company and society Work on a variety of programs to enable employees—a diverse range of people with different values and lifestyles—to enjoy their work by finding a healthy balance between their work and personal lives <p>[Targets]</p> <ul style="list-style-type: none"> Number of female managers: 80 in FY March 2025, 100 in FY March 2026 Ratio of applicable male employees taking child-rearing leave (including post-childbirth paternity leave): 60% in FY March 2025, 70% in FY March 2026 	
Society	Realizing an automotive society that offers safety and peace of mind	<ul style="list-style-type: none"> Promotion of technology development based on Mazda Proactive Safety original safety concept <p>[Targets]</p> <ul style="list-style-type: none"> Reduce deaths caused by new vehicles to zero through automotive technologies by 2040 	
	Creating a system that enriches people's lives	<ul style="list-style-type: none"> Building of a model of social contribution that will enrich lives by offering safe, secure, and unrestricted mobility to people everywhere Testing of a shared mobility service leveraging mobility technologies 	
Common to Earth, People and Society	Improving quality	<ul style="list-style-type: none"> Promotion of consistent quality in all stages, from planning to production Early detection and early resolution of market problems Building of special bonds with customers 	
	Exploring partnerships for co-creation with others	<ul style="list-style-type: none"> Inter-company collaboration: Joint development of technical specifications for next-generation vehicle communication devices Industry-academia-government collaboration: Hiroshima "Your Green Fuel" Project 	

*The model plant is a pilot plant where new measures are tested ahead of implementation at other facilities.

MATERIALITY

INITIATIVES TO ADDRESS ISSUES RELATED TO THE EARTH: ENDEAVORING TOWARD CARBON NEUTRALITY BY 2050

Sustainable Development Goals




Relevant SDGs Targets

- 3.9 Reduce illnesses and death from hazardous chemicals and pollution.
- 7.2 Increase global percentage of renewable energy.
- 7.3 Double the improvement in energy efficiency.
- 7.a Enhance international cooperation to facilitate access to clean energy research and technology, and promote investment in clean energy technology.
- 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
- 11.6 Reduce environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- 13.2 Integrate climate change measures into national policies, strategies, and planning.

Social Issues

The average global temperature has already risen by about 1.1°C from preindustrial levels. The Special Report on Global Warming of 1.5°C published by the Intergovernmental Panel on Climate Change (IPCC) states that if global warming continues to increase at the current rate and the rise in temperature far exceeds 1.5°C, there will be a significant impact on nature and our activities. This report also points out the need to achieve net zero global carbon emissions by around 2050 in order to limit the temperature rise to 1.5°C. In response to the above forecast, more than 150 countries and regions* have declared their intention to achieve carbon neutrality by 2050 or other defined years, with nations around the globe stepping up their measures to design carbon pricing and other mechanisms and invest in the development of energy technologies. As for industry, initiatives have been accelerated to change energy and industrial structures, promote decarbonization throughout the supply chain based on life cycle assessment, and encourage the effective use of decarbonization and low-carbonization technologies to reduce greenhouse gas emissions.

* For more information, please refer to [FY2022 Annual Report on Energy \(Japan's Energy White Paper 2023\)](#)  (External link, in Japanese only)

Reasons for Addressing Social Issues

As for the trends regarding vehicles around 2030, Mazda predicts that the fuel economy of vehicles as a whole will be further improved though the combination of highly efficient combustion engines, electric device technologies, high-efficiency transmission systems, and reduced vehicle weight. The Company also foresees technological innovation accelerating in response to fuel diversification. In addition, electric vehicles will be selected more often in regions where electricity can be generated with renewable energy or other cleaner sources. The entire transport sector is responsible for approximately 20% of Japan's total CO₂ emissions, with the automotive industry accounting for about 90% of CO₂ emissions from the sector. The Company understands that, as a company belonging to the automotive industry, it has a duty to reduce CO₂ emissions with the aim of curbing global warming. In order to preserve our beautiful earth for future generations, the Company will advance its initiatives toward the realization of a sustainable mobility society.

Examples of Initiatives

[Climate Change \(Endeavoring toward Carbon Neutrality by 2050\)](#)

MATERIALITY

INITIATIVES TO ADDRESS ISSUES RELATED TO THE EARTH: PROMOTING RESOURCE CIRCULATION

Sustainable Development Goals



Relevant SDGs Targets

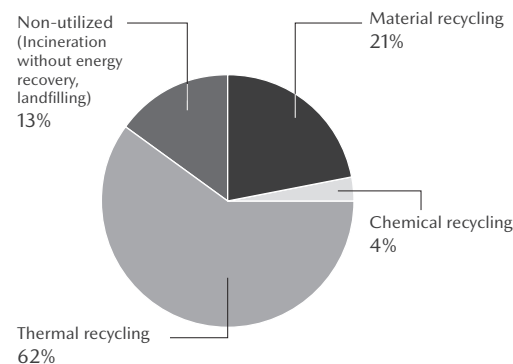
- 6.3 Improve water quality through various measures.
- 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
- 12.4 Achieve the environmentally sound management of chemicals and all wastes, and significantly reduce their release in the air, water, and soil.
- 12.5 Substantially reduce waste generation.

Social Issues

Resource Circulation: Materials

In conjunction with global population growth, the international community is facing challenges due to an increase in demand for resources and even more serious environmental issues, including the rising amount of waste. To address these challenges, it is necessary to transition to a circular economy that considers medium- and long-term outlooks, and also to promote the conventional 3R (reduce, reuse, and recycle) initiatives in all economic activities. A circular economy involves generating new value while reducing resource inputs and consumption and making effective use of resource stocks. Plastic recycling is indispensable in achieving a circular economy. In Japan, currently an estimated 60% of plastic waste goes through thermal recycling, which means that the waste is combusted in incinerators to produce energy. In Western countries, however, combustion generally is not considered a form of recycling. Also, a minute amount of dioxin is generated during the process of combustion. For these reasons, companies are expected to contribute to the circular use of resources (material recycling and chemical recycling) or to use biomass plastics.

Breakdown of plastic waste recycling by type (Japan)



The above pie chart was created by Mazda, based on "An Introduction to Plastic Recycling 2023" published by the Plastic Waste Management Institute.

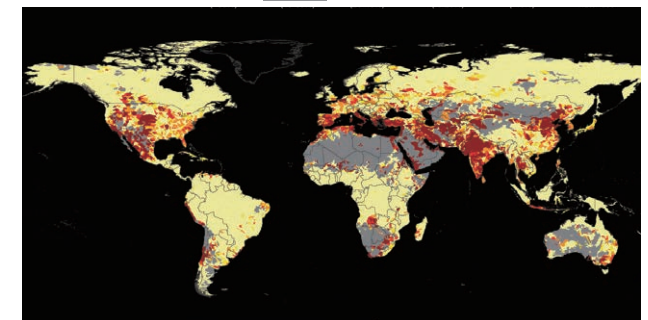
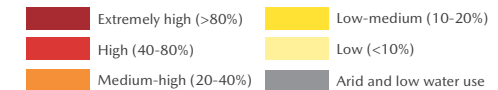
Resource Circulation: Water

Of the total volume of water existing on the earth, only 0.01% is usable by humans. This small amount of water is not evenly distributed around the world, so a number of countries and regions face high water stress.* If the earth's temperature continues to increase due to climate change in the future, the sea levels will rise owing to the thermal expansion of the oceans and melting ice caps. This will result in rivers being contaminated with salt water, a rise in groundwater levels, and other disasters that will reduce the amount of fresh water available to humans. Meanwhile, the United Nations World Water Development Report 2023 states that global water use volumes have risen by around 1% each year over the past 40 years, and this pace of increase is expected to continue until 2050 as a result of factors such as population growth and social and economic development. Companies must address the issues regarding global water resources in order to conduct sustainable business activities.

* Degree of stress in the supply-demand balance for water

Water Stress Levels around the World

Baseline (water stress)



The below figure was created by Mazda under license from the World Resources Institute (WRI).

WRI "25% of the global population faces extremely high water stress each year" [\(External link\)](#)

I Reasons for Addressing Social Issues

Mazda forecasts progress in various initiatives to realize a recycling-oriented society from the perspective of natural capital to be seen around 2030. This progress will be achieved by using resources without any losses; promoting the 3Rs to encourage the reuse of water, plastic, and other resources; and establishing resource circulation systems, such as a circular economy. Meanwhile, a significant reduction in energy and resource losses throughout the entire vehicle manufacturing supply chain may be expected as a result of efforts to make processes more energy and resource efficient. Dramatic progress will also be made in recycling and waste reduction initiatives through the promotion of the 3Rs and the transition to a circular economy. Aiming to become a company that can coexist in harmony with the earth, The Company will continue to implement thorough recycling and waste reduction initiatives.

I Examples of Initiatives

Promoting Resource Circulation

MATERIALITY

INITIATIVES TO ADDRESS ISSUES RELATED TO PEOPLE: UPLIFTING THE MIND AND BODY

Sustainable Development Goals**Relevant SDGs Targets**

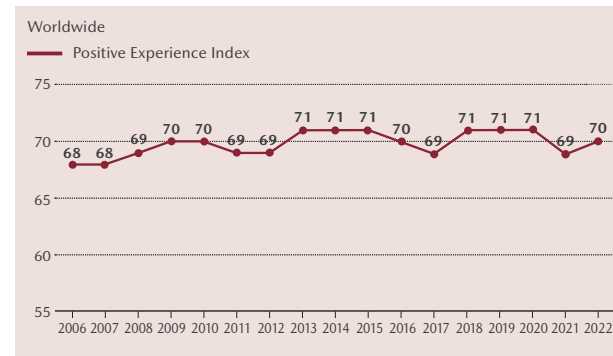
- 3 Ensure healthy lives and promote well-being for all at all ages.
- 9.1 Develop sustainable and resilient infrastructure to support economic development and human well-being.

| Social Issues

The preamble to the Constitution of the World Health Organization (WHO) explains that "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity." Here, health is expressed with the word "well-being." Gallup, Inc. of the United States has conducted an emotional health survey in more than 140 countries and regions. In this survey, respondents' emotional experiences serve as one of its key measurement indicators. The survey results revealed that during the period between 2006 and 2022, Positive Experience Index scores (feeling well-rested, feeling treated with respect, laughing and smiling, enjoyment, and learning or doing something interesting) stayed about the same, whereas Negative Experience Index scores (physical pain, worry, sadness, stress, and anger) have shown an adverse trend since 2015. Presumably, increasing the opportunities for positive experiences will lead to improvement in people's emotional health in the future. Meanwhile, the industrial world—the information technology industry in particular—has begun to see some companies incorporating the perspective of well-being, which encompasses not only phys-

ical health but also mental and social health, into the process of product and technology development.

Positive Experience Index, 2006–2022



Negative Experience Index, 2006–2022



The above graphs were created by Mazda with permission from Gallup, Inc., based on the graphs in the 2023 Gallup Global Emotions Report.

2023 Gallup Global Emotions Report by Gallup, Inc. [▶](#) (External link)

| Reasons for Addressing Social Issues

Mazda predicts that, around 2030, while people will benefit from the economic affluence achieved by mechanization and automation, they will be less associated with society due to weakening real-world human connections, with reduced opportunities to live spiritually rich lives, realize a society where all people harmoniously coexist, and feel the pleasure of ownership. Furthermore, people may be subject to high stress caused by the vulnerability of the social systems, which will have been optimized to seek higher efficiency. Given these circumstances, the value of vehicles is expected to become more diversified, so people will select vehicles according to their purpose, e.g., for driving supported by vehicle-infrastructure cooperative systems, for enjoying driving, or for feeling the joy of ownership. The Company aims to deliver an uplifting experience, emotionally & physically, through vehicles that provide the joy of driving.

| Examples of InitiativesUplifting Customers' Minds and Bodies

MATERIALITY

INITIATIVES TO ADDRESS ISSUES RELATED TO PEOPLE: STRENGTHENING HUMAN CAPITAL

Sustainable Development Goals**Relevant SDGs Targets**

- 5.1 End all forms of discrimination against all women and girls everywhere.
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.
- 8.4 Decouple economic growth from environmental degradation in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production.
- 8.5 Achieve full and productive employment and decent work for all women and men, and achieve equal pay for work of equal value.

Reasons for Addressing Social Issues

Mazda seeks to ensure the sustainability of society and of itself as a company. Mazda's contribution to tackling environmental and social issues and its efforts to create unique value are fueled by the power of the people who work for the Group. The Company recognizes that people are its most important resource and aims to be a company staffed by people who are uplifted by work. In accordance with Mazda's approach of co-creation with others, the Company respects the diversity of its employees from various backgrounds, including race, nationality, faith, gender, social status, family origin, age, mental or physical disability, sexual orientation, and gender identity. By pursuing a positive and rewarding work environment in response to changes in the working population and workstyles, the Company aims to be an attractive company where each employee can work with pride and energy.

Examples of Initiatives

[Human Capital](#)

Social Issues

As the working population continues to decline, it is expected to become increasingly challenging to recruit human resources in Japan. In particular, competition for human resources with digital skills is intensifying. The way people think about work is also changing. It is necessary to promote measures to retain employees, such as introducing new workstyles and offering opportunities to work globally.

MATERIALITY

INITIATIVES TO ADDRESS ISSUES RELATED TO SOCIETY: REALIZING AN AUTOMOTIVE SOCIETY THAT OFFERS SAFETY AND PEACE OF MIND

Sustainable Development Goals**Relevant SDGs Targets**

- 3.6 Halve the number of global deaths and injuries from road traffic accidents.

I Reasons for Addressing Social Issues

Mazda expects that, around 2030, advanced safety technology will have further evolved and become widespread, which will lead to a declining number of traffic accidents and help realize a society where people can move safely with peace of mind on a global basis. With the goal of realizing an automotive society that offers safety and peace of mind, the Company aims to create frameworks that enrich people's lives by offering unrestricted mobility to people everywhere.

I Examples of Initiatives

Realizing an Automotive Society that Offers Safety and Peace of Mind

I Social Issues

Data from 2021 indicates that approximately 1.2 million people are killed in traffic accidents around the world each year.* Accordingly, reducing traffic accidents is a pressing global task. In 2020, the United Nations unveiled its Global Plan for the Decade of Action for Road Safety 2021-2030 and declared its goal of reducing road deaths and injuries by at least 50% by 2030. Against this backdrop, the automotive industry is expected to promote vehicle safety measures with a view to reducing the number of fatal road traffic accidents to zero by securing the safety of pedestrians and vehicle occupants, preventing serious accidents, and encouraging the effective and proper use of autonomous driving-related technologies.

* Note: Death on the roads based on WHO Global status report on road safety 2023  (External link)

MATERIALITY

INITIATIVES TO ADDRESS ISSUES RELATED TO SOCIETY: CREATING A SYSTEM THAT ENRICHES PEOPLE'S LIVES

Sustainable Development Goals



Relevant SDGs Targets

- 9.1 Develop sustainable and resilient infrastructure to support economic development and human well-being.
- 11.2 Provide access to sustainable transport systems for all, improving road safety.
- 11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- 11.a Support positive economic, social, and environmental links between urban, peri-urban and rural areas.

Social Issues

According to the 2020 White Paper on Information and Communications in Japan (published by the Ministry of Internal Affairs and Communications), Japan has been identified as a country with advanced challenges. The country began to experience a declining population and aging society prompted by a falling birthrate sooner than other countries, while also facing the increasing concentration of its population in urban centers. In recent years, various issues have become apparent. In urban areas, daily traffic jams and congestion have caused extended traveling and commuting times and other problems that lead to social losses. Meanwhile, there has been an increase in areas in rural Japan where there is no public transportation due to reduced and discontinued public transportation services such as trains and buses. As a result, freedom of mobility in everyday life is limited for people who have difficulty using private vehicles as their main means of transport. As measures to effectively cater to such mobility needs of local communities with different characteristics and issues, expectations are running high for Mobility as a Service (MaaS)* frameworks. Amid ongoing discussions nationwide about MaaS in Japan, the automotive industry is striving to develop related technologies and create mobility service systems.

* Mobility as a Service: An integrated transport service of search, reservation, payment, etc. that optimally combines multiple public transportation and other travel services in response to the travel needs of each local resident or traveler on a trip-by-trip basis.

Reasons for Addressing Social Issues

Mazda predicts that, around 2030, against the backdrop of global digitalization and widespread use of work efficiency improvement tools, the automotive industry will seek to increase convenience by linking automobiles and communications systems and continuing to offer various new services, making the selection of which convenience-oriented services to provide a decision of significant value. Metropolitan areas with advanced infrastructure built to accommodate a greater concentration of people should be able to resolve any concerns or inconveniences regarding mobility with little difficulty, thanks to the development of shared services as well as expanded vehicle use and services, which will become comparable to those of public transportation systems. Conversely, depopulated areas in hilly and mountainous regions of Japan will continue to suffer a lack of transportation means due to the discontinuation of public transportation services, making it harder for local residents—particularly the elderly and people with special needs—to get around. This issue will also pertain to regional revitalization, which cannot be achieved by merely providing relevant services alone. The Company will leverage available automobile and mobility technologies to help create communities where local residents help one another and facilitate interpersonal interaction, assisted by drivers from both within and outside of communities.

Examples of Initiatives

Creating a System that Enriches People's Lives

Five Types of Regions Identified to Promote Japanese-style MaaS

	(1) Metropolitan area	(2) Metropolitan suburban	(3) Local urban	(4) Suburb/Depopulated area	(5) Tourist destination
Regional characteristics	<ul style="list-style-type: none"> Population size: Large Population density: High Transport system: Primarily trains 	<ul style="list-style-type: none"> Population size: Large Population density: High Transport system: Trains/cars 	<ul style="list-style-type: none"> Population size: Medium Population density: Medium Transport system: Primarily cars 	<ul style="list-style-type: none"> Population size: Small Population density: Low Transport system: Primarily cars 	<ul style="list-style-type: none"> Population size: — Population density: — Transport system: —
Regional issues	<ul style="list-style-type: none"> Response to diversifying mobility needs Lack of information about potential demand Daily traffic jams and congestion 	<ul style="list-style-type: none"> Lack of first-/last-mile transportation services and connectivity Local congestion due to events, weather, etc. 	<ul style="list-style-type: none"> Reliance on private cars Decrease in convenience and profitability of public transportation Insufficient transportation for non-car owners and elderly people who have returned their driver's license 	<ul style="list-style-type: none"> Reliance on private cars Decline in local transportation Expansion of areas where no public transportation is available Increasingly insufficient transportation for non-car owners and elderly people who have returned their driver's license 	<ul style="list-style-type: none"> Lack of secondary transportation and provision of tourism transportation in rural areas Need to facilitate smooth movement of foreign visitors to Japan, whose numbers are rapidly increasing Finely tuned response to diversifying tourism needs

The above table was created by Mazda based on the "Outline of the Interim Report from the Roundtable on New Mobility Services for Cities and Rural Areas" of the Ministry of Land, Infrastructure, Transport and Tourism [\(External link, in Japanese only\)](#)

STAKEHOLDER ENGAGEMENT

Approach

Basic Approach

Through engagement with stakeholders, who are important to the Company's sustainable development, Mazda seeks to clearly define the key responsibilities and issues for the Mazda Group as it carries out daily business activities while making efforts for improvement. To ensure effective communication with customers and other stakeholders, the Company has defined major stakeholder groups and determined the frequencies of providing opportunities for engagement and information disclosure for each group. The information obtained through engagement activities is reported to the relevant departments or committee meetings attended by the Company's management and used for planning and improving the Company's daily business activities. In the brand value management activities that the Company has been promoting in earnest since 2013, the Company is pushing ahead with various initiatives, aiming to continue to grow as a corporate group that earns the trust of all its stakeholders. By establishing indicators for its relationships with stakeholders, the Company is implementing a plan-do-check-act (PDCA) cycle.

Initiatives

Stakeholder Engagement

Stakeholder Relationships and Opportunities for Engagement and Information Disclosure

Major Stakeholder Group	Mazda Group's Major Responsibilities and Issues	Major Opportunities for Engagement and Information Disclosure (frequency)
Customers	<ul style="list-style-type: none"> Improvement of customer satisfaction Provision of safe, reliable, and attractive products and services Appropriate disclosure and explanation of information regarding products, services, and technical terms Provision of customer support in a timely and appropriate manner Appropriate management of customer information 	<ul style="list-style-type: none"> Establishment of call centers (regular) Mazda official website and social media (regular) Day-to-day sales activities (regular) Customer satisfaction surveys (occasional) Holding events (occasional) Interviews with customers (occasional) Meetings with Mazda vehicle owners (occasional)
Shareholders and other investors Investors >	<ul style="list-style-type: none"> Timely and appropriate information disclosure Maximization of corporate value Respect for voting rights (at the general meeting of shareholders) Active investor relations (IR) activities 	<ul style="list-style-type: none"> Website for shareholders and other investors (regular) Publication of the asset securities report and the quarterly financial reports (four times a year) Publication of the summary of financial results (four times a year) Quarterly presentation of financial results (four times a year) Presentations and plant tours for investors (occasional) Ordinary general meetings of shareholders (once a year) Publication of corporate governance report (occasional) Publication of integrated report (once a year)
Business partners <ul style="list-style-type: none"> Suppliers Domestic dealerships Overseas distributors 	<ul style="list-style-type: none"> Fair and equitable trading Open and transparent business opportunities Support and requests for collaboration in promoting sustainability Appropriate disclosure and sharing of information 	<ul style="list-style-type: none"> Hotlines linking Mazda with dealerships (regular) Conferences with representatives of dealerships (once a year) Commendation of outstanding suppliers and dealerships (once a year) Day-to-day purchasing activities (regular) Conferences with supplier executive officers (once a year) Supplier communication meetings (once a month) Supplier meetings (once a year) Production trend briefing meetings (once a month)
Employees	<ul style="list-style-type: none"> Respect for human rights Provision of opportunities for choice and self-actualization Promotion of a healthy work-life balance Optimal matching of people, work, and treatment Promotion and improvement of employee health and safety Promotion of diversity Mutual understanding and trust between labor and management 	<ul style="list-style-type: none"> Labor-Management Council (occasional) Direct communication with senior management (Mazda Business Leader Development program, occasional) Global Employee Engagement Survey (occasional) Career meetings (four times a year) Career Challenge System (in-house recruitment and "Free Agent" programs, occasional) Group and optional training (occasional) Lectures (occasional) Website for employees (regular)
Global society and local communities <ul style="list-style-type: none"> Community members Government and administrative agencies NGOs/NPOs Experts and specialists Educational institutions 	<ul style="list-style-type: none"> Respect for local cultures and customs Prevention of workplace accidents and disasters Activities for contributing to local communities (including cooperative work) Disaster-relief activities in regions in which Mazda does business Compliance with laws and regulations Payment of taxes Cooperation with government policies Cooperative work and support in search of solutions to global social issues Foundation activities 	<ul style="list-style-type: none"> Opening to the public of the Mazda Museum and plant tours (regular) Social contribution activities and participation in and promotion of volunteer activities (occasional) Communication through economic and industry organizations (occasional) Interaction/exchange of views and cooperation with local communities (occasional) Response to hearings, information disclosure, etc. (occasional) Communication, cooperation, and support through industry-academia-government collaboration (occasional) Communication through donations, public endorsements, and aid (occasional)
Future generations (environment)	<ul style="list-style-type: none"> Consideration for the environment Response to energy- and global warming-related issues Resource recycling Pollution prevention Environmental management 	<ul style="list-style-type: none"> Organization and participation in environmental events (occasional) On-site lectures on the environment (occasional)

I Dialogue with Shareholders and Investors

In its pursuit of continued growth and the enhancement of corporate value over the medium to long term, Mazda engages in a variety of IR initiatives in keeping with its policy of timely and appropriate disclosure of information and constructive dialogue. In addition to general meetings of shareholders, the Company holds frequent meetings with its shareholders and other investors, providing quarterly announcements to explain its business results and other activities. The Company is working to increase opportunities for engagement through such means as holding business briefings for securities analysts, institutional investors, and individual investors.

Mazda's global website provides notices of the general meetings of shareholders, financial information, information on medium-term management plans, securities reports, corporate governance reports, and integrated reports. In doing so, the Company works to disclose information in a timely manner. The Company also discloses information on its engagement activities targeting shareholders and other investors. Opinions from shareholders will be relayed to the board of directors or the management team as necessary by the officer who oversees finances. Based on dialogues and opinions, the Company is expanding information disclosure.

[Statistics from FY March 2024]

Events	Number of Times	Main Attendees from Mazda
Financial Results Briefings	4	Representative Director, President and CEO, Representative Director, Senior Managing Executive Officer and CFO, Director and Senior Managing Executive Officer, Senior Managing Executive Officer, Managing Executive Officer
Product and Technology Briefings, Plant Tours, etc.	1	Representative Director, President and CEO, Executive Officer, Executive Fellow, General Manager (Plant)
Business Briefings, Small Meetings	5	Representative Director, Senior Managing Executive Officer and CFO, Director and Senior Managing Executive Officer, Managing Executive Officer, Executive Officer
Overseas Investors Visits for Dialogue	2	Representative Director, Senior Managing Executive Officer and CFO, Senior Managing Executive Officer
Participations in Conferences Organized by Securities Firms	3	Representative Director, Senior Managing Executive Officer and CFO, Managing Executive Officer
Briefings for Individual Investors	1	Managing Executive Officer
Dialogues with Investors	200	Representative Director, President and CEO, Senior Managing Executive Officer and CFO, Outside Director, Director and Senior Managing Executive Officer, Senior Managing Executive Officer, Managing Executive Officer, Executive Officer, IR Group
Dialogues with Analysts	80	Representative Director, President and CEO, Representative Director, Senior Managing Executive Officer and CFO, Senior Managing Executive Officer, Managing Executive Officer, Executive Officer, IR Group

I Information Exchanges and Dialogue with Suppliers

Mazda proactively offers opportunities for communication with suppliers to ensure that the Company can work in close concert with them in promoting sustainability and risk management initiatives. Seeing all its suppliers as important business partners, the Company takes steps to promptly brief suppliers on medium-to long-term business strategies and on matters related to sales and production, and arranges opportunities for information exchanges and dialogue on a regular basis. As part of such efforts, the Company also organizes seminars with the aim of enhancing awareness of environmental and other sustainability initiatives. In addition, the Company also maintains close liaisons with supplier-managed purchasing cooperative organizations.*1 In the constantly changing operating environment, the Company will maintain close communication with all suppliers as it strives to achieve mutual prosperity.

[Statistics from FY March 2024]

- Six information exchange meetings with purchasing cooperative organizations involving a total of 245 companies
- Once monthly production trend briefing meetings with Toyukai Affiliated Corporation*2 (Explanations and information sharing regarding changes in production plans due to natural disasters or semiconductor procurement issues)

*1 Purchasing cooperative organizations are autonomous management organizations comprised of suppliers that have a certain degree of transactions with the Company with the purpose of strengthening relationships between the Company and its suppliers as well as promoting mutual growth and prosperity. The procurement amount from member companies of Yokokai and Yoshinkai accounts for approximately 90% of the Company's total procurement volume.

*2 Established in 1952 as a voluntary organization by 20 collaborating companies having trading relationships with Mazda (then Toyo Kogyo Co., Ltd.), Toyukai Affiliated Corporation currently has a membership consisting of 63 companies. While sharing information with one another and with the Company and deepening cross-industrial exchange primarily through various committee activities, these member companies continue constant efforts to hone their skills.

Communication with Dealerships

Mazda works to provide all its dealerships in Japan and overseas with information on medium- and long-term management strategies, products, and services in a timely manner, and also makes proactive efforts to collect information from dealerships.

Opportunities for Communication with Distributors and Dealerships in Japan

	Participants	Frequency	Objective / Contents
Conferences for dealership representatives	Representatives of dealerships and Mazda directors	Once a year	Communication of Mazda policies
Mazda Dealership Association in Japan executive board of directors' meeting	Executive board members and others from Mazda Dealership Association in Japan	Twice a year	Exchange of opinions concerning sales strategies, product planning, used car policies, services, quality concerns, and other topics
Mazda Dealership Association in Japan committees	Committee members from Mazda Dealership Association in Japan and Mazda representatives	As needed	

Opportunities for Communication with Overseas Group Companies and Distributors

	Participants	Frequency	Objective / Contents
Product launch events	Representatives from major overseas bases in the United States, Europe, China, Australia, etc.	Irregular basis	Global sharing of information and exchanging of opinions regarding product launches
Global brand events	Representatives from major operation bases in the United States, Europe, China, Australia, Japan, etc.	Twice a year	Meeting of representatives of major regions to build common understanding and consensus on brand strategies and share initiatives
Distributor events (regions other than Europe, North America, China, Taiwan, and Japan)	Representatives from Southeast Asia, Central and South America, Middle East, and Africa regions	Once or twice a year	Explanations and information sharing regarding businesses, product launches, and brand value management

Executive Officer and Employee Awareness Raising

Mazda endeavors to raise awareness and understanding of sustainability among all its executive officers and employees and to promote the undertaking of sustainability initiatives in the course of their daily business activities. The level of employees' sustainability awareness is confirmed through the Global Employee Engagement Survey and training programs instituted by level. To ensure constant improvement of the sustainability awareness level, the Company will continue a range of initiatives.

Examples of Awareness-Raising Activities

- Implementation of sustainability training programs by level (lecture-type training and group discussions)
- Organization of seminars on ESG targeting executive officers (occasional)

[Statistics from FY March 2024]

- Administration of level-based training programs to 1,885 employees (non-consolidated basis)

Communication through Mazda's Sustainability Website





Mazda's sustainability website is compiled in accordance with GRI Reporting Principles for Defining Report Content with the aim of informing stakeholders on Mazda's sustainability initiatives. Opinions regarding the website's content obtained from stakeholders are communicated to executive officers and the employees responsible for their division's contribution to the website, and are utilized for designing the next year's initiatives and for determining the information to be disclosed.

PARTICIPATION IN INITIATIVES AND EXTERNAL RECOGNITION

(as of November 15, 2024)

Participation in Initiatives





To fulfill its social responsibility, Mazda is actively collaborating with external organizations, including local governments and industrial organizations.

Initiative/Organization	Details	Logo
United Nations Global Compact	Signatory since June 2018 Mazda will work to uphold the 10 principles of the United Nations Global Compact, which relate to such tasks as protecting human rights, eliminating all forms of inappropriate labor, undertaking environmental initiatives, and working against corruption.	
Task Force on Climate-related Financial Disclosures	Support declared and TCFD Consortium*1 joined in May 2019 Since FY March 2021, the Company has been working to enhance the quality and quantity of its information disclosure in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the four areas of Governance, Strategy, Risk Management, and Metrics and Targets.*2 *1 The TCFD Consortium is an organization established in Japan for the purpose of holding discussions on effective corporate information disclosure related to climate change and efforts for tying disclosed information to appropriate investment decision-making by financial institutes and other entities. *2 Source: TCFD Consortium  (External link)	
The Valuable 500	Member since January 2021 The Valuable 500 is an organization through which business leaders promote reforms to draw out the latent value that people with disabilities can offer to businesses, the economy, and the greater society. Mazda joined this organization because we endorse its ideals. We have declared our own commitments to ending disability exclusion and are accelerating initiatives aimed at accomplishing this goal.	





External Recognition

Mazda identifies key external ratings and recognition both from within Japan and overseas. By analyzing the results, the Company evaluates its own initiatives. Mazda continuously makes active efforts to disclose information by responding to the requirement from investors and rating organizations under situation of further closeup of ESG investment which invest to the company with is selected by environment, social, and governance (ESG) viewpoint.




Inclusion in ESG Indices

Index	Details	Logo
MSCI ESG Leaders Indexes	ESG index by the MSCI (Morgan Stanley Capital International) in the U.S., which is constituted by companies with high ESG evaluation in each industry. Mazda selected since June 2020.	 <p>Disclaimer THE INCLUSION OF Mazda Motor Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Mazda Motor Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.</p>
FTSE4Good	ESG index developed by the FTSE Russell, a fully-owned by the London Stock Exchange. Mazda selected since March 2011.	 <p>FTSE4Good</p>
ECPI Global Developed ESG Best in Class	ESG index by ECPI (E. Capital Partners Indices), which is an ESG evaluate organization based in Italy and Luxemburg. The index is constituted by companies which received high ESG (Environmental, Social, and Governance) evaluation in globally. Mazda selected since September 2015.	
SOMPO sustainability Index	SOMPO Sustainable Investment was developed by Sompo Asset Management which asset broadly to high evaluated company in ESG. The index is investment product for pension fund and institutional investor. Mazda selected since the index was established in August 2012.	 <p>Sompo Sustainability Index</p>

Inclusion in ESG Indices adopted by GPIF

Index	Details	Logo
FTSE Blossom Japan Index	FTSE Russell evaluates Japanese companies' ESG based on disclosed information, and selects high evaluated companies from each sector. Mazda selected since the index was established in July 2017.	 FTSE Blossom Japan
FTSE Blossom Japan Sector Relative Index	FTSE Russell evaluates Japanese companies' ESG based on disclosed information, and selects high evaluated companies from each sector. Also reflect management stance of the company which have high carbon intensity (GHG exposure per revenue) to their evaluation. Mazda selected since the index was established in March 2022.	 FTSE Blossom Japan Sector Relative Index
MSCI Nihonkai ESG Select Leaders Index	ESG index developed by MSCI (Morgan Stanley Capital International), which is based in the United States. The index consists of corporations that receive high evaluation in their sector in terms of ESG region. Mazda selected since the index was established in January 2024.	2024 CONSTITUENT MSCI日本株 ESGセレクト・リーダーズ指数
S&P/JPX Carbon Efficient Index	Carbon performance index which is evaluating Tokyo Stock Price Index (TOPIX) companies' carbon emission disclosure or carbon efficiency. Mazda selected since the index was established in September 2018.	
MSCI Japan Morningstar Japan ex-REIT Gender Diversity Tilt Index	The index is designed to emphasize companies in the Japanese market that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender. Mazda selected since the index was established in February 2023.	 Japan ex-REIT Gender Diversity Tilt Index

Major Recognition / Certifications

Index	Details	Logo
CDP	<p>A not-for-profit charity in the UK that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.</p> <p>Mazda's score of CDP 2023 was A- in the Climate Change and B in the Water Security.</p>	
Ecovadis	<p>Evaluation organization based in France, which conducts sustainability survey of companies' supply chain. The evaluation covers over 75,000 organizations and companies in 160 countries and 200 industries. Participant companies are provided with sustainability ratings on their performance in four areas: environment, labor and human rights, ethics, and sustainable procurement.</p> <p>Mazda's overall score in FY March 2025 was 57.</p>	<p>—</p>
PRIDE Index	<p>PRIDE Index is certification by work with Pride, an organization which supports companies' diversity management related to sexual minorities such as LGBTQ+.</p> <p>Mazda received Gold certification in 2024.</p>	
Kurumin	<p>Certification by the Ministry of Health, Labour and Welfare for companies' support for childcare.</p> <p>Mazda received the Kurumin certification in 2007.</p>	

CHAPTER

2

ENVIRONMENT

CONTENTS

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P54	Biodiversity

BASIC APPROACH AND FRAMEWORKS

Approach

Philosophy and Policies

Mazda has established the Mazda Global Environmental Charter as the basic policy for environmental matters in the Mazda Group. Based on the environmental philosophy encapsulated by the charter and its five Action Guidelines, the Company carries out corporate activities related to products and technologies; manufacturing, logistics, and office operations; and social contributions, respectively, in consideration of the environment. The Company also strives to address various social issues, including those related to climate change and resource recycling, while placing emphasis on collaboration with external organizations and international initiatives.

[Mazda Global Environmental Charter >](#)

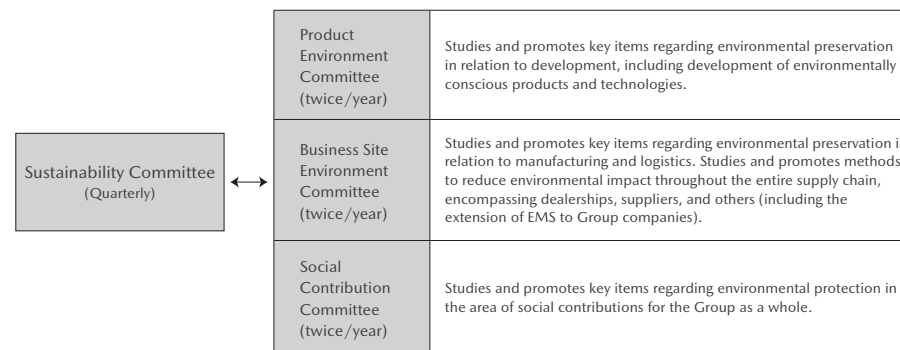
[Participation in Initiatives >](#)

Frameworks

Environmental Promotion Framework

Mazda has established three committees which are cooperating with the Sustainability Committee, chaired by the Executive in charge of sustainability, to promote environmental management throughout the Group. These are the Product Environment Committee, the Business Site Environment Committee, and the Social Contribution Committee. Moreover, Mazda reviews this promotion framework in order to further strengthen its initiatives.

Mazda Environmental Promotion Framework (as of July 31, 2024)



CLIMATE CHANGE (ENDEAVORING TOWARD CARBON NEUTRALITY BY 2050)

Approach

Basic Approach

Mazda recognizes the importance of initiatives for reducing CO₂ emissions across the entirety of vehicles' life cycles. For this reason, the Company is working to achieve fundamental reductions to CO₂ emissions. The Company is adopting a multi-solution approach toward this undertaking in which it offers the most ideal option to match the needs of the energy sources, generation methods, and customers found in specific markets. These efforts are informed by a well-to-wheel perspective and a life cycle assessment perspective. The Company seeks to reduce energy consumption and diversify its sources of energy in manufacturing and logistics in order to cut total global CO₂ emissions for factories, offices, and logistics operations. Cross-supply chain efforts will be imperative to accomplishing our objectives, and the Company will thus be working toward these goals with the cooperation of local governments and other industries.

Life Cycle Assessments

Life cycle assessments entail calculating and assessing the environmental impact across the entire life cycle of a vehicle, which begins with raw material procurement and goes on to include manufacturing, use, recycling, and ultimately disposal. Mazda began conducting life cycle assessments in 2009 as a way to identify the opportunities for reducing environmental impacts regarding the vehicle life cycle, and the Company is actively making efforts to reduce environmental impacts at each stage of this life cycle. In addition, the Company carries out objective and reliable evaluations of new technologies that influence the environmental performance of vehicles based on methods that comply with international standards (ISO 14040 and ISO 14044). In FY March 2019, the Company assessed the CO₂ emissions across the life cycles of internal combustion engine vehicles and EVs in five regions around the world. These assessments found that the CO₂ emissions across the life cycles of such vehicles vary depending on regional conditions such as electricity-related circumstances, fuel economy and electric efficiency, and total travel distances. Based on the results of such assessments, the Company is promoting technology development based on a multi-solution approach.

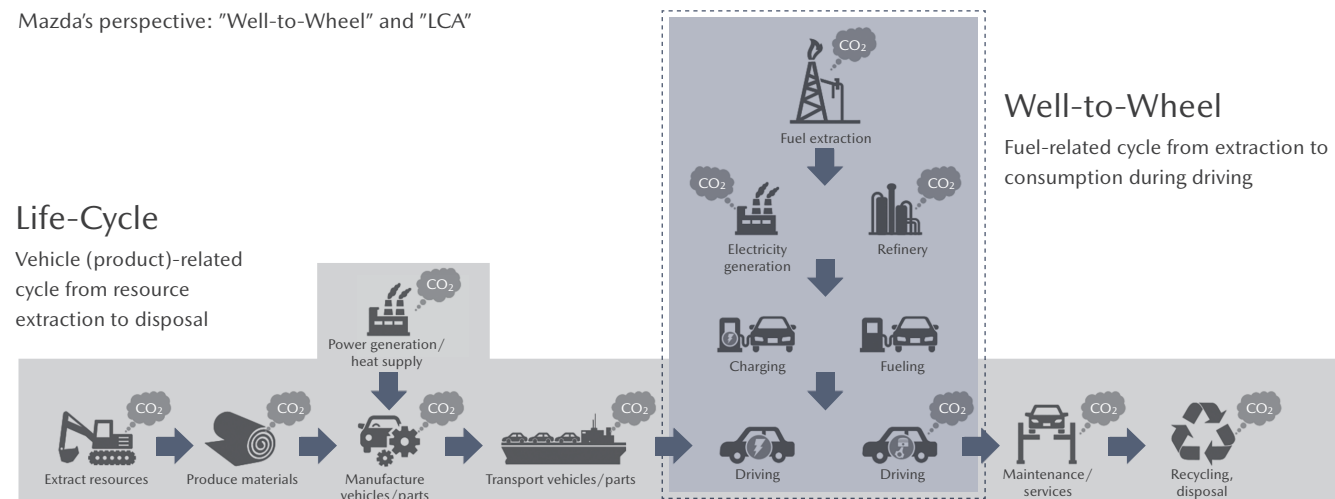
Well-to-Wheel

Mazda seeks to maximize its contribution to the reduction of emissions of CO₂ and other greenhouse gases from the perspectives of both tank-to-wheel emissions that occur while driving and also well-to-wheel emissions, including those from fuel extraction, refining, and power generation (well-to-tank).

Mazda's perspective: "Well-to-Wheel" and "LCA"

Life-Cycle

Vehicle (product)-related cycle from resource extraction to disposal



Goals

Achievement of carbon neutrality across entire supply chain by 2050

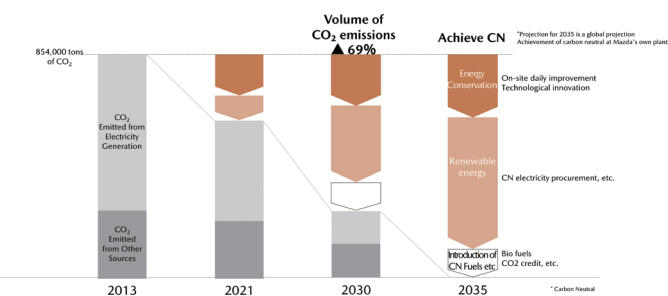
Mazda has announced that it will endeavor to achieve carbon neutrality across its entire supply chain by 2050.

Pursuit of Carbon Neutrality at Mazda Factories Worldwide by 2035

As a milestone on its road to achieving carbon neutrality throughout the entire supply chain by 2050, Mazda will endeavor to achieve carbon neutrality at its factories worldwide by 2035. To guide us toward this goal, the Company have specified our medium-term targets and road map for achieving carbon neutrality at its plants and operational sites in Japan,*1 which account for approximately 75% of our global total CO₂ emissions.

Reduction in CO₂ Emissions from Domestic Factories and Operating Sites by FY March 2031

Mazda has defined three pillars for its efforts to achieve carbon neutrality—energy conservation, shifting to renewable energies, and introducing carbon-neutral fuels. By advancing initiatives based on these pillars, the Company will seek to reduce CO₂ emissions from factories and operating sites in Japan by 69% from the level seen in FY March 2014 by FY March 2031 and achieve a usage ratio for non-fossil fuel power of 75% by the same year.



*1 Total of 17 factories and operating sites in Japan, including Mazda's headquarters and Hiroshima Plant (Aki-gun and Hiroshima City, Hiroshima Prefecture), Hofu Plant (Hofu City, Yamaguchi Prefecture), and Miyoshi Plant (Miyoshi City, Hiroshima Prefecture)

Initiatives (Manufacturing and Logistics)

Manufacturing and Logistics

Mazda is advancing initiatives based on the following pillars with the cooperation of local governments and other industries. Initiatives implemented in Japan are used as models for finding the best possible approach for initiatives at overseas factories.

1. Energy Conservation

In terms of energy conservation, Mazda utilizes internal carbon pricing as one of its capital investment decision criteria. By incorporating future carbon trading prices into the decision-making process, the Company will accelerate investments that promise major contributions to CO₂ emissions reductions. The Company will continue working in all areas, including production and indirect departments such as infrastructure, to improve the efficiency of its facilities and evolve its technologies.

Energy Conservation and CO₂ Emissions Reduction Initiatives [Statistics from FY March 2024]

- Reduction of total CO₂ emissions from Mazda's principal domestic sites*2 of 22% (667 thousand t-CO₂)*3 compared with FY March 2014
- Reduction of 55.8% in emissions per unit of sales revenue reduced (18.3 t-CO₂ / ¥100 million) compared with FY March 2014
- Promotion of activities at production sites in Japan and overseas to improve facility operation rates, shorten cycle times, and cut losses at each step of energy use spanning from production to consumption. Monotsukuri Innovation advanced to reduce per-unit energy consumption.
- Material weight reduced by using thinner casted and forged parts, and energy consumption reduced by shortening forging cycle time and downsizing capacity of melting and heat treatment equipment.
- Conventional flexible production lines evolved to realize higher efficiency, mixed-flow production; more efficient manufacturing pursued by rationalizing, consolidating, and integrating production lines.
- Amount of scraps generated in manufacturing of press parts reduced and parts retrieved from scraps to reduce the amount of use of steel sheets; multi-pressing involving molding of several parts using a single die adopted, resulting in both consolidation of processes and reduction of energy consumption.

- Introduction completed for the Aqua-Tech Paint System, a new water-based painting technology realized through the integration of painting functions and highly efficient painting technologies, into the Hofu Plant No. 2; Aqua-Tech Paint System introduced at global production sites, resulting in reduced energy use and a substantial reduction of volatile organic compound (VOC) emissions.

*1 Framework for promoting low carbon investment and low carbon policies via use of internally decided carbon pricing
 *2 Total of 17 factories and operating sites in Japan, including Mazda's Head Office and Hiroshima Plant, Hofu Plant, and Miyoshi Plant
 *3 Market-based: For within Japan, emissions factors given in the Ministry of the Environment's GHG accounting and reporting system are used.

2. Shift to Renewable Energies

As part of its shift to renewable energies, Mazda will be switching the fuel used to supply the power generation facilities of MCM Energy Service Co., Ltd. at the Hiroshima Plant, Ujina District from coal to ammonia. In addition, the Company will install solar panels on the roof of the Hiroshima Plant, utilize corporate power purchase agreements (PPAs) between Mazda bases and local partners, and increase the purchase of non-fossil fuel-derived sustainable energy from power companies. Through these measures, the Company plans to achieve a usage ratio for non-fossil fuel power of 75% by FY March 2031.

Fuel conversion at Hiroshima Plant (shift from coal to ammonia combustion)

Participation in the Council for Utilizing Namikata Terminal as a Hub for Introducing Fuel Ammonia

In April 2023, Mazda agreed to establish the Council for Utilizing Namikata Terminal as a Hub for Introducing Fuel Ammonia with Shikoku Electric Power Company, Taiyo Oil Company, Taiyo Nippon Sanso Company, Mitsubishi Corporation, Namikata Terminal Company, and Mitsubishi Corporation Clean Energy*1 in order to investigate the possibility of turning Namikata Terminal,*2 located in Imabari City, Ehime Prefecture, into a hub for clean energies. Mitsubishi Corporation and Shikoku Electric Power Company will act as the joint secretariats for the Council. The Council's agenda includes scheduling, legal and regulatory issues, efficient use of the terminal, measures to grow demand for fuel ammonia in the area, and other issues based on the assumption that the existing LPG tanks owned by Mitsubishi Corporation at the terminal will be converted to ammonia tanks and that the terminal will become a hub handling approximately one million tons

of ammonia per year by 2030. The Council will work to unite public and private interests to establish Namikata Terminal as a clean energy hub, create new clean energy industries in the region, and help the sustainable development of the local economy.

*1 Ehime Prefecture, Imabari City, Saijo City, Niihama City, and Shikokuchuo City also participate as observers.

*2 Some petroleum-related facilities of the terminal are owned by Taiyo Oil Company and the others are owned by Mitsubishi Corporation. The terminal is operated by Namikata Terminal Company.

Expansion of Solar Power Use

• Solar Power Adoption

Mazda promotes the use of renewable energy* for in-house power.

- Solar panels have been installed at the Hiroshima Plant, and operation of a solar power generation system was started at this site in July 2021. Electricity generated by this system is used to charge the batteries of the MX-30 EV models produced at the plant and for other manufacturing processes.
- A solar power system has been installed on the roof of the radio wave experiment building of the Miyoshi Plant. Electricity generated by this system is used to provide power and lighting for the building, thereby continuously contributing to the reduction of CO₂ emissions.
- At the Hofu Plant, solar-powered units have been introduced for some corridor lighting.
- Mazda de Mexico Vehicle Operation (MMVO) in Mexico installed outdoor solar lighting, thereby promoting effective use of renewable energy using solar power and LEDs.
- Introducing renewable energy is also accelerating at affiliated companies in Japan and overseas. They are systematically implementing measures such as introducing solar power generation facilities and purchasing electricity with low CO₂ emissions.

[Statistics from FY March 2024]

- Generation of 1,788MWh of power at the Hiroshima Plant
- Generation of 26 MWh of power at the Miyoshi Plant

[Environmental data \(Amount of electricity generated from renewable energy\) >](#)

* Refers to natural energy sources that can be used continuously without being depleted, such as electricity generation using solar, wind, geothermal, hydroelectric, or biomass power, or direct solar heating, and that generate zero or negligible CO₂ emissions.

• Conclusion of Off-Site Corporate PPAs on Solar Power Generation with Local Companies

Mazda prioritizes cooperation with local industries when it comes to

introducing Power Purchase Agreement (PPAs) in conjunction with new renewable energy development projects. Accordingly, the Company invests in renewable energy generation through an approach that matches the characteristics of the regions in which we position our domestic bases. As Step 1 of this approach, Mazda concluded an off-site corporate PPA*¹ with Toyo Seat Co., Ltd.; Choshu Industry Co., Ltd.; and The Chugoku Electric Power Co., Ltd. Procurement of renewable energy based on this agreement commenced in FY March 2024. Going forward, we will move forward with on-site corporate PPA*² and off-site corporate PPA plans, which call for increased coordination with business partners and other local businesses, as Step 2 of this approach and then go on to expand the scope of these efforts as a business advanced together with local industries, which will constitute Step 3. Through this process, Mazda will promote the expansion of renewable energy in the region. The following is a look at our efforts in Step 1.

In March 2023, with an eye to bringing about a carbon-neutral society, Mazda concluded an off-site corporate PPA to procure electricity from renewable sources with a number of local companies: Toyo Seat, Choshu Industry, and Chugoku Electric Power.*³ Under the PPA, Choshu Industry will serve as the electricity producer, with Choshu Industry and Mazda installing new solar power generation facilities on unused land in the Chugoku region and using those facilities to generate electricity, which will then be sold to Chugoku Electric Power. Chugoku Electric Power will then supply this electricity to Toyo Seat and Mazda as renewable energy. This agreement represents the Chugoku region's first off-site corporate PPA involving more than one electricity user. Under the PPA, Chugoku Electric Power has commenced the supply of approximately 4,900 kW in renewable energy generated by solar panels to plants and other places of business belonging to Toyo Seat and Mazda since April 2023. These arrangements have reduced annual CO₂ emissions by approximately 2,610 tons.

*1 An off-site corporate PPA is a long-term contract for the purchase of electricity under which a company producing electricity through solar power generation facilities agrees to provide power generated using those facilities to a designated user or users based in a location separate from the solar power generation facilities, supplying that power to them via an electricity transmission network operated by an electricity retailer.

*2 An on-site corporate PPA is a contract that involves a company installing solar power, wind power, or other renewable energy generation facilities on its premises and directly purchasing electricity generated by said facilities.

*3 In 2022, Japan's Ministry of Economy, Trade and Industry provided subsidies to cover a portion of the expense of installing solar power generation facilities in cases where users of electricity coordinated with an electricity producer to build such facilities. These subsidies were intended to promote such collaboration and to encourage wider adoption of independent initiatives to establish renewable energy sources with the goal of contributing to a reliable, long-term supply-demand balance in energy use during the period up until 2030, thereby supporting the achievement of ambitious targets for the reduction of greenhouse gas emissions. The aforementioned PPA arrangement was applicable under this subsidy program.

Expansion of Carbon-Neutral Electricity Supply and Demand in the Chugoku Region

Mazda believes that coordination with communities as well as with other companies, government agencies, academic organizations, and financial institutions is imperative to the ongoing expansion of renewable energy use. To facilitate such coordination, Mazda joined the Carbon Neutral Electricity Promotion Subcommittee, an expert subcommittee of the Chugoku Region Carbon Neutrality Promotion Council, in 2021. As a member of this subcommittee, the Company has worked with collaboration partners to formulate a road map to help expand supply and demand for electricity generated from renewable energy sources. Mazda began verification tests aimed at putting this road map into practice in 2023 and is moving toward the implementation stage.

1.3. Introduction of Carbon-Neutral Fuels

As it promotes the introduction of carbon-neutral fuels for use at its factories, Mazda will be switching the fuel used to power vehicles for transport within the Company from diesel to a next-generation biofuel. The Company is also transitioning to biomass fuel for powering manufacturing processes and steadily moving forward with other highly feasible initiatives. The transition to carbon-neutral fuel requires coordination across the fuel supply chain, which encompasses the production, transportation, storage, and use of fuel. Accordingly, the Company is coordinating our efforts with relevant partners across the supply chain to move forward with the introduction of carbon-neutral fuels. In cases where generating power from alternative fuel sources proves difficult, we will make use of J-Credits to promote forest preservation and reforestation to absorb CO₂ in the Chugoku region and other regions.

Carbon-Neutral Fuel Initiatives Pertaining to Internal Transportation

• Underwriting of Convertible Bonds Issued by Euglena

In January 2023, Mazda decided to underwrite the unsecured convertible bonds to be issued by Euglena Co., Ltd. Through the underwriting, the Company will support Euglena's biofuels business aimed at expanding the use of next-generation biofuels. Euglena announced that it had been examining with two leading overseas energy companies the possibility of developing and operating a biorefinery in Malaysia to commercialize its biofuel business as well as to increase adoption of next-generation biofuels. The Company is examining the possibility of procuring the

next-generation biofuels to be manufactured through this project for use in logistics and other internal processes.

• Expansion of Carbon-Neutral Fuel Supply and Demand in the Chugoku Region

Mazda aims to develop carbon-neutral fuel supply chains in the Chugoku region. To this end, the Company took part in the Carbon Neutral Fuel Promotion Subcommittee, which was established in June 2023 as an expert subcommittee of the Chugoku Region Carbon Neutrality Promotion Council created in 2021. Together with partners in this subcommittee, we are formulating a road map to help expand supply and demand for carbon-neutral fuels. Verification and implementation of this road map is scheduled to begin in late 2024.

CO₂ Credits

• J-Credits

With the goal of contributing to the realization of a carbon-neutral society, Mazda has concluded a sales and purchase agreement with Mitsui & Co., Ltd., covering J-Credits generated through appropriate forest management. The credits are certified by the Japanese government under the J-Credit Scheme. As the first company to use J-Credits, the Company will purchase credits based on the absorption of CO₂ through forest preservation initiatives over an eight-year period from FY March 2023 to FY March 2030. The Company decided to purchase J-Credits to contribute to CO₂ absorption and decarbonization in the Chugoku region, where the Company is based, while also protecting and nurturing local forest resources, developing industries, and maintaining employment.

Logistics (External Transportation) Initiatives

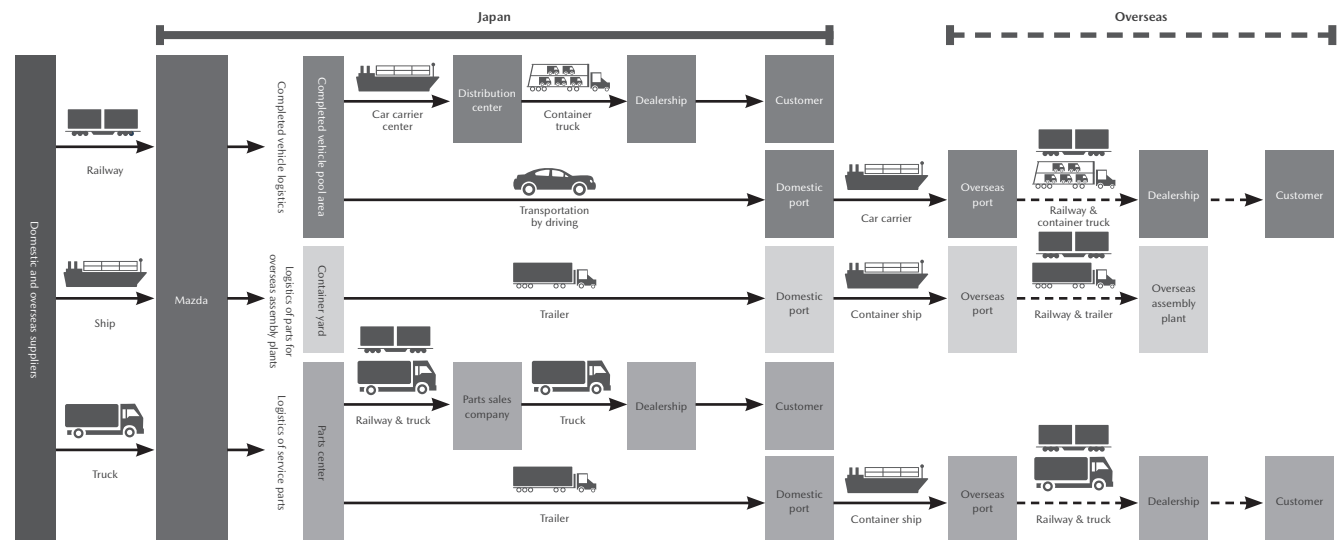
Mazda is working with logistics companies, dealerships, and other automobile manufacturers throughout Japan in its external transportation of vehicles, parts, and other items to supply customers with the volumes of products and parts they require, with the precise timing they expect. The Company is also looking to reduce CO₂ emissions during product shipment through highly efficient logistics across the entire supply chain.

[Statistics from FY March 2024]

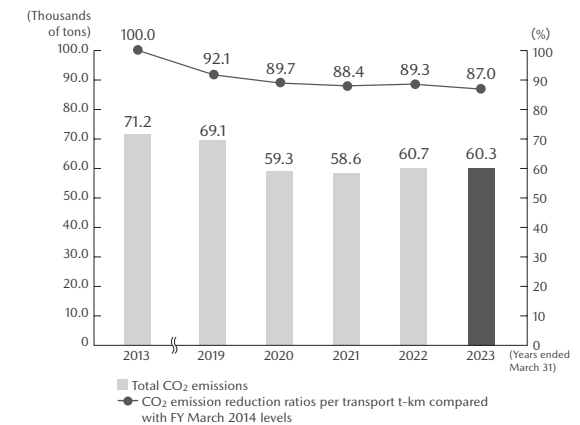
- Total domestic transportation volume of approximately 480 million ton-kilometers
- Reduction of CO₂ emission per ton-kilometer by 13.0% compared with FY March 2014 levels

[Environmental data \(CO₂ emissions from logistics\) >](#)

Range of the tracking capability for CO₂ emissions in the supply chain
(—▶ Current tracking line▶ Tracking line to be extended by 2030)



CO₂ Emissions and Reductions for Logistics: Japan



I Logistics Tracking

In logistics, Mazda is continuing its efforts to reduce CO₂ emissions in the following three fields by carefully tracking logistics in detail in various processes on a global level.

1. Transportation of Completed Vehicles

Japan and Overseas

Mazda is promoting shared transport with other companies to improve efficiency in domestic marine transport of completed vehicles and to reduce environmental impacts. The Company is also investigating the possibility of using alternative fuels for domestic marine transport. In regard to international marine transport, the Company seeks to ensure ships that are fully loaded to transport more vehicles. The Company also uses new more eco-friendly LNG tankers. Through these measures, the Company is reducing its CO₂ emissions. In pursuit of further decarbonization, the Company is moving forward with deliberations and investigations with a range of partners—including shipping companies, logistics companies, energy-related companies, and local public organizations—to explore the technologies, fuels, equipment, and other elements needed to achieve carbon neutrality in the medium to long term.

2. Transportation of Service Parts

Japan

Mazda is striving to improve the rate of shifts toward lower-emissions modes of transportation. The Company has also been using large returnable containers, originally introduced to transport service parts overseas, for domestic transportation to improve the loading efficiency of containers used for transportation on the railways operated by the Japan Railways Group, thereby contributing to the reduction of CO₂ emissions from the transportation of service parts. In addition, the Company relocated production of replacement bumpers and some sheet metal parts to the Tokai region and eliminated internal transportation, instead sending these items directly overseas, without transporting them to the Hiroshima Plant first, via the Nagoya Port.

Overseas

In 2023, Mazda relocated production of replacement bumpers previously produced in Japan to the United States, the primary market where they are used, thereby reducing transportation distances.

[Statistics from FY March 2024]

- Reduction of CO₂ emissions of approximately 115 t-CO₂ through relocation of replacement bumper production

3. Transportation of Procured Parts

Japan

For trucks transporting procured parts in Japan, the Company introduced the Cloud-based Transportation/Delivery Progress Management Service for Logistics Operators* in 2016. This system has resulted in shorter delivery times during transportation, lower costs, and higher quality and has also reduced the burden on drivers, helped alleviate traffic congestion, and reduced CO₂ emissions through more efficient transportation of these items. By utilizing this system and reviewing cargo handling operations, Mazda is working to improve truck turnover rates and reduce truck waiting time at factories. Regarding parts for overseas assembly plants, the Company is working to expand the scope of straight logistics in which the parts are packaged at the respective domestic business partner or factory without the need for shipment between production locations and distribution centers. This straight logistics system has been expanded to cover engines, transmissions, and auto body parts for overseas plants produced at the Hiroshima Plant and the Hofu Plant. Moreover, Mazda aims to achieve carbon neutrality through ongoing efforts including expanding use of Japan Railways Group cargo transport, fully loading trailers, and investigating the viability of introducing biofuels for delivery trucks.

Overseas

Mazda is introducing new standard containers for parts to be transported in containers from Japan to overseas assembly plants. These containers make it possible to eliminate the empty space inside the containers while also reducing the number of containers and the number of transportation truck services. The Company is also working to reduce inventories of surplus parts by shipping the parts to overseas plants at the timing they are needed. In addition, the Company is in discussions with shipping companies regarding the potential future introduction of alternative fuels with lower CO₂ emissions for use in container carriers. In ways such as these, Mazda is working to reduce CO₂ emissions.

* The Cloud-based Transportation/Delivery Progress Management Service for Logistics Operators was developed by DOCOMO Systems, Inc.

Initiatives (Productions and Technologies)

Vehicle Development for Achieving Carbon Neutrality

With an eye to 2030, Mazda is moving ahead with a three-phased approach toward developing electrified products and electrification technologies to furnish flexible responses toward customer needs as well as toward the environmental regulation trends of the respective countries and regions.

I Mazda's Electrification Strategies Leading Up to 2030

During a period of transition to EVs up to around 2030, Mazda sees our multi-solution approach to be effective. The Company offers a variety of solutions, including internal combustion engines, electrification technologies and alternative fuels, so the Company can provide appropriate combinations that suit power generation conditions in each region. On the other hand, the Company expects Mazda's EV ratio in our global sales in 2030 to be in 25 to 40%, considering each country's electrification policies or more stringent regulations. Recently, various variable factors became apparent, such as regulatory tendencies, energy crises, and power shortages. Furthermore, it is extremely uncertain how each of these will develop in the future. As it allows us to be flexible and adaptive to coming changes, such as changes in regulations, consumer needs and acceptance levels, and infrastructure development, the following three-phase electrification approach will work for this uncertain situation. The Company will proceed with electrification step by step with the cooperation of our partner companies.

■ Phase 1 (2022–2024):

By fully using our technology assets of multiple electrification technology, the Company will launch attractive products while also meeting market regulations. The Company will enhance our earning power with the introduction of large products which is already launched, offering plug-in hybrids and diesel engines with a mild hybrid system that achieve both environmental and driving performance. In addition, the Company will develop technologies for EV in a full-fledged manner.

■ Phase 2 (2025–2027):

In order to reduce CO₂ by improving fuel economy in the phase of transition to EVs, Mazda will introduce new hybrids,

further refining our multi-electrification technologies. In addition to introducing vehicles dedicated to EVs in China where electrification is advancing, the Company will also begin launching EVs globally. As for internal combustion engines, the Company will boost efficiency to the utmost in preparation of the application of technology to further improve thermal efficiency and the possibility of the future use of renewable fuels.

■ Phase 3 (2028 – 2030):

Mazda moves forward in our efforts for the full-fledged launch of pure EV models, the Company will also consider the possibilities, including investing in battery production based on the extent of changes in the external environment and progress in strengthening our financial foundation.

Through this three-phased approach, we will move forward with electrification strategies tailored to specific regional characteristics and environmental needs in order to help address the important social issue of combatting climate change.

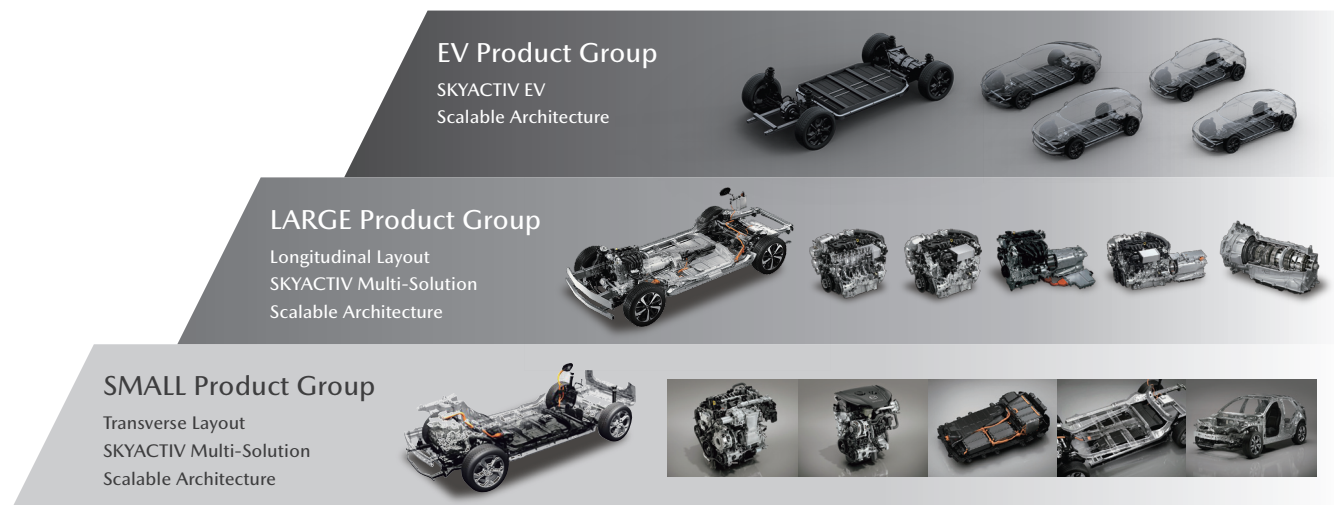
Product and Technology

To realize its goal of reducing CO₂ emissions and raising the average fuel economy of Mazda vehicles, the Company has formulated the Building Block concept, which enables the efficient delivery of superior technologies by layering fundamental technologies atop one another in stages. Based on this concept, the Company is rolling out a multi-solution approach through efficient development and production via measures such as bundled planning and common architecture. Through the Building Block concept and advances in process innovations, such as [model-based development](#) and [Monotsukuri Innovation](#), the Company will efficiently utilize its limited management resources to offer products and technologies that exceed customers' expectations.

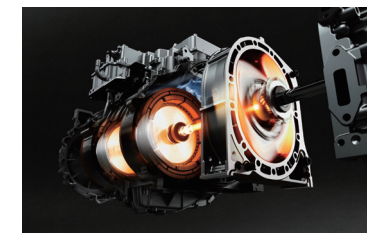
New Rotary Engines in the Electrification Era

In 2023, Mazda launched the MAZDA MX-30 e-SKYACTIV R-EV, a series plug-in hybrid model that uses a rotary engine as a generator. The MX-30, introduced in 2020, was Mazda's first mass production BEV. This model added both a mild hybrid model and new plug-in hybrid model to Mazda's product lineup at the time. The MX-30 embodies Mazda's multi-solution approach to achieving carbon neutrality. The MX-30 e-SKYACTIV R-EV has an 85 km battery electric-only driving range*¹ sufficient for a wide range of everyday driving needs as well as the ability to use a generator to enable long-distance drives. On top of this, the entire driving range is motor-powered. Levering the unique way in which rotary engines can produce the required output with a small power unit, the newly developed rotary engine is positioned on the same axle as a high-output motor and a generator in the motor room. Mazda then paired this compact electric power unit with a 17.8 kWh*² lithium-ion battery and a 50 L gas tank to create a unique series plug-in hybrid model.

Building Block Concept for Product Technologies



MX-30 e-Skyactiv R-EV
(Japanese specification)



e-Skyactiv R-EV electric drive unit

Meanwhile, Mazda introduced the world to the Mazda Iconic SP, a new concept car, in October 2023. The Mazda Iconic SP is a new type of compact sports car concept designed to adapt to the new era and accommodate feelings of customers who love cars and desire a car that simply embodies the joy of driving. The vehicle's powertrain features Mazda's unique two-rotor rotary EV system, which is based on the EV system of the MX-30 e-SKYACTIV R-EV. This system utilizes a highly scalable rotary engine that can burn various fuels, such as hydrogen. With an engine that can use carbon-neutral fuel and a battery charged with electricity derived from renewable energy, it is possible to drive the Mazda Iconic SP in a virtually carbon-neutral state.



MAZDA ICONIC SP

*1 The electric-only driving range represents the European WLTP test cycle value when EV mode is selected as the drive mode. This value is based on specific test conditions and actual electric-only driving range will vary depending on actual driving conditions. Additionally, in situations such as if the driver needs to accelerate suddenly and purposefully depresses the accelerator pedal significantly beyond a certain point (equivalent to the kickdown switch function on a standard automatic transmission vehicle), the power generation system will activate and generate the energy for the required output.

*2 Figure is based on in-house investigation.

1 Skyactiv-D 3.3-Liter Straight-6-Cylinder Diesel Engine

The Skyactiv-D large displacement 3.3-liter straight-6-cylinder diesel engine first revealed with the CX-60 features high levels of environmental performance, through superior fuel economy and clean emissions, while also delivering the joy of driving to an extent sure to thrill any driver. In addition to maintaining heat efficiency ratios of more than 40% over a wide spectrum of practical use situations, this engine delivers increased output via higher air intake through larger displacement as well as reduced NOx emissions due to greater exhaust gas recirculation. Moreover, the design reduces noise and vibration while producing a pleasing engine roar when pressing the accelerator pedal that enhances the joy of driving.

1 MAZDA EZ-6

Mazda unveiled, for the first time, the all-new Mazda EZ-6 electrified vehicle and the Mazda 創 Arata, a design electrified vehicle concept model, at Beijing International Automotive Exhibition 2024. The Mazda EZ-6 is the first of a series of new electrified vehicles (new energy vehicles) developed and manufactured by Changan Mazda Automobile Corporation Ltd. in cooperation with Chongqing Changan Automobile Co., Ltd. and Mazda. This vehicle was launched in China at the end of October 2024. In addition, the concept model Mazda 創 Arata, unveiled at the same time, is scheduled to be mass produced as the second in this series of new electrified vehicles and launched in the Chinese market by the end of 2025. In China, where electrification is rapidly advancing, Mazda will expand its lineup of electrified products to win the favor of a wider range of customers.



MAZDA EZ-6 (scheduled mass production model - exterior color: Aero Grey Metallic)



MAZDA 創 ARATA

Popularization of Carbon-Neutral Fuels

Mazda is promoting the popularization of the carbon-neutral fuels used by hybrid electric vehicles and plug-in hybrid electric vehicles to contribute to the pursuit of carbon neutrality through its products.

Initiatives for Promotion of Use of Next-Generation Biofuels

Mazda aims to expand the use of next-generation biofuels that boast excellent sustainability since they do not compete with food production and do not cause deforestation, unlike conventional biofuels made from food crops such as corn. Moreover, these next-generation biofuels differ from conventional biofuels, such as bioethanol and fatty acid methyl ester,* in that they are hydrocarbon fuels similar to gasoline and light oil. For this reason, the Company expects them to be able to completely replace petroleum-based fuels.

* Fatty acid methyl ester is a fuel produced using vegetable oils and animal fats. It is widely used as a form of eco-friendly diesel oil due to its similarity to light oil.

1 Production of Biofuels

• Participation in Research Association of Biomass Innovation for Next-Generation Automobile Fuels

In March 2023, Mazda announced that it would be joining the Research Association of Biomass Innovation for Next-Generation Automobile Fuels (raBit), an organization formed by ENEOS Corporation, Suzuki Motor Corporation, Subaru Corporation, Daihatsu Motor Co., Ltd., Toyota Motor Corporation, and Toyota Tsusho Corporation. The research on improving production technologies for bioethanol fuel and using CO₂ generated during bioethanol fuel production, which the raBit has been promoting as part of a range of diverse options for achieving carbon neutrality, coincides with the idea promoted by Mazda of providing more options with its multi-solution strategy. This synchronicity led Mazda to take the step of joining the association.

• Research on Microalgae

Microalgae boast a high production capacity per unit area when compared to vegetable resources, which are used to produce edible oils. With the aim of achieving mass production of next-generation biofuels, Mazda considers it necessary to promote the mass cultivation of microalgae. To this end, the Company is currently promoting research on microalgae through industry-academia-government collaboration. In 2017, the Company started a joint research course called the Next-generation Automotive Technology Joint Research Course—Algae Energy Creation Laboratory at a graduate school of Hiroshima University. Since 2021, with support from the Program on Open Innovation Platform for Industry-Academia Co-Creation (COI NEXT) sponsored by the Japan Science and Technology Agency (JST), we have continued research into improving algae performance using genome editing technology in collaboration with Hiroshima University and Tokyo Institute of Technology. In 2020, the Company became a member of the Institute of Microalgae Technology, Japan (IMAT), which has a site in Osakikamijima-cho in Hiroshima Prefecture, and later went on to join Microalgae Towards Sustainable & Resilient Industry (MAT-SURI), a consortium whose projects have been selected for support by the NEDO Green Innovation Fund, in 2022. The Company continues to work with researchers and other companies to develop industrial uses for microalgae and related technologies.

Microalgae absorb CO₂ and carry out photosynthesis, while also absorbing nutrients such as nitrogen and phosphorus to multiply. As the nitrogen and phosphorus are also emitted from the automobile production process, Mazda carries out purification treatment at the Water Resource Recycling Center on the premises. With the aim of recycling these resources, which would otherwise be disposed of, as something of value, the Company has been using outdoor microalgae cultivation facilities since 2023 to verify the CO₂ reduction effects and wastewater purification capabilities of microalgae. Microalgae also have the property of storing abundant lipids and proteins within their cells, and in addition to next-generation biofuels, they are also expected to be used as a nutritional resource for people. The Company will continue to pursue the various possibilities of microalgae and create circular ecosystems that make the most of the warm climate and long hours of sunlight facing the Seto Inland Sea.

Use of Biofuels

• Verification Tests of Next-Generation Biodiesel Fuels

Mazda also aims to expand the use of next-generation biofuels by conducting verification tests. In 2018, the Hiroshima Council of Automotive Industry-Academia-Government, in which the Company participates, and Euglena jointly launched the Hiroshima "Your Green Fuel" project. This project is aimed at establishing a comprehensive biofuel value chain—spanning from material manufacture and supply to the use of next-generation biodiesel fuels—as a local production for local consumption model within the Hiroshima area. Since 2020, Mazda has continued verification tests with Company-owned vehicles running on next-generation biodiesel fuels. The Company is increasing such tests of next-generation biodiesel fuels through various activities, including participation in the Super Endurance Race, a motorsports event in Japan, since 2021, and operation of buses to transport Sanfrecce Hiroshima players to home games since 2022. In cooperation with its partners across the entire biofuel value chain, which spans from material purchasing, fuel manufacture, and supply to the use of next-generation biofuels, Mazda will continue its efforts to expand the use of such fuels and other carbon-neutral fuels.



MAZDA SPIRIT RACING MAZDA3 Bio concept

Promotion of Synthetic Fuel Use

It is possible to artificially produce synthetic fuel that can function as gasoline and light oil using CO₂ found in the atmosphere. Such fuels have the potential to completely replace fossil fuels and are anticipated to see use as a sustainable next-generation form of fuel. Moreover, we entered the 4th Autopolis circuit race of the 2023 Eneos Super Taikyu Series Supported by Bridgestone with our Mazda Spirit Racing Roadster concept car, which used carbon-neutral fuel.



MAZDA SPIRIT RACING ROADSTER CNF concept car (12th model)

TCFD


Approach

Basic Approach

In May 2019, Mazda declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)^{*1} and joined the TCFD Consortium,^{*2} showing its commitment to strengthening its efforts to address climate change. In addition, in January 2021, the Company announced that it would endeavor to achieve carbon neutrality throughout the entire supply chain by 2050. Mazda's major initiatives to address climate change in accordance with the TCFD recommendations^{*3} are as follows.

^{*1} The TCFD is a private-sector organization set up by the Financial Stability Board in response to a request from the G20 Finance Ministers and Central Bank Governors.

^{*2} The TCFD Consortium is an organization established in Japan for the purpose of holding discussions on effective corporate information disclosure related to climate change and efforts for tying disclosed information to appropriate investment decision-making by financial institutions and other entities. The Ministry of Economy, Trade and Industry, the Financial Services Agency, and the Ministry of the Environment participate in the consortium as observers.

^{*3} For more information, please refer to the following website. [TCFD Consortium](#) >  (External link)

Governance

- a) Board's oversight of climate-related risks and opportunities
- b) Management's role in assessing and managing climate-related risks and opportunities

Transition Risk

Taking on the challenge of achieving carbon neutrality by 2050, Mazda has assigned a director to oversee its decarbonization strategy and executive officers to be in charge of carbon neutrality. In 2021, Mazda formed a specialized team (hereinafter referred to as specialized team) dedicated to carbon neutrality matters. At its head is the Corporate Strategy Office working closely with the specialized team composed of members involved in products, manufacturing, purchasing, logistics, sales and recycling. Under the supervision of the officers in charge of decarbonization, the Corporate Strategy Office has been leading the team, which formulated and promoted strategies from a Life Cycle Assessment (LCA) perspective for responding to risks and opportunities selected based on Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA) scenarios and trends, while also considering the investment and expenses required for such initiatives and response schedules. In April 2023, some of the functions of Corporate Strategy Office and Product Strategy Division were integrated to newly established Corporate Strategy Division, which has a new department to promote CN strategy. Under the leadership of this department, existing specialized team will formulate strategies in respective areas of expertise of its members and implement plans based on the strategies that have been formulated so far. In addition, in order to promote the execution of plans throughout the company, we have started a management approach that integrates CN initiatives into the existing ISO 14001 Environmental Management System (EMS). In the area of products and technologies, the newly established department in the Corporate Strategy Division will promote planning consistent with company-wide strategies. The CN strategies are deliberated* over at the Executive Committee Meetings and the Board of Directors attended by the Representative Directors and President. Also, issues concerning climate change and other sustainability-related matters are reported to the Board of Directors in a timely and appropriate manner.

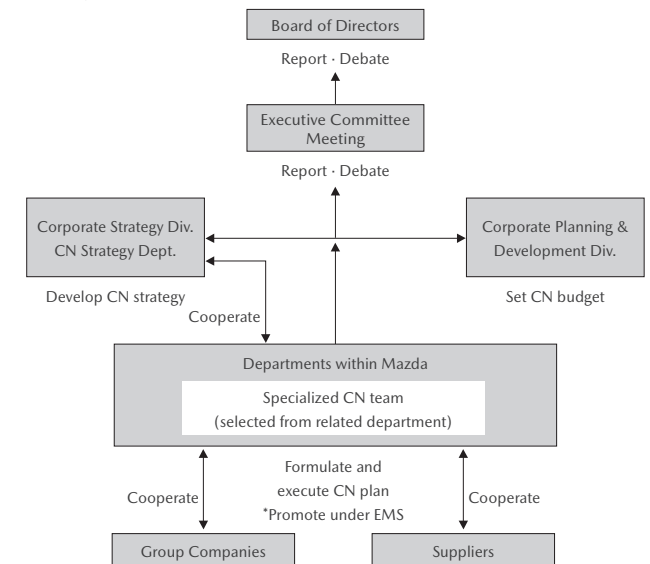
* Carbon neutrality strategies had been reported to and discussed at Board of Directors' meetings five times as of June, 2024.

Physical Risks

Measures for responding to torrential rains, an acute physical risk associated with climate change, is managed as part of our business continuity plan (BCP) through our emergency risk management structure. In addition, in response to concerns about storm surges and water depletion, which are chronic physical risks, the Company is promoting reinforcement of seawall infrastructure and water resources conservation efforts as part of the activities of specialized departments.

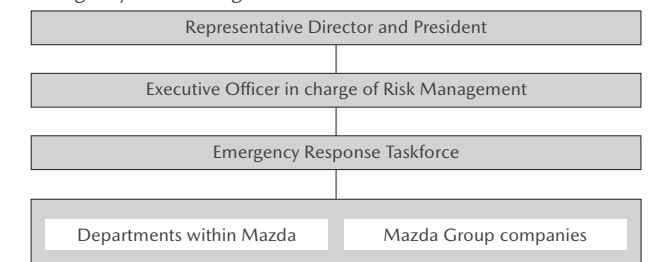
<Transition Risk>

Management System to Promote Carbon Neutrality



<Physical Risk>

Emergency Risk Management Structure



For incidents that fall outside the scope of existing risk management organizations and require a coordinated interdepartmental response, the executive officer in charge of risk management will consult with the president, establish an emergency response taskforce, and appoint a general manager for this taskforce.

Strategy

- Climate-related risks and opportunities identified over the short, medium, and long term
- Impact of climate related risks and opportunities on business, strategy, and financial planning
- Resilience of strategy taking into consideration climate-related scenario

Based on IPCC and IEA scenarios, policy and regulatory trends, and industry trends, Mazda formulated a scenario based on its own assumptions and identified the following major opportunities and risks.

Major Risks and Opportunities

Transition Risks	Policy and Legal	<ul style="list-style-type: none"> Stricter regulations on fuel economy and exhaust gas emissions and carbon pricing, including introduction of carbon tax
	Technology	<ul style="list-style-type: none"> Increase in resources to develop electrification technologies, including electric drive system or batteries
	Market	<ul style="list-style-type: none"> Rise in raw material prices for electrification and weight reduction and tight procurement situation for semiconductor components Energy price spikes and supply instability due to tight fossil fuel and renewable energy supplies caused by political conditions and market forces
	Reputation	<ul style="list-style-type: none"> Implications on ESG-minded investment decisions by investors
Physical Risks	Acute	<ul style="list-style-type: none"> Damage by torrential rain, production halts caused by supply chain disruptions, and health hazards caused by heat waves
	Chronic	<ul style="list-style-type: none"> Increasing impact of production halts due to more severe and frequent natural disasters and higher frequency of high tide caused by rising sea levels, water resource depletion and rising prices of water necessary for operations, and spread of tropical diseases
Opportunities	Resource Efficiency	<ul style="list-style-type: none"> Efficient use of raw materials through thorough material recycling
	Energy Resource	<ul style="list-style-type: none"> Stable supply of carbon-neutral electricity secured by promoting the expansion of demand and supply of electricity in coordination with local communities Diverse selection of renewable energy sources
	Products, Services, and Markets	<ul style="list-style-type: none"> Deployment of products that suit each region through Building Block concept and multi-solution approach Diversification of products that accommodate next-generation automobile fuels (alternative fuels such as biofuels, synthetic fuels, etc.) Expansion of market opportunities through deployment of products that suit each region and diversification of products

Specific Initiatives

Mazda is implementing the following initiatives as part of its efforts to seize opportunities and avoid, or minimize the impact of the risks it faces.

<Seizing of Opportunities Transition Risk Avoidance> [Products]

■ Driving Development of Electrification Technology
During a period of transition to EVs up to around 2030, we see our multi-solution approach to be effective. We offer a variety of solutions, including internal combustion engines, electrification technologies and alternative fuels, so we can provide appropriate combinations that suit power generation conditions in each region. On the other hand, we expect Mazda's EV ratio in our global sales in 2030 to be in 25 to 40%, considering each country's electrification policies or more stringent regulations. Recently, various variable factors became apparent, such as regulatory tendencies, energy crises, and power shortages. Furthermore, it is extremely uncertain how each of these will develop in the future. As it allows us to be flexible and adaptive to coming changes, such as changes in regulations, consumer needs and acceptance levels, and infrastructure development, the following three-phase electrification approach will work for this uncertain situation. We will proceed with electrification step by step with the cooperation of our partner companies.*¹

Phase 1 (2022–2024): Enhance technology development for the age of electrification

By fully using our technology assets of multiple electrification technology, we will launch attractive products while also meeting market regulations. We will enhance our earning power with the introduction of large products which is already launched, offering plug-in hybrids and diesel engines with a mild hybrid system that achieve both environmental and driving performance. In addition, we will develop technologies for EV in a full-fledged manner.

Phase 2 (2025–2027): Transition to electrification

In order to reduce CO₂ by improving fuel economy in the phase of transition to EVs, we will introduce new hybrids, further refining our multi-electrification technologies. In addition to introducing vehicles dedicated to EVs in China where

electrification is advancing, we will also begin launching EVs globally. As for internal combustion engines, we will boost efficiency to the utmost in preparation of the application of technology to further improve thermal efficiency and the possibility of the future use of renewable fuels.

Phase 3 (2028–2030): Full-scale launch of EVs
Mazda moves forward in our efforts for the full-fledged launch of pure EV models, we will also consider the possibilities, including investing in battery production based on the extent of changes in the external environment and progress in strengthening our financial foundation.

[Manufacturing]

Mazda committed to making Mazda factories globally go carbon neutral by 2035 as a milestone, keeping an eye on our goal of making our whole supply chain carbon neutral by 2050. To realize CN, we are working on the following three pillars at Mazda's plants and operational sites in Japan*², which account for approximately 75% of its global total CO₂ emissions, as the first step: (1) Energy conservation, (2) Shifting to renewable energy, and (3) Introducing carbon neutral fuels. Furthermore, we will capitalize on these initiatives conducted in Japan and use them as a basis to implement the optimal approach for each facility outside Japan.

(1) Energy conservation

Mazda has long continued to implement energy conservation activities throughout the entire Mazda Group in Japan by introducing low CO₂ emission manufacturing technologies and constantly improving them on a daily basis. In addition to continue these activities, we will expand and promote such activities to achieve CN goals from a medium-to long-term perspective throughout the entire company, including not only manufacturing areas but also indirect departments. Furthermore, when introducing new facilities or renewal facilities in the manufacturing areas, we will be introducing internal carbon pricing*³ as one of our capital investment criteria. As a result, investment decisions will take the future price of carbon trading into account and prioritize investments with a major contribution to CO₂ emissions reduction.

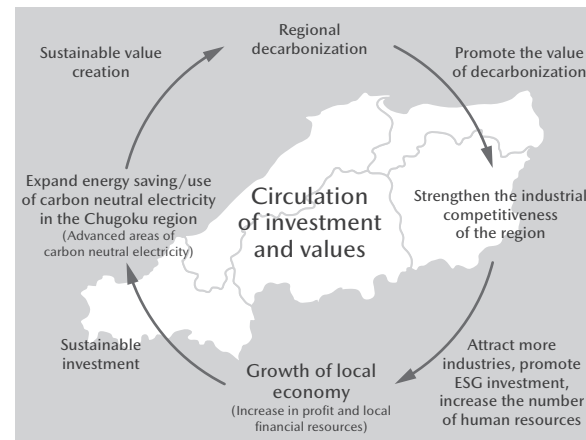
(2) Shifting to Renewable Energy

■ Expansion of Renewable Electricity

In November 2021, Mazda participated in as secretariat company

and began activities a part of the Carbon Neutral Electricity Promotion Subcommittee, which was set up as one of the special subcommittees under the Chugoku Region Carbon Neutrality Promotion Council, established by the Chugoku Economic Federation. In cooperation with member partners, we have formulated a roadmap to expand the supply and demand since 2023. From this fiscal year, related partners will collaborate and work toward the demonstration and implementation stage to realize the roadmap. As an example of the expansion of renewable electricity, in March 2023, we signed an offsite corporate power purchase agreement (PPA)*⁴ using solar power generation with local companies. We will continue to expand our PPA in the Chugoku region, also expand our PPA in other regions, then we promote purchasing of electricity derived from non-fossil power sources, such as renewable energy, from electric power companies.

Initiatives in Chugoku region



■ Procuring CN Energy

In order to promote the phase-out of coal-fired power generation, we participate in "Council for utilizing Namikata Terminal as a Hub for introducing Fuel Ammonia" in the adjacent Shikoku region, and will study the procurement of ammonia. In the future, we plan to use this ammonia to convert the fuel from coal to ammonia proprietary fuel at the power generation facilities that supply electricity and steam on our premises.

(3) Introducing Carbon-Neutral Fuels

■ Efforts for the Spread of Next-generation Bio-liquid Fuels

In 2018, the Hiroshima Council of Automotive Industry-Academia-Government, in which the Company participates, and Euglena Co., Ltd. jointly launched a "Your Green Fuel" project, which established an entire biofuel value chain - from material manufacture and supply to the use of next-generation biodiesel fuels - as a "local production for local consumption model" within the Hiroshima area. Since 2020, as we confirmed that the above mentioned fuel had same performance as petroleum-derived diesel fuel, we have continued demonstration tests with its part of company-owned vehicles equipped with diesel engine. Furthermore we are increasing such tests of next-generation biodiesel fuels through various activities, including participation in the Super Endurance Race, one of the motorsports in Japan, since 2021, and operation of buses to transport Sanfrecce Hiroshima players in home games since 2022. In addition, we have decided to subscribe to unsecured convertible bonds to be issued by Euglena in January 2023, and we will support Euglena's biofuels business that aims to expand the use of next-generation biofuels through the subscription. With a view to procuring next-generation biofuels to be manufactured in this project, Mazda will consider using them for logistics and other utilities in Mazda's site. In cases where generating power from alternative fuel sources proves difficult, we will make use of J-credits to promote forestry preservation and re-forestry to absorb CO₂ in the Chugoku region and other regions.

By promoting the aforementioned three pillars, we aim to reduce emissions of CO₂ and other greenhouse gases from Mazda's domestic factories and operating sites by 69% in FY March 2031, in comparison to FY March 2014, as an interim target for achieving carbon neutrality at our own factories globally by 2035. We also plan to achieve a non-fossil fuel-sourced electricity usage rate of 75% by FY March 2031.

[Supply Chain]

■ Reduction of CO₂ Emissions with Suppliers

After explaining the challenges of CN to major business partners in Japan and overseas and promoting their understanding, we began collecting data on CO₂ emissions by Tier 1 suppliers in Scope 1 & 2 including logistics for delivery to Mazda since 2021. Given the current level of CO₂ emissions and the difficul-

ty of reducing them vary depending on the types of suppliers' businesses, we are working with them to draw a roadmap to achieve reduction targets. In addition, we established a new award system to honor the efforts of our suppliers since 2023.

<Physical Risk Avoidance and Minimization>

■ Establishment of System for Rapid Response to Torrential Rains

As part of our BCP, we are continuously improving our response in both tangible and intangible aspects in anticipation of natural disasters. On tangible aspect, we are taking a planned approach in reinforcing buildings, equipment, seawalls, etc., and on intangible aspect, promoting the introduction of a safety confirmation system, the development of an emergency contact network, and the construction of self-disaster-defense teams organization. In addition, for initial disaster response, we conduct joint drills with public fire departments and drills conducted by the in-house self-disaster-defense teams on its own.

In the supply chain, we have introduced the supply chain risk management system called "SCR (Supply Chain Resiliency) Keeper" in cooperation with our business partners to speed up initial response by quickly grasping on-site information in the event of a disaster. In addition, in the logistics network, we have established an emergency communication system with transportation companies and have established a system to minimize the impact on operations while coordinating with the production system based on the content of measures according to the impact ranking of typhoons and heavy rains.

■ Future-Oriented Measures for Maintaining Seawalls

Our major plants in Japan (Hiroshima and Hofu) face the sea and rivers, therefore reinforcements and maintenance work of seawalls are carried out every year. In addition, we have completed the construction of seawalls for protection against flooding damages caused by the highest tide level and maximum tsunami height estimated by the prefecture in the event of Nankai Trough earthquake.

■ Water Resource Conservation in Preparation for Water Resources Depletion

We promote activities to eliminate wasteful water use and circulate water resources by treating used water so that it is the same quality as it was taken from nature. In order to im-

plement its initiative of water resource reuse and recycling at a domestic model plant^{*5} by 2030. We promote the further use of rainwater and recycled water as well.

*1 About cooperation of our partner companies;

- For the sustainable local economic growth and the successful transformation of electrification, Mazda has joined together with local companies to establish a joint venture company for the purpose of developing the high-efficiency production technology required for the manufacture of electric drive units as well as for the production and supply of those units, as a first step of the development for electrification technologies of related components and the evolution entire supply chain in the Chugoku region.
- Regarding the core parts of an electric drive unit such as inverters containing SiC power semiconductors and motor, Mazda has also established a joint venture with several partner companies in possession of high-quality technology.
- Regarding the batteries, we will procure them from our partner companies while promoting research and development of our advanced battery technologies adopted by the Green Innovation Fund Project at our facilities.

*2 The three pillars of initiatives will be promoted at a total of 17 sites of operation in Japan, including Mazda's headquarters and main factory (Aki-gun and Hiroshima City, Hiroshima Prefecture), Hofu plant (Hofu City, Yamaguchi Prefecture), and Miyoshi Plant (Miyoshi City, Hiroshima Prefecture).

*3 Internal carbon pricing is a framework for promoting low-carbon investment and measures.

*4 A PPA is a long-term contract for the purchase of electric power under which a company producing electricity through solar power generation facilities agrees to provide power generated using those facilities to a designated user or users based in a location separate from the solar power generation facilities, supplying that power to them via an electric power transmission network operated by an electric power retailer.

*5 The model plant is a pilot plant where new measures are tested ahead of implementation at other facilities.

| Risk Management

- a) Process for identifying and assessing climate-related risks
- b) Process for managing climate-related risks
- c) Status of integration of climate-related risk management processes into overall risk management

| Transition Risks

Mazda has identified major risks and opportunities based on scenarios from the IPCC and the IEA, government policies, regulatory and industry trends. A specialist team is implementing a biweekly risk identification and assessment process while sharing the progress of initiatives and information on identified issues in relation to the identified major opportunities and risks. Strategies discussed during the meeting are deliberated over at the Executive Committee Meetings and the board of Directors attended by the Representative Director and President. Mazda also shares climate-related information with its suppliers periodically through a shared platform.

| Physical Risks

- We have established a system for rapid response to torrential rain and other disasters, and have been managing them as part of our BCP in the context of an emergency risk management system. In addition to these efforts, as torrential rain disasters have become more severe and frequent in recent years, we are enhancing our ability to collect weather forecasts and making it possible to make quick disaster prevention decisions based on a predetermined time schedule. In addition, we review our response every heavy rain season to improve our response capabilities.
- In response to concerns about storm surges and water resources depletion, we are promoting reinforcement of seawall infrastructure and water conservation efforts in the practice of specialized departments.
- In response to the heat waves that have become more frequent in recent years, we regularly measure and evaluate the heat environment of each workplace as part of employee health management, which leads to the maintenance and management of appropriate air conditioning equipment. In addition, we use heat insulating materials and heat-insulating paints in our buildings as environmentally friendly measures.

- As a measure against the spread of the epidemic, we developed a working rule to assume that employees and other families living with them become infected.

Metrics and Targets

- Metrics used to assess climate related risks and opportunities
- Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions and the related risks
- Targets and performance in managing climate-related risks and opportunities

I Global Warming Response

To take on the challenge of achieving carbon neutrality throughout our entire supply chain, it will be essential to understand the GHG emissions of Scope 1, 2 and 3. In addition, it is possible that more stringent carbon pricing, including the introduction of carbon taxes, could impact finances. In order to run eco-friendly operations more effectively throughout the Mazda Group and its entire supply chain, we have started the management to integrate CN into the existing ISO 14001 Environmental Management System (EMS). In addition, we ask our suppliers to provide us with CO₂ emission data in Scope 1 & 2 as well as logistics at the time of delivery to us (Scope 3 Category 1 for Mazda) every year, and set targets together with them to manage the results.

In addition, we officially participated in GX League* sponsored by the Ministry of Economy, Trade and Industry, in May 2023. We will show the Mazda's non-consolidated reduction targets, and disclose its progress on GX dashboard.

* The GX League is an organization that aims to provide value for social structural reform toward carbon neutrality together with member companies through the four initiatives of voluntary emission trading (implementation), market rule formation (co-creation), business opportunity creation (dialogue), and "GX studios" (exchange). "GX" is an abbreviation for "green transformation."

I Conservation of Water Resources

Water is essential in automobile manufacturing processes such as cooling (e.g. cooling furnaces in casting), dilution (diluting the mother liquor used for cutting and cleaning in the machining process), and cleaning (e.g. cleaning of vehicle bodies in the painting process). In preparation for potential risks and concerns in future such as water resources depletion and rising water prices, Mazda aims to realize initiatives for the recycling and circulation of water resources at model plants*⁹ in Japan by 2030. By 2050, Mazda aims to realize this initiative in our global production processes.

[Environmental data \(Greenhouse Gas Emissions of Scope 1, Scope 2, and Scope 3 for data from FY March 2024\) >](#)

[Environmental data \(Water Consumption for data from FY March 2024\) >](#)

I Major Metrics and Targets Global Warming

Global Warming Response

Products	Target: Achieving carbon neutrality by 2050 Medium-term metrics in 2030: EV ratio (Expecting 100% of Mazda global sales vehicles will be electrified and the EV ratio will be 25–40% in 2030)
Manufacturing	Target: Achieving carbon neutrality at Mazda's global factories by 2035 (Interim target in FY 2030: Reduce Mazda's non-consolidated CO ₂ emissions by 69% compared to 2013) Metrics: Factory's decarbonization progress ratio

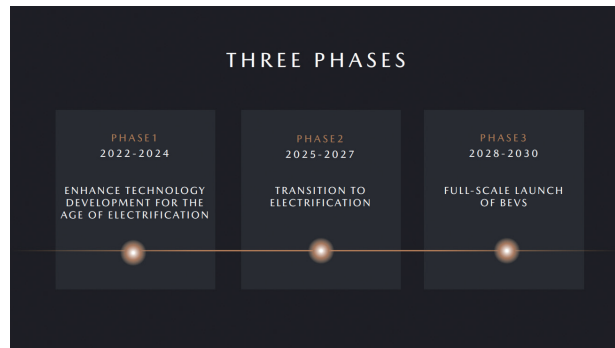
Conservation of Water Resources

Manufacturing	Target: Reducing water intake by entire Mazda Group companies in Japan by 38% in 2030 compared with 2013 Metrics: Water intake reduction ratio
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Scope1 & 2 Target of Mazda's own sights
(Registered as GX League)

Fiscal year	Emissions (1,000 ton)	Reduction ratio (%)
2013 (base year)	854	-
2025	625	▲27
2030	266	▲69

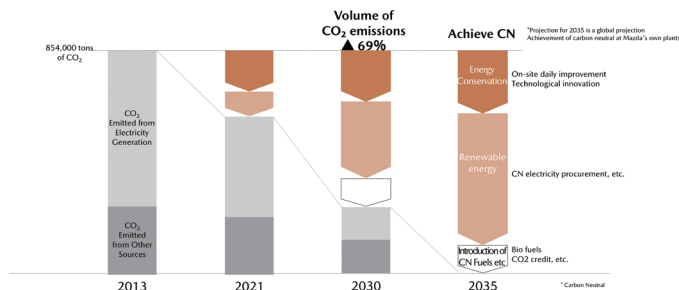
Addressing Global Warming: Product Area



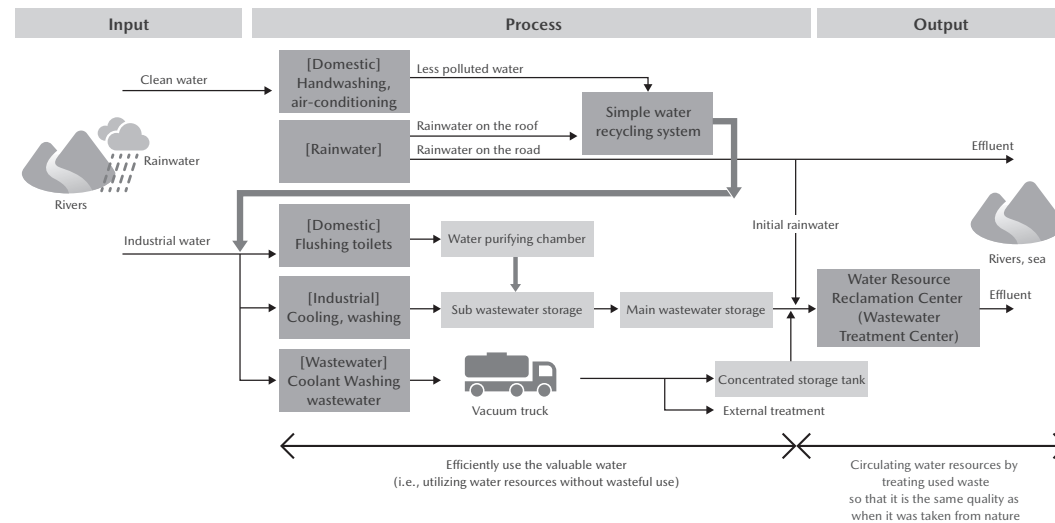
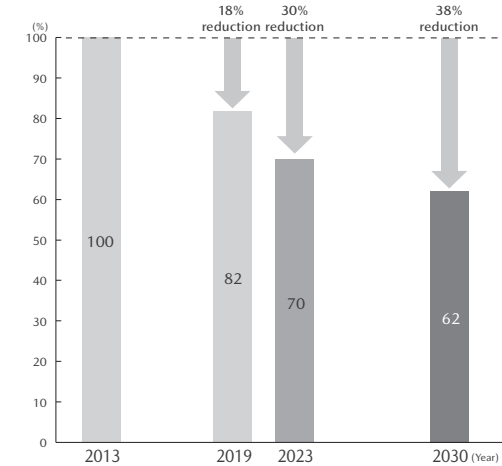
Building Block Concept for Product Technologies



Addressing Global Warming: Manufacturing Area



Conservation of Water Resources



PROMOTING RESOURCE CIRCULATION

Approach (Materials)

Basic Approach (Materials)

Mazda aspires to be a company that coexists in harmony with the planet and is committed to exhaustive resource recycling and waste reduction measures. Development-related resource recycling measures include the promotion of the 3Rs (reduce, reuse, and recycle) and circular economies for a perspective encompassing the entirety of automobile life cycles. Meanwhile, the Company will advance initiatives in production, logistics, and other areas to contribute to the realization of a recycling-oriented society from a well-to-wheel perspective and global and supply chain perspective with a view of the entirety of the automobile supply chain.

Goals (Materials)

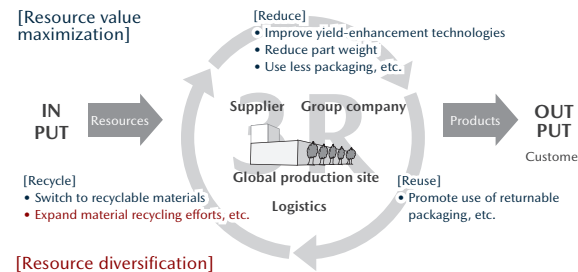
Goal

The Mazda Group continues to expand its global efforts to achieve zero emissions and recycle resources through such means as efficiently using resources to prevent waste and promoting the 3Rs + Renewable.

2030	2050
Achieve zero emissions in manufacturing and logistics processes on a global basis. <ul style="list-style-type: none"> The status in which landfill waste is reduced to 0.1% or lower of the total waste generated. The Mazda Group companies in Japan achieved zero emissions in 2018 	Achieve zero emissions through expanded resource recycling initiatives in manufacturing and logistics processes on a global basis. <ul style="list-style-type: none"> Break away from dependence on thermal recycling and other combustion-based recycling methods Expand material recycling

Vision

[Resource value maximization]



[Resource diversification]

Initiatives (Materials)

Product and Technology Development

Product Development and Design with Consideration for Recycling Needs

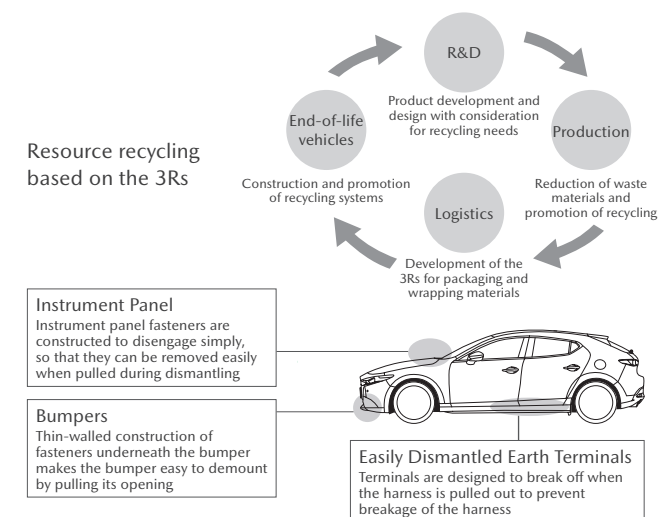
Many limited resources, such as steel, aluminum, plastics, and rare metals, are used to manufacture vehicles. Mazda is incorporating 3Rs design into all vehicles currently under development to increase the recyclability of its new vehicles.

[Specific Initiatives]

- Research into vehicle design and dismantling technologies that simplify dismantling and separation to make recyclable parts and materials easier to remove
- Use of easily recyclable plastics, which constitute the majority of automobile shredder residue (ASR)* by weight

* ASR refers to the residue remaining after the crushing or shredding of what is left of the vehicle body (following the removal of batteries, tires, fluids, and other parts requiring appropriate processing as well as the removal of engines, bumpers, and other valuable parts) and separating and recovering metals.

Resource recycling based on the 3Rs



Expanded Adoption of Biomaterials

Mazda has been proactively developing plant-derived biomaterials which have the potential to help reduce environmental impacts by curbing the use of fossil fuels and CO₂ emissions. In 2006, the Company became the first in the automotive sector to develop high heat-resistant, high-strength bioplastic for vehicle interior parts. In 2007, Mazda succeeded in the development of the world's first*¹ biofabric for vehicle seat covers made with completely plant-derived fibers. In 2014, bio-based engineering plastic*² suitable for use in vehicle exterior parts was developed by the Company. Mazda is currently expanding its adoption of this material.

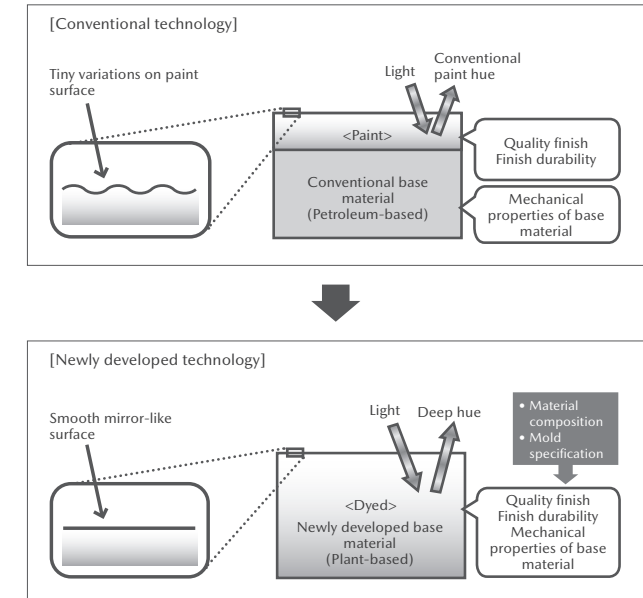
*¹ As of September 2007; according to Mazda data

*² Bio-based engineering plastic was developed by Mazda Motor Corporation in collaboration with Mitsubishi Chemical Corporation.

Technology Development Initiatives Related to Bio-Based Engineering Plastics

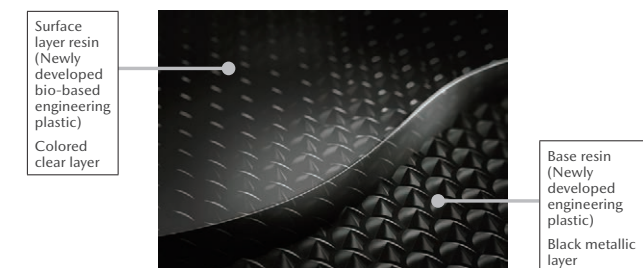
- 2014: Mazda developed bio-based engineering plastic featuring a high-quality finish without painting. By developing paint-less technology for interior and exterior parts taking advantage of the characteristics of this material, the Company not only secured the excellent environmental performance of the material but also achieved a high-quality finish that could not be achieved with conventional paint, thereby contributing to environmental protection while reducing production cost by eliminating the painting process.
- 2017: Mazda developed materials suitable for making large, intricately shaped exterior parts, such as front grilles, and optimized the die specifications in order to substantially enhance the formability of these parts. In 2020, the Company received the Award for Science and Technology (Development Category) of the 2020 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology for the development of the aforementioned bio-based engineering plastic.
- 2018: Mazda developed a new technology for two-layer molding of pattern designed bio-based engineering plastic, which enables the molding of a transparent surface layer and a base layer with a pattern-engraved surface, both of which are made of eco-friendly bio-based engineering plastic. The new technology reduces environmental impacts while making it possible to provide elaborate shaded patterns of deep color, which was not possible with the prior technology. In 2021, the Company received the Aoki Katashi Innovation Award from the Japan Society of Polymer Processing for the development of the aforementioned new technology for two-layer molding of pattern designed bio-based engineering plastic.
- 2023: Mazda received a METI Minister's Prize at the Ninth Monodzukuri Nippon Grand Awards.

Paint-Less Technology for Interior and Exterior Parts Taking Advantage of Bio-Based Engineering Plastic (Developed in 2014)



New Technology for Two-Layer Molding of Pattern Designed Bio-Based Engineering Plastic (Developed in 2018)

Surface View of New Technology for Two-Layer Molding of Pattern Designed Bio-Based Engineering Plastic



Production and Logistics

Production Materials: Maintenance of Zero Landfill Waste Status and Reduction of Waste

To reduce landfill waste at its four principal domestic sites* to zero, Mazda is promoting reductions in the volume of manufacturing by-products and waste, more rigorous sorting of waste, and recycling. The Company was thereby able to achieve zero landfill waste, and it has maintained this status from FY March 2009 to FY March 2024. The Company has also been recycling materials to ensure that packaging materials used in the vehicle and transmission assembly processes can be reused as raw materials through stricter sorting of packaging by material and quality. Furthermore, Mazda has been proactively utilizing recycled materials for the plastic pallets used to transport parts overseas. Currently, the Company is examining the possibility of reusing plastic waste generated at its plants as a recycled material for the production of plastic pallets, which is anticipated to further reduce the amount of waste generated.

[Statistics from FY March 2024]

Reduction in total amount of waste generated of 84% in comparison to FY March 1991

[Environmental data \(Amount of landfill waste, amount of recycled materials, recycling ratio \) >](#)

* Headquarters (Hiroshima); Miyoshi Plant; Hofu Plant, Nishinoura District; and Hofu Plant, Nakanoseki District (including non-manufacturing areas such as product development)

Logistic Materials: Reduction of Volume of Packaging and Wrapping Materials

Mazda is moving forward with 3Rs initiatives including using returnable containers, simplifying packaging specifications, and recycling materials. In regard to the transportation of repair parts in Japan and overseas and the export of parts to overseas factories, coordination was promoted between departments in five areas—development, production, procurement (purchasing), logistics, and quality—in FY March 2017 to optimize parts procurement and vehicle manufacturing from the stage of product development and to establish strong cooperation with the supply chain. These efforts resulted in reduced volumes of packaging and wrapping materials and an increased packaging filling rate. In FY March 2024, we continued to promote coordination between these departments to improve the packaging filling rate for some parts and to reduce the volumes of packaging and wrapping materials. Mazda will continue promoting and expanding activities through coordinated efforts between different departments so as to reduce the consumption of materials.

[Statistics from FY March 2024]

Reduction in volumes of packaging and wrapping materials used of 18.9% in comparison to FY March 2020

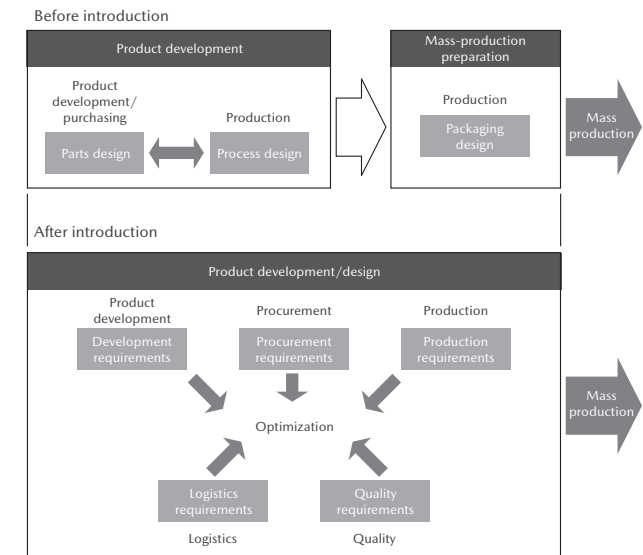
As for repair parts for overseas, the Company continues to expand the application of large-size returnable containers with the aim of increasing the container filling rate. For the parts exported to overseas assembly plants, the Company is now expanding its introduction of new standard containers for parts to be transported in containers from Japan. This makes it possible to eliminate the empty space inside of containers. By improving the filling rate inside of containers from 70% to 90%, the Company looks to reduce the number of containers and the number of transportation truck services used, thereby contributing not only to the reduction of the use of packaging and wrapping materials but also to the reduction of CO₂ emissions. As of March 31, 2024, we had nearly completed introduction of the new standard containers at factories in the United States, China, Mexico, and Thailand. The Company is planning to expand the introduction of the new standard containers to achieve further reductions.

[Statistics from FY March 2024]

- Reduction of approximately 224 tons in use of packaging and wrapping materials through shift to returnable containers

[Environmental data \(Consumption of wrapping and packaging materials\) >](#)

Overview of Coordinated Initiatives



Introduction of Returnable Containers



Collection and Recycling of Vehicles and Parts

Almost all materials used in vehicles can be recycled. Implementing thorough recycling and waste reduction initiatives to ensure that limited resources are used effectively, Mazda promotes efforts to contribute to the realization of a recycling-oriented society.

Measures in Response to Japan's Act on Recycling of End-of-Life Automobiles

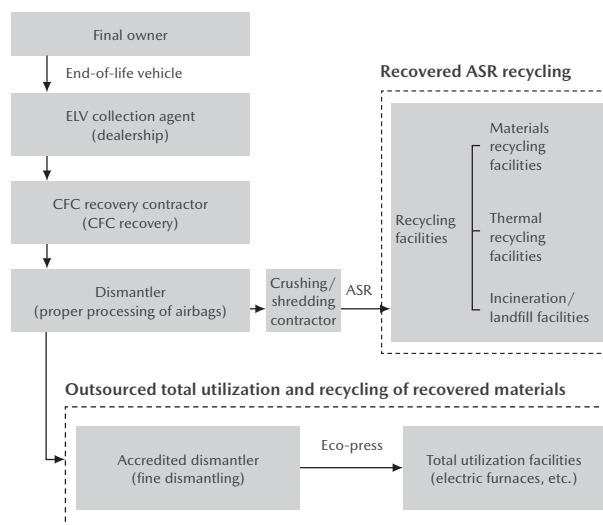
Mazda properly processes three designated items in accordance with the Act on Recycling of End-of-Life Automobiles (chlorofluorocarbons, airbags, and ASR). In addition, the Company is actively working to recycle these items through unique technologies and measures. In regard to ASR, Mazda is working through the Automobile shredder residue Recycling promotion Team (ART), a consortium of 12 companies including Mazda, Nissan Motor Co., Ltd., and Mitsubishi Motors Corporation, to comply with the law and achieve progress in the reuse of resources.

The Company also promotes recycling at dealerships. Dealerships collect vehicle recycling fees at the time of sale of new vehicles and collect end-of-life automobiles from their final owners in order to transfer them to disposal processing companies. As for recycling fees, the Company reviewed its fee calculation standard for new models launched in 2012. The new fee standard is applicable to the Company's new models released after that. Based on predictions of future recycling trends, the Company will continue to push forward with its recycling business in such a way to ensure a balance between revenue and expenditures over the medium to long term.

The Act on Recycling of End-of-Life Automobiles was revised in February 2012 to include lithium-ion batteries (LiBs) and nickel-metal hydride (NiMH) batteries as items for advance collection before dismantling of end-of-life automobiles. Mazda is committed to collecting LiBs installed in vehicles launched in and after October 2012 through the LiB Joint Collection System of Japan Auto Recycling Partnership, Ltd. The Company also independently collects NiMH batteries installed in the Axela (Mazda3 overseas) Hybrid (launched in November 2013). Moreover, Mazda publishes the disposal work procedure guidelines on its website and promotes appropriate disposal to ensure that the relevant business operators can safely recycle vehicles using LiBs and NiMH batteries as well as those equipped with deceleration energy regeneration system capacitors.

[Initiatives related to the Act on Recycling of End-of-Life Automobiles >](#)
(in Japanese only)

End-of-Life Vehicle Recycling Process



Resource Recycling Results in FY March 2024

Number of vehicles from which ASR is collected		114,054 units
Number of vehicles from which airbags are collected		110,363 units
Number of vehicles from which fluorocarbon is collected		108,118 units
Recycling ratio	ASR	96.7%
	Airbags	97.1%
Recycling ratio for ELVs*		More than 99%
Total contracting deposits received		1,399,396,891 yen
Total expenses for recycling		1,363,281,529 yen

* Recycling ratio for ELVs is the recycling ratio in dismantling/shredder processes of around 83% (cited from the May 2003 joint council data), plus the remaining ASR ratio of 17% multiplied by the ASR recycling rate for the relevant fiscal year.

[Status of resource recycling initiatives >](#) (in Japanese only)

ASR and Japan's Act on Recycling of End-of-Life Automobiles

Disposed vehicles consist of about 80% useful metals and about 20% automotive ASR that includes resin. Useful metals are recycled in cooperation with metal recycling-related companies such as dismantlers, crushing and shredding contractors, and steel manufacturers. ASR, which used to be disposed by landfill, is now subject to the Act on Recycling of End-of-Life Automobiles, which was enacted in January 2005. This law was instituted in response to the rise in the risk of illegal dumping of end-of-life automobiles on the back of a surge in disposal costs due to overstrained final landfill sites and low iron scrap prices. Following the enactment of this law, car manufacturers are responsible for recycling chlorofluorocarbons, which lead to global warming and ozone depletion; airbags, which require specialist knowledge for disposal; and ASR using recycling fees deposited by final owners of end-of-life automobiles.

Recycling of End-of-Life Automobiles Overseas

Mazda is committed to the recycling of end-of-life automobiles overseas in accordance with the laws in each country and region through efforts centered on local distributors. In countries planning to implement recycling-related laws, Mazda is preparing to respond in cooperation with the distributors in these countries. For vehicles equipped with LiBs and capacitors, the Company publishes disposal work procedure guidelines on its website and promotes appropriate disposal, as is also done in Japan, to ensure that the relevant business operators are able to safely dispose of these vehicles.

[Website detailing Mazda's efforts with regard to recycling of end-of-life automobiles overseas >](#)

Europe

Based on EU directives, Mazda Motor Europe GmbH provides dismantling manuals to recycling contractors when introducing new models and has established a network to collect used vehicles from their final owners free of charge in cooperation with local distributors.

China

In accordance with a law enacted in January 2015, local manufacturers are managing substances with environmental impact and developing dismantling manuals.

Collection and Recycling of Used Parts in Japan

Mazda conducts ongoing efforts to collect damaged bumpers replaced through repairs so they can be recycled as plastic materials for use in new vehicle bumpers and other items.

- Recycling of damaged bumpers: Mazda collects bumpers removed for repairs at dealerships throughout Japan and recycles them for reuse as plastic parts (new vehicle bumpers, undercovers, etc.).

[Statistics from FY March 2024]

- Collection of 43,889 damaged bumpers to be recycled

[Environmental data \(Parts recycling statistics\) >](#)

Approach (Water)

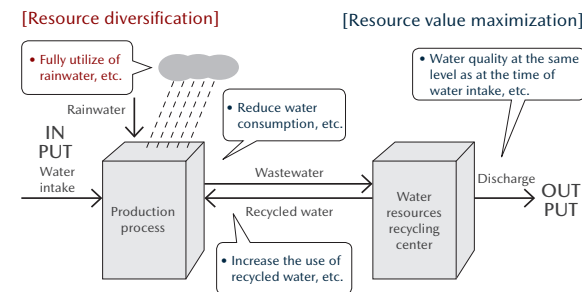
Basic Approach (Water)

To conserve water resources, the Mazda Group promotes activities to eliminate wasteful water use and circulate water resources by treating used water so that it is the same quality as when it was taken from nature.

2030	2050
Implement an optimal approach to water resources recycling and circulation at a model plant* in Japan. <ul style="list-style-type: none"> • Fully utilize water without any waste as a valuable resource that is a natural blessing. • Circulate water as a valuable resource that is a natural blessing by treating used water so that it is the same quality as when it was taken from nature. 	Implement an optimal approach to water resources recycling and circulation in global manufacturing processes. <ul style="list-style-type: none"> • Fully utilize water without any waste as a valuable resource that is a natural blessing. • Circulate water as a valuable resource that is a natural blessing by treating used water so that it is the same quality as when it was taken from nature.

* Model plant: A pilot plant where new attempts are made, ahead of other facilities.

Vision



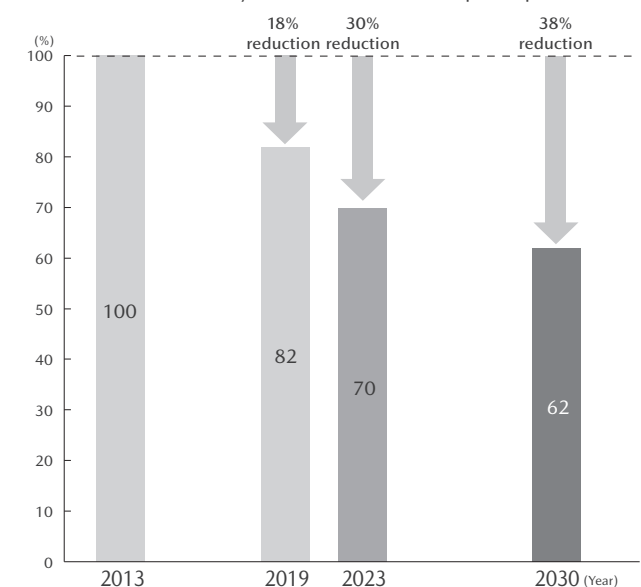
Goals (Water)

Goals

To guide its water resource reuse and recycling initiative at a domestic model plant, the Company has set a target of reducing water intake by the entire Mazda Group in Japan by 38% in 2030 compared with 2013 levels. In order to achieve this target, the Company aims to reduce the annual water use by 2%. In addition, the Company promotes the further use of rainwater and recycled water.

[Environmental data \(Water intake and Wastewater\) >](#)

Water intake amount by domestic Mazda Group companies



Initiatives (Water)

Water Resource Preservation

By clarifying inputs, processes, and outputs involving water resources in its business activities, Mazda is promoting initiatives to efficiently use these valuable resources (i.e., utilizing water resources without wasteful use). We thereby seek to minimize water usage and circulating water resources by treating used water so that it is the same quality as when it was taken from nature. To advance these initiatives, the Water Resource Group* was established consisting of members in charge of water resource conservation. Six major themes have been defined for the activities of this group: (1) Elimination of wasteful use, (2) Reduction, (3) Reuse, (4) Recycling, (5) Utilization of rainwater, water sludge, and waste fluid, and (6) Building of communities and systems and development of human resources. Moreover, the group is divided into two teams that are tasked with analyzing current conditions and responding to issues identified during said analyses. The Water Resource Group has also started sharing information on initiatives at domestic plants with overseas plants as well as supporting overseas plants' efforts to address relevant issues.

- **Recycling and Circulation Team:**
Studies models in the field of wastewater treatment and reviews models and implements trials in the field of water intake
- **Use Reduction Team:**
Introduces models and introduces results of trials reviewed by the Recycling/Circulation Team at plants

* The Water Resource Group is a working group affiliated with the Business Site Environment Committee, an organization that examines and promotes environmental protection methods in manufacturing and logistics and measures for reducing environmental impacts throughout the entire supply chain.

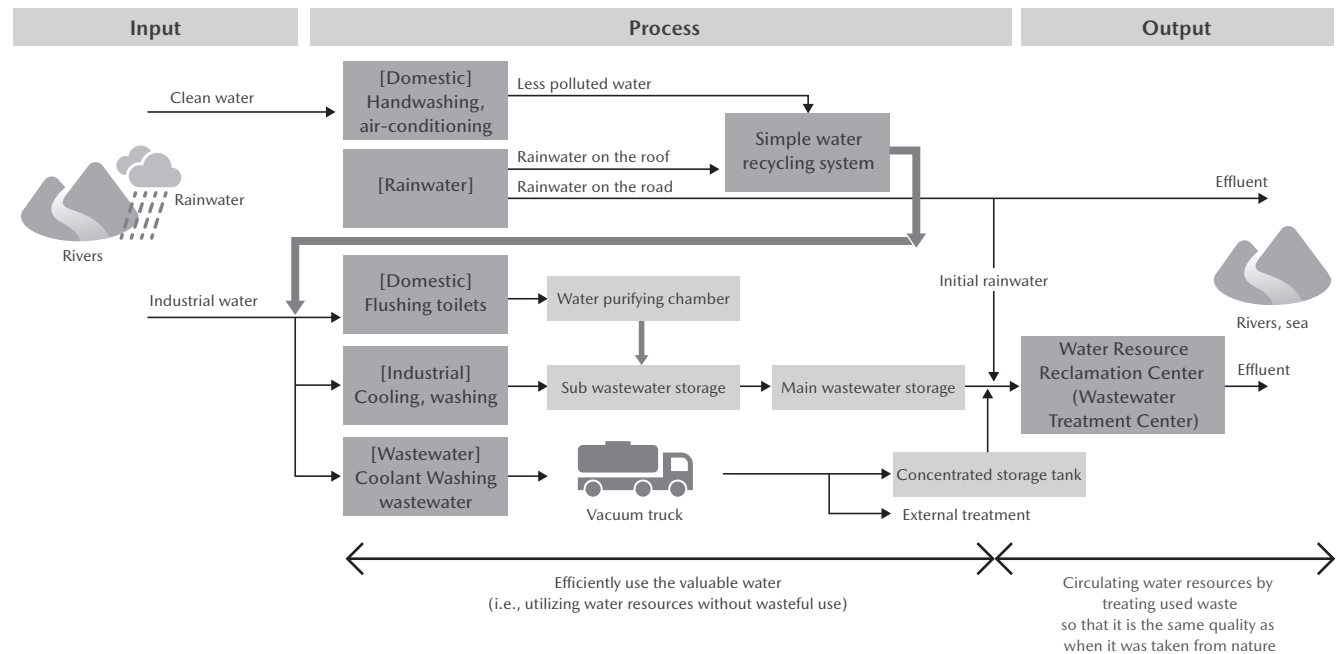
Examples of Initiatives for Efficient Use of Water Resources

[Appropriate Use and Reuse]

- **Appropriate drainage of cooling towers:**
Prevention of overflows caused by excessive water supply and reuse of less-polluted water in circulation without draining in accordance with internal standards
- **Conservation of toilet flushing water:**
Installation of sensor on toilets that allow flushing only when the sensor detects the presence of the user
- **Efficient use of water for vehicle body cleaning processes at painting facilities:**
Efficient use of water in cleaning processes through management of electrical conduction and utilization of bacteria removal devices so that cleaning process water can be reused

[Recycling of Wastewater and Utilization of Rainwater]

Recycling of less-polluted water, such as hand washing water and air conditioning drainage, through simple recycling systems so that it can be used together with stored rainwater for flushing toilets, watering green spaces, and other applications at Mazda sites



ENVIRONMENTAL MANAGEMENT

Approach

Basic Approach

In order to promote environmental initiatives within Mazda's scope of certification, the Company has developed the following environmental policy.

Mazda Environmental Policy

Basic Policy

Through business activities that coexist with the society and local community, we will realize the carbon-neutral and recycling-oriented society.

Action guidelines

- (1) Mazda will strive to recycle resources, reduce energy consumption, introduce renewable energy, and conserve biodiversity.
- (2) Mazda will promote the use of environmentally friendly products and services by providing products and services whose life cycle was considered.
- (3) Mazda will not only comply with environmental laws and regulations, but also consider the environmental impact of its corporate activities on local communities and society and ensure the comfortable environment of the society in the future.
- (4) Mazda will raise the environmental awareness of each employee and contribute to the realization of a sustainable society through the Company's entire corporate activities, while placing importance on the appropriate disclosure of information and mutual communication.

Initiatives

Initiatives of Environmental Management Systems

I Establishment of Environmental Management Systems

Mazda is promoting the establishment of environmental management systems (EMS) across its entire supply chain and in all Group companies. The purpose of the EMS is to carry out more environmentally conscious business activities in a more effective manner, based on ISO 14001 and other standards.

[Statistics from FY March 2024]

- Acquisition of ISO 14001 certification by Mazda and 14 of 15 Group manufacturing companies in Japan and overseas
- Promotion of receipt of certification under EcoAction 21 (EA21),* an EMS, by domestic automobile sales companies; completion of certification by 15 sales companies and at Mazda Chuhan Co., Ltd.; promotion of certification at owner-managed dealerships resulting in acquisition of certification at a total of 119 dealerships comprised of 24 dealerships for the Mazda/Mazda Enfini sales channel, 94 dealerships for the Mazda Autozam sales channel, and Mazda Chuhan (as of the end of March, 2024)

* EA21 is a simplified EMS established by the Ministry of the Environment, for application at companies of various scales, such as small to medium-sized companies.

List of ISO 14001-Certified Production and Business Sites

Domestic production / business sites

Hiroshima district	Hiroshima Plant	June 2000
	Miyoshi Plant	
Hofu Plant	Nishinoura district	September 1998
	Nakanoseki district (Expand)	September 1999
Tokyo Headquarters		September 2016
Mazda R&D Center Yokohama		
Proving Ground (Mine, Kenbuchi and Nakasatunai)		
Osaka Corporate Sales Office		

Four domestic consolidated group companies (excluding sales companies)

Mazda E&T Co., Ltd.*1	June 2000
Mazda Ace Co., Ltd.*1	June 2000
Mazda Logistics Co., Ltd.*1	June 2000
Kurashiki Kako Co., Ltd.	December 2001

Four domestic equity-method group companies

Toyo Advanced Technologies Co., Ltd.*2	June 2000
Japan Climate Systems Corporation	May 2000
Yoshiwa Kogyo Co., Ltd.	April 2002
MCM Energy Service Co., Ltd.*3	June 2008

Overseas production site

AutoAlliance (Thailand) Co., Ltd.*4	May 2000
Changan Mazda Automobile Co., Ltd.*4	December 2008
Changan Mazda Engine Co., Ltd.*4	February 2009
Mazda de Mexico Vehicle Operation*5	December 2014
Mazda Powertrain Manufacturing (Thailand) Co., Ltd.*5	November 2016

*1 Some or all of the organizations at each of the companies above acquired ISO 14001 certification in the certification scope of Mazda.

*2 The company was ISO 14001 certified in the certification scope of Mazda. As a separate business facility, the company individually acquired the certification in March 2016. As a separate company, however, the company acquired re-certification in April 2017, resulting in the exclusion of the company from the certification scope of Mazda.

*3 Although the company was inside the certification scope of Mazda, it acquired the certification on its own in March 2013.

*4 Equity-method group company

*5 Consolidated group company

I Promotion of Green Purchasing

With the aim of reducing environmental impact throughout its entire supply chain, Mazda established the Mazda Green Purchasing Guidelines and takes action in accordance with these guidelines. These guidelines require all of its suppliers worldwide to undertake measures to reduce their impacts on the environment at all stages, spanning from product development to manufacturing and delivery. The guidelines also make it clear that Mazda will give preference in purchasing to suppliers who implement such environmental measures. Moreover, under the guidelines, Mazda asks suppliers to formulate and enact road maps for reducing their CO₂ emissions. The Company has received such CO₂ emissions reduction road maps from local and major suppliers, and collaborative efforts toward carbon neutrality are underway. Mazda also requires suppliers of parts, materials, and industrial equipment and tools to obtain and maintain ISO 14001 certification and to reduce the amount of greenhouse gas emissions generated through their corporate activities. In addition, the Company promotes environmental activities in collaboration with its suppliers by providing them with information and other assistance. Presently, all major suppliers involved in Mazda vehicle development and manufacturing have acquired ISO 14001 certification.

[Statistics from FY March 2024]

- Rate of 100% for maintenance of ISO 14001 certification among 500 new and continuing major suppliers around the world (as of March 31, 2024)
- Requests for EMS development in accordance with the Mazda Green Purchasing Guidelines issued to secondary suppliers and subcontractors through primary suppliers

I Status of Implementation of Environmental Audits

To confirm that EMS, such as ISO 14001 and EA21, are functioning effectively, both internal audits and external audits are carried out annually at Mazda and all Group companies, both in Japan and overseas, that have obtained certification. The results of internal audits and external audits are reported to senior management, and any problems are swiftly and appropriately rectified.

EMS Audit Results on ISO 14001

Mazda Motor Corporation

	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024
Serious noncompliance issues	0	0	0	0	0
Minor noncompliance issues	0	0	0	1	0
Observation issues	6	5	5	8	6

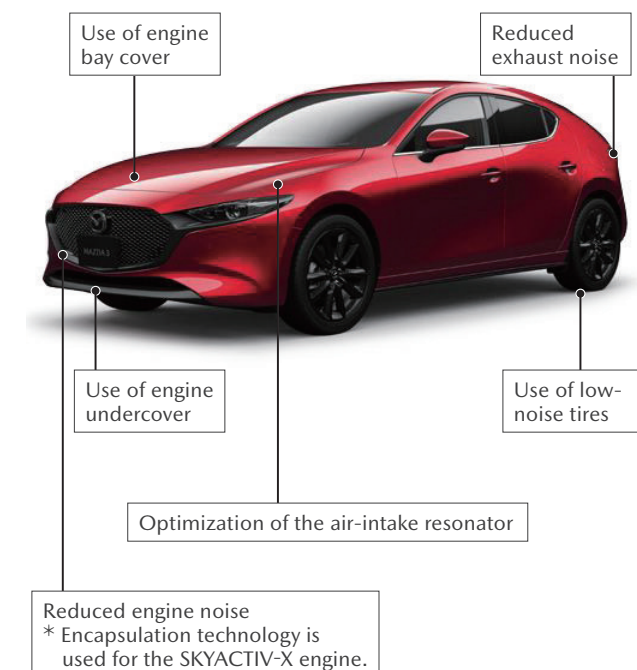
I Eliminating Sensory Pollution

Sensory pollution comprises noise, vibration, and odors that have a sensory or psychological impact on people. Mazda recognizes that clearing legal regulations may not be enough to prevent noise, vibration, and odors from annoying neighborhood residents. For this reason, the Company is systematically stepping up measures to alleviate the causes of such pollution, as well as measures to improve noise insulation and odor removal.

Reduction of Vehicle Noise

Mazda has established its own noise standards which are even stricter than the most recent legal requirements. In compliance with the above in-house standards, the Company has been working to reduce the road traffic noise of all the passenger vehicles and commercial vehicles it produces. The Company has also been actively addressing the development of technologies to reduce the three major vehicle noises: engine noise, air intake and exhaust system noise, and tire noise.

Example of Anti-Noise Measures (Mazda3)



Environmental Risk Management

Environmental Monitoring

Drills are conducted at individual plants and offices to prepare to respond to accidents that adversely affect the natural environment, while environmental monitoring, including monitoring of air and water pollution, is also conducted regularly.

(FY March 2024)

Environmental monitoring item	Target of monitoring	Items monitored	Monitoring frequency
Air quality	Boilers, melting furnaces, heating furnaces, drying furnaces, etc.	5 items: sulfur oxides, nitrogen oxides, soot, volatile organic compounds, hydrogen chloride	Around 280 times per year
Water quality	Treated wastewater	43 items: cadmium, cyanide, organic phosphorus, lead, hexavalent chromium, etc.	Around 1,700 times per year
Noise and vibration	Site boundaries	2 items: noise level and vibration level	12 times per year
Odor	Site boundaries and other locations	1 item: odor index	12 times per year
Waste products	Slag, sludge, scrap metal, etc.	25 items: cadmium, cyanide, organic phosphorus, lead, hexavalent chromium, etc.	Around 100 times per year

Legal Violations and Complaints

The Company is taking appropriate actions and is implementing measures to prevent recurrence.

(FY March 2024)

	Mazda Motor Corporation		Group Companies		
	Number of incidents	Details and response	Number of incidents	Details	Response
Legal violations	0	-	1	Non-compliance with drain water standards	Carried out maintenance.
Complaints	0	-	1	Noise and vibration during building demolition	Held of a briefing session for the neighbors. There is no complains at this time as the building demolition has been completed.

*Boundary: Mazda and its Group companies

Environmental Education and Education Programs

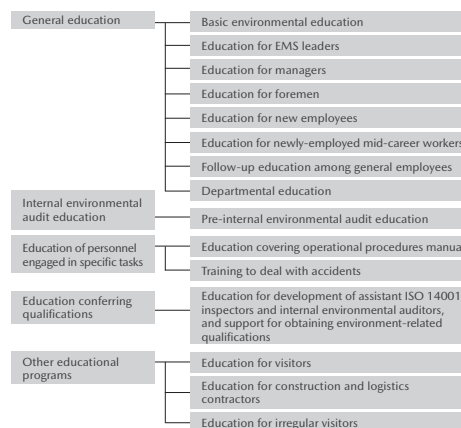
As part of its EMS, Mazda conducts environmental education—covering topics such as environmental issues, trends inside and outside Japan, the Company's environmental initiatives, and environmental conservation activities at different workplaces—for all employees once a year, and for EMS leaders twice a year. The Company also encourages employees to obtain environment-related public qualifications and offers support for employees working toward these qualifications, including financial support through the Mazda Flex Benefit System.*

* The Mazda Flex Benefit System is a selective benefit system. Individual employees can seek the type of assistance that most suits them by choosing from a number of preset benefit options within the scope of allocated points.

Qualifications that Employees Are Encouraged to Obtain:

- Energy attorney
- Head supervisor of pollution control
- Supervisor of air and water pollution control (Class 1 to 4)
- Supervisor of noise- and vibration-related pollution control
- Supervisor of dust and particulate pollution control (Specified, General)
- Supervisor of dioxide pollution control
- Special managing supervisor in charge of industrial waste disposal
- Environmental Society Test (Eco Test)
- EMS inspector
- Internal environmental auditor
- Environmental measurer
- Construction environment hygiene control engineer

Environmental Education Structure



Routine Environmental Activities

Employees are working on environmentally friendly initiatives through their individual daily tasks.

Reduction of Paper Use

Mazda makes ongoing efforts to considerably reduce the amount of paper used for office work through the digitization of documents, ledger sheets, and other forms as well as through the use of projectors and monitors at meetings. In addition, the Company is promoting recycling through exhaustive waste sorting.

Energy Use Reduction

Through regular initiatives, including purchasing of low-power consumption office equipment and furniture and turning off lights and computers when they are not in use, Mazda is working to reduce energy use. In addition, the Company encourages offices and factories to turn off half of the lights during lunch breaks as a continuous measure. Furthermore, the Company implements a “Cool Biz” program during the summer season every year, setting internal room temperatures at 28°C (82.4°F) on a standard basis. During the winter season when electricity consumption is particularly high, the Company implements a “Warm Biz” program, setting internal room temperatures at 20°C (68°F) on a standard basis.

Eco-Walk Commuting Program

In order to raise employees' environmental consciousness and encourage them to take better care of their health, employees who walk two kilometers or more as part of their daily commute to work are rewarded with an addition of 1,500 yen per month to their commuting allowance.

Mazda Light-Down Campaign

To raise environmental awareness, Mazda and domestic Group companies participate in the Mazda Light-Down Campaign, in which they turn off their signboards and indoor lighting.

[Statistics from FY March 2024]

- Lighting shut off for two hours from 20:00 to 22:00 on June 21 (summer solstice) and July 7 (*Tanabata* star festival in Japan)
- Reduction of 12 MWh in electricity use and approximately five tons in CO₂ emission

For details on the Mazda Light-Down Campaign, please see [Mazda Light-Down Campaign Achievements in FY March 2024](#) > (in Japanese only).

Environment-Related Accident Prevention Activities

Campaign for Oil Spill Prevention and Traffic Safety

Together with Mazda Logistics Co., Ltd. and several truckload transportation companies, Mazda Motor Corporation conducts an awareness-raising campaign to prevent oil spills on roads during vehicle delivery and improve traffic safety awareness. In this campaign, which is held twice a year, awareness-raising leaflets are distributed to drivers of delivery trucks to the Hiroshima Plant and the Hofu Plant. In doing so, the Company strives to improve such drivers' awareness of the environment and safety and create a system to ensure that employees can make a quick and appropriate response in the event of an accident. As part of its efforts to prevent oil spills from occurring, Mazda has established a record system* that consolidates databases on the maintenance status of each vehicle and information on past environmental defects and presents this information in a visual format. The system began operation in March 2021, and introduction of the system had been completed at all participating truckload transportation companies as of March 31, 2024. Going forward, the Company will strive to utilize this system as an effective tool for preventing oil spills.

* The record system entails integrated management of various transportation vehicle information in the possession of truckload transportation companies to allow for alert messages to be sent to these companies as necessary. Information recorded by this system includes vehicle models, registration dates, travel distances, and date of legally mandated and annual inspections and maintenance.



Awareness raising fliers being distributed

PREVENTION OF POLLUTION

Approach

Basic Approach

Automobile manufacturers are aspiring to reduce exhaust gas emissions and improve the fuel efficiency of vehicles, both of which are tasks related to the natural environment and our everyday lives, and to help protect the safety and security of society while complying with relevant regulations. Mazda is also committed to ensuring that it can continue to coexist with a bountiful, beautiful earth into the future, and we are advancing ongoing initiatives to develop exhaust gas reduction technologies and lower usage of chemical substances in order to achieve this goal.

Initiatives

Cleaner Emissions

Cleaner Gas Emissions

Mazda is committed to mitigating air pollution from exhaust gas. To this end, the Company is actively developing low-emissions vehicles and launching vehicles that comply with the emissions regulations of the respective countries and regions.

Emissions Reduction Technologies

Mazda pays attention to global movements toward tighter control of exhaust emissions and fuel economy, market expansion due to rapidly growing emerging countries, and depletion of scarce resources. The Company has developed its unique high-performance, three-way catalytic converters and soot (particulate matter) oxidation catalyst, which it uses to reduce the use of precious metals and help to clean exhaust gases.

Latest Emissions Reduction Technologies

Gasoline engines

Mazda uses a system based on a three-way catalytic converter to clean emissions from both its conventional 2.5-liter straight-4-cylinder engine and its 3.3-liter straight-6-cylinder gasoline turbo engine. Combined with improved fuel control technologies that increase the speed at which the catalyst activates after starting or restarting the engine, this system enables Mazda to clear the strict emissions regulations of different countries and regions, including the super-ultra-low-emission vehicle 30 (SULEV30) regulations of the United States.

Diesel engines

To clean emissions from its 3.3-liter straight-6-cylinder diesel turbo engine, Mazda uses a system based on oxidation catalysts that also utilizes ceramic filters able to catch, collect, and clean soot. Making use of a proprietary distribution-controlled partially premixed compression ignition (DCPCI) technology developed in pursuit of ideal combustion conditions, as well as larger displacement, this affordable system does not require a nitrogen oxide (NOx) purification catalyst to achieve clean emissions that easily clear Japan's Real Driving Emission (RDE) regulations.

Chemical Substance Management

Proper Management of Chemical Substances and Heavy Metals

Mazda publishes Management Standards for Environmentally Hazardous Materials specifying substances and heavy metals for which use in parts and materials that it purchases is subject to restrictions (prohibited substances and substances for which reporting is required) as part of its efforts to properly manage the use of such hazardous materials.

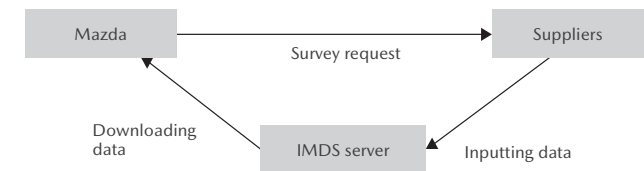
Collection and Management of Automotive Parts Materials

Mazda is working across its entire supply chain to appropriately manage the use of environmentally hazardous materials, such as lead, mercury, hexavalent chromium, and cadmium. As part of this process, the Company gathers information on the materials from suppliers using a standardized international material data system (IMDS).

Measures Related to Application of the IMDS

- The Company has developed and published a guideline that helps suppliers to correctly input IMDS data.
- The data gathered through the IMDS is used to calculate the Company's vehicle recycling rate and to comply with various regulatory regimes for chemical materials, such as Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) in Europe.

How IMDS Works



Reduction of VOCs in Vehicle Cabins

To maintain a comfortable cabin environment, Mazda is committed to reducing the use of volatile organic compounds (VOCs) such as formaldehyde, toluene, and xylene, which have been implicated as possible causes of sick building syndrome.

- In new models, starting with the Demio launched in 2007 (named the Mazda2 overseas at time of launch in 2007), Mazda is reducing VOCs in the main materials used in the cabin, such as plastics, paints, and adhesives, thereby conforming with the indoor aerial concentration guidelines established by Japan's Ministry of Health, Labour and Welfare. (The CX-60, introduced in FY March 2023, followed the same guidelines.)

Adoption of Fuels that Reduce Environmental Burdens

Mazda is continuing efforts to reduce the emission of sulfur oxides (SOx), NOx, dust and soot, fine particles, vapors, and VOCs. In addition, the Company is shifting from the use of fuel oil to the use of city gas for fuel and making other efforts to actively adopt materials that reduce its environmental burdens.

[Environmental data \(NOx emissions and SOx emissions\) >](#)

VOC Reductions: Body-Painting Lines

As part of its efforts to reduce use of VOCs, Mazda has developed and subsequently introduced low-VOC paints for use with the Three Layer Wet Paint System, the standard process at major plants in Japan and overseas, and with the Aqua-Tech Paint System that delivers world-leading environmental performance. We have also implemented measures to achieve improved efficiency in thinner recovery for cleaning.

[Statistics from FY March 2024]

- Reduction of VOC emissions from vehicle body paint in body-painting lines to 13.3 g/m²

[Environmental data \(VOC waste emissions\) >](#)

Reduction of Emissions of PRTR-Listed Substances

Mazda will continue efforts to reduce emissions of Pollutant Release and Transfer Register (PRTR)-listed substances as it moves forward with initiatives such as the introduction of the Aqua-Tech Paint System into the painting process and improvements to the efficiency of thinner recovery for cleaning.

[Statistics from FY March 2024]

Reduction of 512 tons in emissions of substances that are designated under the PRTR Law* into water systems and the atmosphere (reduction of 81% from FY March 1999)

[Environmental data \(Emissions of PRTR-listed substances\) >](#)

* Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

BIODIVERSITY

Approach

Basic Approach

As an automobile manufacturer endorsing the aims of the Declaration of Biodiversity by Keidanren,* Mazda promotes initiatives to conserve biodiversity. In FY March 2012, the Company conducted an assessment of its impacts on biodiversity with the aim of systematically developing its initiatives to protect biodiversity. Through this assessment, the Company identified the significance of the impacts of our business activities and products on nature and on the environment. Following this assessment, the Company established Mazda Biodiversity Guidelines in December 2012, and since then has been implementing various initiatives through its business activities aiming at contributing to the preservation of biodiversity and creating an enriching, sustainable society that ensures harmony between people and nature. Based on the results of the aforementioned assessment of impacts, the Company takes measures to mitigate its impacts on biodiversity with a particular focus on energy, water, and other resources in the areas of products, technology, production, and logistics.

* Keidanren (Japan Business Federation)

Process for Assessment of Impacts on Biodiversity

- Step 1: Selecting assessment target scope
(Assessments target Group companies engaged in automobile-related businesses, primarily those with value chains that have major impacts on Japan, but overseas companies and affiliates may also be assessed.)
- Step 2: Assessing levels of the dependence and impacts on ecosystem services as well as threats to biodiversity
- Step 3: Identifying business risks and opportunities regarding biodiversity
- Step 4: Identifying priority issues and assessing the state of current response measures
- Step 5: Identifying directives for future response measures

Mazda Biodiversity Guidelines

Basic Approach

Based on the Mazda Global Environmental Charter, the Mazda Group contributes to the preservation of biodiversity through its corporate activities worldwide based on recognition of the importance of nature and the significance of its impacts on nature, with the aim of helping realize and furthering the development of an enriching, sustainable society that ensures harmony between people and nature.

Priority Initiatives

1. Creation of Environmentally Sound Technologies and Products

Mazda will promote the creation of technologies and products considering harmony between the environment and our corporate activities by developing technologies that contribute to cleaner emissions gases, reduction of CO₂ emissions, research and development of clean energy-fueled vehicles, recycling, and biodiversity.

2. Corporate Activities in Consideration of Conserving Resources and Energy

Mazda will promote the reduction of substances with environmental impacts and the effective use of resources, and contribute to the preservation of biodiversity through efficient energy use and resource-saving and recycling activities.

3. Collaboration/Cooperation with Society and Local Communities

Mazda will promote local community-based activities, by striving to engage in collaboration and cooperation with a wide range of stakeholders, including supply chain constituents, local governments, communities, NPOs, NGOs, and education and research institutions.

4. Awareness Enhancement and Information Disclosure

Mazda will take active and self-initiative actions and disclose and share our achievements widely to society as the Company strives to enhance awareness of the importance of coexistence between people and nature.

Established in December 2012

Initiatives

Initiatives for the Conservation of Biodiversity

Creation of Environmentally Sound Technologies and Products	<ul style="list-style-type: none"> • Continuous evolution of Skyactiv Technology • Promotion of Electric Vehicles • Product development and design with consideration for recycling needs
Corporate Activities in Consideration of Conserving Resources and Energy	<ul style="list-style-type: none"> • Improvement of facility operation rate and shortening of cycle time in the production process • Assessment of and consideration for impacts on biodiversity when constructing new plants
Collaboration/Cooperation with Society and Local Communities	<ul style="list-style-type: none"> • Promotion of preservation of forests, support for the protection of wildlife, etc.*¹ • Biodiversity initiatives conducted on Company-owned land
Awareness Enhancement and Information Disclosure	<ul style="list-style-type: none"> • Activities through the Mazda Foundation*² • Promotion of awareness of social contribution activities and disclosure of information on these activities • Employee education and awareness raising • Communication of activities to internal and external stakeholders through Mazda's sustainability website, etc.

*¹ [Social contribution initiatives >](#)

*² [Support from the Mazda foundation >](#)

Information Provision

The Biodiversity Newsletter is issued regularly to keep employees up to date on the biodiversity initiatives conducted on Company-owned land and other biodiversity-related news. The newsletter will continue to be issued to encourage more employees to become interested in biodiversity.

[Statistics from FY March 2024]

- Publication of aggregate total of 13 Biodiversity Newsletter issues

CHAPTER

3

SOCIAL

CONTENTS

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RESPECT FOR HUMAN RIGHTS

Approach

Basic Approach

Mazda views human rights as fundamental to its corporate activities. The Company does not tolerate human rights violations of any kind in its corporate activities, both inside and outside the Company, including discrimination or harassment on the basis of race, nationality, faith, gender, social status, family origin, age, mental or physical disability, sexual orientation, or gender identity. Based on this policy, in August 2023 the Company established the Mazda Human Rights Policy. In formulating this policy, the Company prepared a draft through discussion with domestic and overseas Group companies, and this draft was reported to and approved by the Board of Directors. Going forward, the Company will continue to pursue coordination and update this policy as necessary. It will also strive to spread awareness and understanding of the policy.

[Mazda Human Rights Policy >](#)

Rules and Guidelines

Even prior to formulating the Mazda Human Rights Policy, Mazda had defined its policy in this area and the standards of behavior it expected of its employees and promoted related initiatives based on fundamental international principles. The rules and guidelines are revised as needed according to amendments made to laws as well as circumstances inside and outside the Company.

- 1999: The Guidelines for Eliminating Sexual Harassment was established (name later changed to Guidelines to Eliminate Human Rights Violations)
- 2000: The Rules for Eliminating Human Rights Violations, which prohibit any activities that may infringe on an employee's human rights in corporate activities inside or outside the Company were established and included the provisions prohibiting discrimination against homosexual individuals included from the start.

- 2012: The Rules for Eliminating Human Rights Violations were revised to prohibit discrimination on the basis of sexual orientation or other traits.
- 2017: The Rules for Eliminating Human Rights Violations were revised to prohibit discrimination on the basis of gender identity along with sexual orientation.
- 2020: Mazda working regulations were revised to ensure that employees are treated fairly in terms of holidays, allowances, and other conditions regardless of legal marriage or marriage without registration, whether it be same gender or opposite gender. Also, the Guidelines to Eliminate Human Rights Violations were revised according to revisions to harassment-related laws.
- 2021: The Rules for Eliminating Human Rights Violations were revised according to revisions to harassment-related laws so that the definition of power harassment conforms to the definition in the relevant laws.

The Guidelines to Eliminate Human Rights Violations and the Rules for Eliminating Human Rights Violations are posted on the Company's intranet and are made known to employees through educational and training programs.

Frameworks

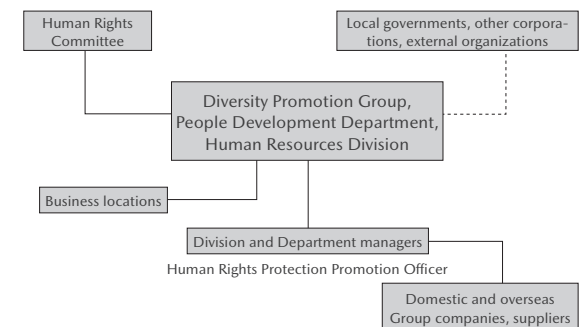
Human Rights Promotion Framework

The Human Rights Committee, comprising executive officers and division general managers, deliberates on human rights activities, and based on their decisions the Human Resources Division promotes human rights protection activities and resolves issues throughout the Group. Each division manager leads the divisions' activities as the human rights promotion officer at Mazda, while the person in charge of human rights leads activities at each Mazda business location as well as at Group companies in Japan and overseas. At Group companies in Japan, a network has been established to exchange opinions on a regular basis. Serious human rights violations identified through the network are reported to executive officers and other management-level members of Mazda, providing a framework that enables the implementation of Groupwide solutions. Moreover, twice a year, the Global Employee survey is conducted to check the progress in human rights protection activities in each region around the world and confirm whether there is any problem to be addressed or not. The results

of the survey are fed back to each management and improvement measures are taken as needed.

In regard to suppliers, Mazda seeks to establish a supply chain in which suppliers are also required to fulfill their social responsibilities in the area of respect for human rights based on [the Mazda Supplier Sustainability Guidelines >](#). Furthermore, the Company actively collaborates with local governments, companies, and other external organizations to implement human rights protection activities for local communities. Such activities include participation in community human rights events and exchanges of opinion with human rights organizations.

Human Rights Promotion Framework



Respect for Human Rights	Human Capital	Diversity, Equity, and Inclusion	Occupational Safety and Health	Realization of an Automotive Society that Offers Safety and Peace of Mind	Improving Quality	Supply Chain Management	Open Innovation (Exploring Partnerships for Co-Creation with Others)	Uplifting Customers' Minds and Bodies	Creating a System That Enriches People's Lives	Social Contribution
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Initiatives

Initiatives for Human Rights Protection

I Activities at Group Companies in Japan and Overseas.

In line with its One Mazda concept, Mazda is committed to promoting human rights activities in its Group companies. Based on the basic principles stated in the Mazda Human Rights Declaration and with reference to the Rules for Eliminating Human Rights Violations and the Guidelines to Eliminate Human Rights Violations, Group companies in Japan and overseas are maintaining a set of rules and guidelines that take into account the conditions in each country where they are applied. Through these efforts, the Company strives to protect human rights at all companies throughout the Group. There is also regular information exchange between human rights officers at Mazda and each Group company. Depending on the circumstances of the particular company, the Company may also take steps such as providing training/ education tools or dispatching instructors. Since FY March 2017, the Company has been supporting Group companies in establishing a system for human rights training and providing materials of Mazda's Human Rights Meetings to Group companies. The Company also responds to human rights consultations from employees of Group companies via the Human Rights Counseling Desk, the Female Employee Counseling Desk, and [the Mazda Global Hotline](#) >.

I Human Rights Counseling by Dedicated Counselors

Mazda has established a Human Rights Counseling Desk and a Female Employee Counseling Desk to appropriately respond to human rights consultations from employees, through providing advice and supporting early relief from human rights violations. For more than 10 years, the counseling desks have responded to consultations from sexual minority (LGBTQ+) employees and, working with workplaces, have continued to provide support. Mazda has set out regulations mandating strict confidentiality, guaranteeing immunity from reprisals, and ensuring that no disadvantage will accrue to employees who request consultations. Counseling is offered in various forms, such as face-to-face, by telephone, or by email. The Company promptly responds to consultations, with the goal of rapidly improving the work environment for the affected employee, while taking any necessary measures against the relevant violator based on factual inquiry. The Company also offers the necessary support to ensure respect

for human rights throughout the entire workplace, through the abovementioned counseling desks. For example, these desks offer advice on workplace culture improvement to the employee's supervisor and provide counseling and advice for the employees and other persons concerned.

I Prevention of Human Rights Violations

Mazda carries out various initiatives to eliminate human rights violations. In case a problem involving human rights violations occurs, the Company discloses the case on its intranet as an example of disciplinary action, and conducts educational and awareness-raising activities in order to prevent a recurrence. The Company records the results of handling these cases and manages in accordance with the stipulated procedure and reports to the Human Rights Committee. These records are used to formulate more effective Companywide policies and to prevent the recurrence of similar problems.

I Training and Educational Activities

Mazda proactively and regularly provides awareness-raising activities and education on human rights, targeting all executive officers and employees. In March 2008, recognized for these initiatives and other human rights protection activities, the Company became the first corporation in Japan to be awarded the Human Rights Merit Award by Japan's Ministry of Justice and the National Federation of Consultative Assemblies of Civil Liberties Commissioners.

Human Rights Training*

- Collective training

Mazda conducts mandatory human rights training programs for employees when they newly join the company and when they are promoted in rank or position. The Company also conducts event-based training such as human rights lectures for executive officers and senior managers. In addition, the Company conducts training programs that are customized to each department in response to its specific needs.
- In-house awareness training for sexual minority issues

In FY March 2017, Mazda started to organize training programs and lectures to promote understanding of sexual minority issues. In 2017, in-house lectures were held by experts invited from outside the Group, while in 2020, Mazda informed all employees about its internal systems, procedures, and consultation desks related to sexual minorities.

- Human rights mini-lectures and other information offered via the Company's intranet

Mazda seeks to raise human rights awareness via human rights mini-lectures through intranet and e-learning programs to ensure that all employees have a shared understanding regarding power harassment and sexual harassment. In addition, management is provided with training on avoiding harassment.

Examples of Human Rights Mini-Lecture Topics

- Communication materials
 - Fight or flight response
 - Critical thinking
 - Assertion
 - Metacognition and mindfulness
 - Emotion
- Human rights education materials
 - Discriminated communities' issues
 - Gender diversity

- e-learning
 - Gender diversity (LGBTQ+)
 - Abuses of power
 - Sexual harassment
 - Harassments regarding child-rearing, nursing care leave, etc.
 - Other human rights issues (regarding women, people with special needs, nationality/race, the elderly, HIV-infected persons, etc.)

Senior Management's Message During Human Rights Week*

The Company's senior management sends a message to all employees every year during Human Rights Week, in conjunction with Human Rights Day on December 10, to remind them of the importance of respecting human rights.

Human Rights Meetings*

Mazda holds regular meetings (four times a year) at each workplace on familiar topics to help employees think for themselves about human rights and form their own insights.

Other Human Rights Education Activities*

Mazda has held human rights slogan competitions and established a special website on its human rights protection activities.

* These activities are only conducted at Mazda Motor Corporation.

Human Rights Due Diligence

Basic Approach

From the perspective of human rights due diligence* and in accordance with the Mazda Human Rights Policy, Mazda recognizes that it must identify factors that could negatively affect human rights in its business activities, introduce systems that assign priority levels to these factors, and continuously work to prevent, reduce, rectify, or remedy these issues. The Company works to this end and is expanding the scope of its initiatives to include Group companies and suppliers both in Japan and elsewhere.

* Human rights due diligence involves continuous implementation of a cycle of procedures to identify, prevent, and reduce adverse impacts on human rights in a company's business activities.

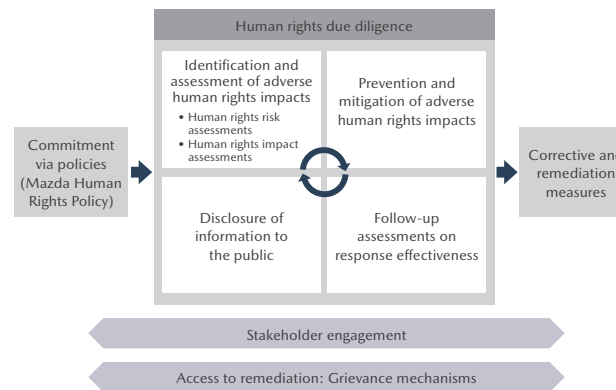
Human Rights Due Diligence Initiatives

In FY March 2024, Mazda began partnering with third-party non-profit organization Caux Round Table (CRT) Japan to advance human rights due diligence initiatives and refine its corrective and remediation measures for responding to human rights issues in line with the value chain. Groupwide coordination is being practiced globally as part of these initiatives. In addition, the Company is advancing phased human rights due diligence activities and corrective and remediation processes based on the United Nations Guiding Principles on Business and Human Rights and with emphasis placed on engagement with rights holders.* The Company is thereby developing a human rights management system that incorporates with the board members. Progress on the above processes will be disclosed appropriately on Mazda's corporate website. In March 2024, Mazda invited CRT Japan's Hiroshi Ishida to lead a lecture for executive officers on the theme of business and human rights. This lecture served as an opportunity to re-realize the importance of human rights initiatives given recent changes to the operating environment for companies. Moreover, Mazda arranged a human rights due diligence risk assessment workshop on the theme of business and human rights in April 2024 with the facilitation of CRT Japan. This workshop was attended by managements from various areas of the Company, with a total of 40 participants from 33 internal departments and the Group companies additionally. Based on discussions among the workshop attendees, the Company identified potential human rights themes in the Mazda Group and its supply chain. During FY March 2025, the Company will carry out human rights impact assessments, with the cooperation of CRT Japan, to verify

risks and assess the impacts in relation to the identified material human rights themes base on the direct communication with the rights-holders. The necessary measures will be taken based on these assessments.

* To building trust with people who have human rights through direct engagement.

Overview of Human Rights Due Diligence Activities



Source: CRT lecture materials



Lecture for managers



Management workshop

Supply Chain Human Rights Due Diligence

Identification of Human Rights Issues

Human rights issues connected to suppliers* are clearly specified in the Mazda Supplier Sustainability Guidelines, and Mazda requires all business partners to adhere to its efforts to respect human rights.

* Mazda has identified nine human rights issues suppliers should work on: abolition of discrimination, respect for human rights, prohibition of child labor, prohibition of forced labor, non-use of conflict minerals or any other raw materials that may cause social issues, wages, working hours, dialogue with employees, and safe and healthy working environments.

[Mazda Supplier Sustainability Guidelines >](#)

Initiative Self-Diagnosis and Questionnaire

In the Mazda Supplier Sustainability Guidelines, all suppliers are asked to diagnose their own efforts from the perspective of tracking of conditions, systems, impact prevention measures, in-house awareness raising, and regular monitoring. From the perspective of remediation, the guidelines also clearly detail the Mazda Global Hotline, which has been set up for whistleblowing if an issue is discovered or as a communications hotline to discuss responses. In terms of evaluations of the effectiveness of such initiatives, the yearly questionnaire for suppliers verifies that they are appropriately carrying out the self-diagnosis described above.

[Statistics from FY March 2024]

- No identified issues related to human rights initiatives or other matters

Responsible Mineral Procurement Efforts

Mazda understands that conflict minerals* are among the most serious social issues in its supply chains. This is especially true given how these minerals can result in human rights violations and illegal mining in conflict-affected regions as well as funding of armed groups. The Company therefore aims not to use conflict minerals or any other raw materials that may cause social issues. This commitment is clearly defined in the Mazda Supplier Sustainability Guidelines, which all suppliers are instructed to follow. In addition, based on requests from companies to which Mazda supplies vehicles, the Company conducts conflict minerals surveys of suppliers from which the Company orders components or materials used in the finished supplied vehicles. For the surveys, the Company uses the format designated by the Responsible Business Alliance (Electronic Industry Citizenship Coalition).

[Statistics from FY March 2024]

- Conflict minerals surveys administered to approx. 300 suppliers.

* Conflict minerals are defined as minerals and derivative metals designated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Section 1502) that are sourced from and used as financial sources for armed groups in conflict-affected regions in the Democratic Republic of Congo or adjoining countries (regulated minerals: tantalum, tin, tungsten, and gold). Under this act, listed U.S. companies are obliged to report that no conflict materials are used in their products.

HUMAN CAPITAL

Approach

Basic Approach

Mazda recognizes that people are its most important resource and aims to be a company staffed by people who are uplifted by work. In accordance with Mazda's approach of co-creation with others, the Company respects the diversity of its employees from various backgrounds, including race, nationality, faith, gender, social status, family origin, age, mental or physical disability, sexual orientation, and gender identity. The Company is actively endeavoring to improve workstyles, compensation, workplace environments, and other aspects of the Company in order to heighten employee motivation and increase operational efficiency from an overall optimization perspective.

To create a virtuous cycle of growth, employment, and distribution, Mazda shares returns—the outcomes of growth—with stakeholders while ensuring sustained employment and equitable returns for its employees. Specifically, the Company will share equitable return with its employees, including raising wages in a flexible manner, in consideration of the Company's current conditions, from the perspectives of employment stability, quality of life, and human resources development. Another form of sharing returns that is currently being planned and implemented is investment in employees, such as through training, alongside better compensation and benefits. One example that is already underway is investment in training our employees to develop digital technology skills. Going forward, the Company will continue investing in its people to support their development of new capabilities that will drive corporate growth and will continue encouraging employee success and growth.

Human Resources Development Concept and Future Vision

Passion: Uplifted Employees

Mazda firmly believes that energizing each and every employee, holding discussions to explain to them the positive emotions associated with creativity, growth, diversity, and empathy—and the ideas that come from these—and having them think for themselves about how to achieve those, is how it can maximize the potential of its employees, and that this will tie in to corporate growth.

Vision: Employees Who Can Co-Create Uplifting Experiences with People Inside and Outside the Company

Mazda's Purpose is to "enrich life-in-motion for those we serve." In line with this purpose, all employees seek to deliver uplifting experiences through their business activities, such as those related to Monozukuri (engineering and manufacturing) or Tsunagarizukuri (creating human connections), through enjoyment and inspiration for customers and everyone else connected to the Company. To that end, employees who want to gain a deeper understanding of social norms and expectations so that they can provide value that will awe by going even further are more needed than ever before. Specifically, while providing an empowering atmosphere for employees, it is vital that the Company creates a culture of listening to the opinions and requests of various stakeholders, considering what can be done, and taking on challenges to pursue goals based on such input.

In short, expanding upon the Tomoiku concept described in the Mazda Way is indispensable. In both Monozukuri and Tsunagarizukuri, Mazda's efforts are people-centered. The Company's approach to Hitozukuri, meanwhile, places added emphasis on a people-focused philosophy that forms the basis for fostering a culture like the one described above.

Initiatives

Maximization of People's Contributions

Mazda believes that new value is created when all employees are working while feeling motivated and energized based on mutual understanding and trust. The Company has established five pillars for maximizing people's contributions and has defined, and is implementing, measures for each of them. The Company supports employee success and growth as well as development of employees' skills and capabilities, which lead to corporate growth.

Five pillars of efforts to maximize people's contributions



Respect for
Human Rights**Human
Capital**Diversity, Equity, and
InclusionOccupational Safety
and HealthRealization of an Automotive Society
that Offers Safety and Peace of Mind

Improving Quality

Supply Chain
ManagementOpen Innovation
(Exploring Partnerships for
Co-Creation with Others)Uplifting Customers'
Minds and BodiesCreating a System That
Enriches People's Lives

Social Contribution

Active Contribution by Management

One of the foundations for maximizing employee contributions is ensuring an environment where management can provide one-on-one support for the growth and success of all of its people. At Mazda, management roles and responsibilities are defined in a management handbook and shared with all managers through role-specific training.

Management Support Program*

The management support program is a six-month-long, workplace-focused program through which all members of management learn about their roles and how to fulfill these roles. During the program, a focused approach is taken to enhance the quality of communication. In addition, the insight gained through coaching with divisional and departmental general managers and open and honest dialogue among middle managers is used to drive the creation of connections throughout the organization to enable managers to resolve issues in their workplace based on the human elements.

[Statistics from FY March 2024]

- Management support program conducted targeting three divisions and nine departments (April–December 2023)

* These activities are only conducted at Mazda Motor Corporation.

Personnel Development Committee*

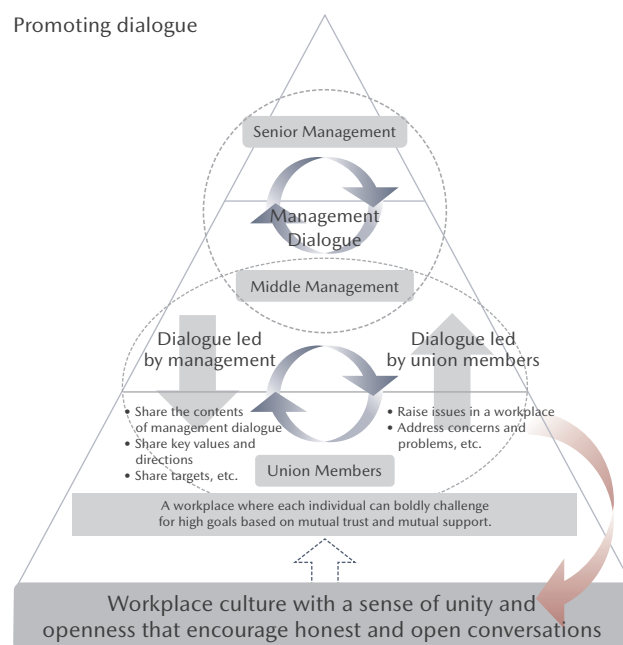
The Personnel Development Committee is a venue through which senior leaders of Mazda Motor Corporation and Group companies discuss and make decisions on personnel exchange and development plans with the aim of fostering, optimally assigning, and facilitating the success of the people who will lead global operations in every field of Mazda's business over the medium and long term.

* The Personnel Development Committee (PDC) is comprised of three committees: PDC1, which covers personnel in domestic and overseas global companies; PDC2, which covers personnel in middle management at Mazda Motor Corporation; and PDC3, which covers employees of Mazda Motor Corporation excluding those covered by PDC1 and PDC2.

Nurturing an Open Corporate Culture

The foundation of Mazda's human resources development initiatives is good communication. Such communication is only possible if employees can be honest and authentic in their interactions based on mutual trust and a helpful and supportive attitude. The Company is driving efforts to create an open corporate culture where people have open and honest consultations to facilitate mutual understanding, trust, and support.

Promoting dialogue



Initiatives toward Organizational Culture Reforms

In March 2023, Mazda started initiatives to transform its current top-down organizational culture into one that shines alight on the front lines and where the higher echelons of management support them. Through these initiatives, Mazda is driving cultural reforms throughout the Company to foster an empowering organizational culture.

BLUEPRINT

Mazda is advancing its Blueprint culture reform program to foster a comfortable workplace environment through efforts by all officers and employees. This program is aimed at creating an organization in which it is considered a matter of course for all employees to think about the feelings of customers and of their colleagues and to base their actions accordingly. The Company has seen success with this regard at bases in Europe and North America, where the program was implemented ahead of other regions. A workplace offering peace of mind is conducive to the type of communication that produces a diverse range of unprecedented ideas. The Company seeks to utilize such ideas to grow businesses in which all employees are able to exercise their skills.

Management Dialogue

Mazda arranges sessions for dialogue between corporate officers and managers with the following aims:

- Ensuring efforts for process reassessments and improvement activities conducted during the COVID-19 pandemic take root as a strength of Mazda's culture, rather than only producing temporary benefits, through repeated initiatives to enhance dialogue (as a strengthening of the Mazda Way)
- Sharing senior leaders' points of view on corporate messages, announcements, and media coverage to mitigate employees' anxieties, questions, and doubts; alleviation of anxieties and doubts through ongoing communication to foster an environment in which employees can focus on what they can and should do

[Statistics from FY March 2024]

- Total of five management dialogue sessions held

Global Employee Survey

Mazda conducts employee surveys on an ongoing basis to track employees' work motivation and to confirm conditions in working environments that support this motivation. The feedback gained through these surveys is used to make further improvements. The survey results are reported to senior management at Mazda and Group companies in Japan and overseas, and major findings are disclosed to employees. Organization-level results are communicated to the management of the respective organizations and companies, who are thereby encouraged to develop improvement plans as part of the plan-do-check-act (PDCA) cycle.

Respect for Human Rights	Human Capital	Diversity, Equity, and Inclusion	Occupational Safety and Health	Realization of an Automotive Society that Offers Safety and Peace of Mind	Improving Quality	Supply Chain Management	Open Innovation (Exploring Partnerships for Co-Creation with Others)	Uplifting Customers' Minds and Bodies	Creating a System That Enriches People's Lives	Social Contribution
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Human Resources System Reforms

I Raising of the Retirement Age*

Mazda has overhauled its retirement system and, beginning in April 2022, instituted a phased increase to the retirement age, with the goal of eventually raising the retirement age to 65 in FY March 2031. In conjunction with this process, the Company has revised our reemployment systems to introduce retirement age options. Through these measures, the Company has established a system in which all employees of all ages can make the most of their abilities and continue to make full contributions while feeling motivated and empowered. As a result, seasoned employees are now able to use the experience, expertise, and skills they have built up to expand their opportunities both in the Company and in their communities and society. The Company has thus developed an environment that can support the autonomous career development and choices for employees who have reached the age of 60 through discussions with workplace supervisors about their current work and future career opportunities.

* These activities are only conducted at Mazda Motor Corporation.

I Remote-Work System*

As part of workstyle reforms implemented in response to the COVID-19 pandemic, Mazda reviewed its conventional work-from-home system and, in October 2020, introduced a new remote-work system. The Company aims to facilitate highly efficient, high-performance workstyles by skillfully combining workplace attendance and remote working to create workstyles that can maximize organizational and workplace performance.

* These activities are only conducted at Mazda Motor Corporation.

People Development Reforms

The key concepts behind Mazda's human resources development reforms are autonomy, growth, and support. Mazda aims to transform the Company into a workplace and learning environment where the diversity of employees is respected and where they can better grow and succeed to ensure that work at the Company is a fulfilling experience.

I Developing Human Resources with Digital & IT Skills*¹

Mazda is investing in company-wide training for human resources with digital skills that can take full advantage of AI, and will work to raise its overall digital literacy. Utilizing programs from Aidemy Inc. and working with other partners,^{*2} the Company is pressing forward with reforms to ensure that by 2025 all indirect employees will have a certain degree of proficiency in AI and IT and can take on more advanced AI applications. The Company also aims to double productivity by 2030 by utilizing tools and by reevaluating and redefining work processes in order to shift to higher-value work processes.

^{*1} These activities are only conducted at Mazda Motor Corporation

^{*2} Udacity, Inc., Secondmind Ltd. and so on.

I Mazda Business Leader Development

Mazda Business Leader Development (MBLD) is a type of business meeting unique to Mazda, one in which senior management shares messages with all employees and opinions and ideas are exchanged with regard to Mazda's business path. In FY March 2024, an MBLD meeting was held at which managers from within and outside Japan with the rank of division general manager or above attended. At the meeting, participants discussed the various challenges that the Company faces and the directions to be taken in initiatives by reconfirming where the Company currently stands and asking what it will require to realize its 2030 Vision. Going forward, the Company will continue to promote the active participation of all employees in MBLD meetings in order to encourage understanding and action and to link these efforts to transformations in awareness and behavior.

[Statistics from FY March 2024]

Participation in June 2023 MBLD meeting by 159 employees

Recruitment Reforms

The recruitment environment is becoming more challenging, prompting Mazda to reform its recruitment activities to focus on being selected by those who resonate with the Company's desired direction. In terms of mid-career recruitment, the Company is bolstering its recruitment activities in the greater Tokyo metropolitan area while also holding workshops and briefing sessions. In areas where the need for specialist human resources is particularly high, the Company is allowing workstyles that do not tie employees

down to a set working location. As part of new graduate recruitment activities, the Company offers summer and winter internship programs to highlight the appeal of working at the Company.

I Global Employment Maintenance and Recruitment Activities

The Mazda Group conducts recruitment activities to secure the personnel required based on the needs of each country and region. Production sites strive to appropriately maintain and manage employment with an understanding that such practices have great impact on the local economies. In Japan, the Company has maintained the production volumes and related employment at production sites in Hiroshima and Yamaguchi prefectures. Overseas, initiatives are underway to improve the operation rates of plants in Mexico and Thailand. In addition, steps are taken to maintain employment and recruit staff based on the labor practices of the respective countries and regions in conjunction with the commencement of operations employing Mazda Toyota Manufacturing (MTM) standards in the United States.

I Systems to Enable Limited-Term Employees in Manufacturing Operations to Become Full-Time Employees and Mazda Workers' Union Members*

Mazda is committed to developing a workplace in which limited-term employees can feel fulfilled with their work. Specifically, a system has been put in place to allow limited-term employees who have worked for six months or more at Mazda to become full-time employees. In addition, limited-term employees who have worked for six months or more and had their contracts renewed can become members of the Mazda Workers' Union. Through these and other initiatives, the Company is cultivating a sense of unity among differing types of employees as it aims to foster an environment where employees feel empowered in their work.

* These activities are only conducted at Mazda Motor Corporation.

Respect for Human Rights	Human Capital	Diversity, Equity, and Inclusion	Occupational Safety and Health	Realization of an Automotive Society that Offers Safety and Peace of Mind	Improving Quality	Supply Chain Management	Open Innovation (Exploring Partnerships for Co-Creation with Others)	Uplifting Customers' Minds and Bodies	Creating a System That Enriches People's Lives	Social Contribution
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I Mazda Technical College (Two-Year Course)*

Mazda Technical College, approved by the Ministry of Health, Labour and Welfare, is an in-house education institution offering courses to high school graduates and selected employees in order to cultivate human resources that can play a central role in manufacturing at Mazda. Those who complete the two-year program are assigned to various divisions, from research and development to manufacturing, and thrive at various vehicle manufacturing sites.

[Statistics from FY March 2024]

- Total number of 98 students, including 11 students from Group companies or suppliers (as of March 15, 2024)
- Total number of 1,563 graduates (among current employees) (April 1988–August 2023)

* These activities are only conducted at Mazda Motor Corporation.

Fundamental Human Resources Development

To maximize the performance of its human resources, Mazda seeks to foster an organizational culture based on shared values and to support employee growth and contributions. The Company is also advancing other fundamental human resources development initiatives including the implementation of human resources systems that provide ideal work and workplace environments, global human resources development measures, and the promotion of diversity.

I Mazda Way

In FY March 2009, Mazda consolidated the principles and values handed down within the Company through its history to define the seven principles that constitute the Mazda Way. Employees' attitude and behavior based on the Mazda Way are utilized as competency evaluation items. In conjunction with the 100th anniversary of its founding, the Company provided all employees with an opportunity to look back on the history of the Company that shaped the Mazda Way. The Company continues to promote measures to ensure that the Mazda Way can easily be put into practice by employees.

Seven Principles of the Mazda Way

<div>■ INTEGRITY</div> <div>We keep acting with integrity toward our customers, society, and our own work</div>
<div>■ BASICS/FLAWLESS EXECUTION</div> <div>We devote ourselves to the basics, and make steady efforts in a step-bystepstep-by-step fashion.</div>
<div>■ CONTINUOUS KAIZEN</div> <div>We continue to improve with wisdom and ingenuity.</div>
<div>■ CHALLENGER SPIRIT</div> <div>We set a high goal, and keep challenging to achieve it.</div>
<div>■ SELF INITIATIVE</div> <div>We think and act with "self initiative."</div>
<div>■ TOMOIKU</div> <div>We learn and teach each other for our mutual growth and success.</div>
<div>■ ONE MAZDA</div> <div>We think and act with the view of "Global" and "One Mazda."</div>

Human Resources System That Supports Employee Growth and Contributions

Mazda uses the *Tobiuo** human resources system to provide the ideal work and workplace environments for supporting the growth and contributions of all employees so that they can deliver their best performance. Human resources measures are being deployed based on the system's three pillars of Choice and Self-Accomplishment, Promote Balance between Work and Life, and Best Match of People, Work and Rewards.

The Three Pillars of *Tobiuo*



Choice and Self-Accomplishment

Mazda provides various opportunities for employees to take the initiative in setting their own growth and performance goals and doing their best to achieve these goals so that, ultimately, such efforts can contribute to greater results for the Company. Mazda offers a range of education and training programs to help employees develop their careers and improve their skills based on their job types and positions. These programs are designed to enable Mazda and Group companies in Japan and overseas to share goals and to manufacture and sell products of the same quality in all countries and regions.

Respect for Human Rights	Human Capital	Diversity, Equity, and Inclusion	Occupational Safety and Health	Realization of an Automotive Society that Offers Safety and Peace of Mind	Improving Quality	Supply Chain Management	Open Innovation (Exploring Partnerships for Co-Creation with Others)	Uplifting Customers' Minds and Bodies	Creating a System That Enriches People's Lives	Social Contribution
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Promote Balance between Work and Life*

Mazda is implementing and growing a variety of programs to enable its employees—a diverse range of people with different values and lifestyles—to feel empowered at work and find a healthy balance between their work and personal lives.

- Promotion of understanding of various work–life balance measures: To promote understanding of its various measures, the Company provides explanations in its management skills training programs and on its intranet about support measures designed based on life events.
- Review of the contents of the working regulations: The Company relaxed the conditions for remote working in response to the COVID-19 pandemic and takes other steps to adjust its working regulations based on changes to the social climate.
- Efforts to reduce excessive working hours: To make conscious efforts to reduce excessive working hours by streamlining operations, the Company has implemented various measures targeting back-office divisions, including the designation of no-overtime days and mandatory lights-out times, since 2007.

Best Match of People, Work and Rewards

Mazda has put in place a system to ensure that each employee understands their work evaluation results and ability level assessments and feels that their growth and performance are appropriately reflected in their compensation.

Specifically, since 2003, instead of using gender, age, nationality, or years of service as criteria, employees are graded according to their ability level (production and medical staff) and work level (administrative and engineering staff), so that individual employee's performances are directly reflected in their base salaries and bonuses. In wage determination, the Company is in compliance with local laws and regulations in each region both in Japan and overseas. Moreover, it also takes the Company's current circumstances and social trends into consideration—from the perspectives of employment stability, improvements to quality of life, and human resources development—when making decisions.

* These activities are only conducted at Mazda Motor Corporation.

Major Measures Promoting Work–Life Balance and Diversity in the Workplace (As of April 30, 2024)

System	Description	Started
Maternal care paid leave	This system allows female employees who are pregnant and have difficulty performing their duties due to morning sickness or other feelings of discomfort to take paid leave for the necessary amount of time.	Aug. 2008
Child-rearing leave	This system allows employees to take up to five consecutive working days off, following childbirth or for child-rearing. Leave can also be taken during the period of pregnancy of oneself or one's spouse.	Aug. 2008 ^{*1}
Maternity/paternity leave	This system allows employees to take maternity or paternity leave for up to four weeks in the first eight weeks after a child is born.	Oct. 2022
Childcare sabbatical	This system supports unpaid leave for child-rearing for children up to three years old. It is possible to take leave in installments. (Legal requirement: Up to one year old)	Jan. 1991
Statutory child-nursing leave	This system allows employees to take a leave in order to nurse their children under school age when they become sick or injured, granting them to take up to five working days off per year if there is only one applicable-age child and up to 10 working days off per year if there are two or more applicable-age children.	Jan. 2020
Special working arrangements for employees involved with child-rearing or nursing	This system allows employees involved with nursing or child-rearing (until the end of the child's sixth year of primary school) to reduce working hours, be excused from overtime and holiday work. (Legal requirement regarding working hour reduction: Until the child reaches three years old)	Apr. 1999
Statutory nursing care leave	This system allows employees to take a leave in order to nurse or take care of their family members requiring nursing care, granting them to take up to five working days off per year if there is only one applicable family member and up to 10 working days off per year if there are two or more applicable family members.	Jan. 2020
Nursing care leave	This system allows employees with eligible family members requiring nursing care to take a leave of absence (maximum length of one year.) (Legal requirement: Up to a total of 93 days per eligible family member)	Jan. 1992
Remote-work system	Mazda has established a remote-work system that allows employees to work from home or from another location outside of the office for the purpose of supporting efficiency on the job and improved work–life balance. This system was created by expanding the scope of the existing work-from-home system in October 2020 in response to the COVID-19 pandemic. The remote-work system places no restrictions pertaining to location or frequency of working in the office. A number of employees in back-office divisions are using this system to adopt hybrid workstyles that involve both remote work and work in the office. An allowance of ¥200 per day is provided as cost assistance to employees who work remotely all day.	Oct. 2020 ^{*1}
Special Warm Heart leave system	This paid-leave system covers nursing care for relatives, including those in need of long-term care, volunteer work, functions at one's child's school, infertility treatment, and disaster relief and assistance for affected relatives. "Volunteer work" here refers to the following and excludes specific political or religious activities: <ul style="list-style-type: none"> • Social welfare (welfare services for children, elderly people, and people with disabilities) • Environmental protection (forest preservation, recycling activities) • Interaction and cooperation with communities (participation in community events, support for activities of children's associations, crime prevention activities) • International friendship activities (welcoming homestay guests, interpretation service) • Disaster relief • Health and medical volunteering (health care instructions, donor activities) • Support for sports activities (sports coaching, organizing sports events) • Acquisition of qualifications, skills and knowledge that are useful in volunteer activities 	Aug. 2008 ^{*1}
On-site daycare: Mazda Waku Waku Kids En	This daycare center was established for employees' children who have not yet entered school. A permanently stationed nurse is available to look after children who become ill.	Apr. 2002
Career leave	In order to increase future career potential, employees can use this system to take leave for up to three years while attending a school or other training facilities.	Oct. 2003
Leave for employees accompanying a transferred family member	This system allows employees to take a fixed-term leave in order to accompany a spouse who has been transferred, allowing the employee to resume their career at Mazda later on.	Oct. 2003
Reemployment systems	This system provides an opportunity for former Mazda employees who left the Company due to marriage, child-rearing, nursing care, or other reasons to return to work if they desire.	Aug. 2008
Special working arrangements for improving work–life balance	This system makes it possible for employees to receive special working arrangements, including shortened working hours, when necessary for purposes such as career development, accompanying a spouse sent on assignment to another location, or family circumstances. The system is anticipated to contribute to improved work–life balance and offer ongoing support for career development.	Apr. 2024
Benefit program to support employees' environmental protection and social contribution activities	As part of the Mazda Flex Benefit System, ^{*3} employees can apply their points toward compensation for the costs incurred during volunteer work they perform.	Oct. 2001
Paid leave	Labor and management cooperate to streamline and standardize work processes, helping to create an environment in which employees take the initiative in planning for and using their paid vacation days (vacations may be taken in half-day increments).	Ongoing

^{*1} Operated under a different system before the commencement of this system.

^{*2} This is a selective benefit system. Individual employees can seek the type of assistance that most suits them by choosing from a number of preset benefit options within the points they have.

Respect for Human Rights	Human Capital	Diversity, Equity, and Inclusion	Occupational Safety and Health	Realization of an Automotive Society that Offers Safety and Peace of Mind	Improving Quality	Supply Chain Management	Open Innovation (Exploring Partnerships for Co-Creation with Others)	Uplifting Customers' Minds and Bodies	Creating a System That Enriches People's Lives	Social Contribution
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Major Education and Training Programs

Name of education and training program	Duration or frequency	Target	Objective	Details
Mazda Business Leader Development (MBLD)	Once a year	All Group employees in Japan and overseas	<ul style="list-style-type: none"> To communicate the intention of the top management To cultivate business leaders at all levels who have a companywide perspective To reform the corporate culture and climate 	<ul style="list-style-type: none"> Messages from the management team regarding management issues and the future direction of the Company are communicated to employees, and employees are encouraged to actively participate in meetings to foster understanding and promote action. MBLD meetings have been held since 2000, and the theme of these meetings has been defined as brand value management for each year since FY March 2013.
Global Business Leader	As needed	Employees selected from Mazda Group companies around the world	To hone skills in areas including leadership, broadness of vision, and the ability to think strategically, and train the next generation of business operators to take the lead in global business	<ul style="list-style-type: none"> The Global Business Leader Program was launched in FY March 2016 as a program featuring practical activities such as communication with senior management and initiatives to address management issues as a team.
Human Resources Development at Global Production Sites	As needed	Management and production staff at overseas production sites	To provide basic training by level to employees working at overseas production sites	<ul style="list-style-type: none"> Management training Supervisor education program Training for key players in three fields (production, maintenance, and improvement) Technical skills training Karakuri Kaizen training
Training by level ^{*1}	As needed	Management and production staff at overseas production sites	To encourage employees to reconfirm their roles at each level, and consider how they can help improve the organizational strength of the Company	<ul style="list-style-type: none"> Training for new employees Training for third-year employees Training for band 6 employees Training for managers and team leaders Training for general managers <p>Each training program is designed to promote changes in the employees' ways of thinking, through group discussion among members from different departments.</p>
Management skill training ^{*1}	When newly appointed	Newly appointed senior managers, new band 5 employees (assistant manager level)	To develop trainees' awareness and sense of responsibility as managers and urge them to acquire a Companywide perspective, thereby altering their mindset toward their own roles	The Mazda Way, sustainability, compliance, internal controls, personnel management, human rights, safety and health, etc.
Production Leader Training Program ^{*1}	As needed	Foreman/Assistant Foreman/Team Leader candidates	To develop trainees' abilities to recognize and resolve problems, management improvement skills, and leadership capabilities and other skills required to work as a leader at each level	<ul style="list-style-type: none"> Super leader training Senior leader training Team leader training Junior leader training
WorldSkills Competition Training Program ^{*1}	Two years/28 employees	Selected employees in the production field who are under 21 years old	<ul style="list-style-type: none"> Systematic training of young engineers Training participants to compete in the regional, national, and international WorldSkills competitions 	<p>Employees are trained in special skills so as to participate in the WorldSkills competition</p> <p>[Achievements in FY March 2024]</p> <ul style="list-style-type: none"> One Brave Fight Award presented for Sheet Metal Technology One Bronze medal and one Brave Fight Award presented for Autobody Painting <ul style="list-style-type: none"> During the two-year program, one expert trains two apprentices. After completing the course, the expert is awarded the title of Production Engineering Meister and receives the Meister Badge.
Advanced Technical Skills Training course ^{*1+2}	As needed	Selected highly skilled employees	To preserve the advanced technical skills necessary for manufacturing and hand them down from one generation of craftspeople to the next	<p>[Aggregate achievements since 1996]</p> <ul style="list-style-type: none"> Number of employees completing course: 140 Production Engineering Meisters: 70 Monozukuri Meisters: 21 Hiroshima Yamaguchi Meisters: 32 Hiroshima Prefecture award-winning skilled workers: 22 Contemporary Master Craftspeople: 19 Medal with Yellow Ribbon recipients: 18
Welding Skills Training Program ^{*1}	As needed	Welding technicians	<ul style="list-style-type: none"> To train technicians to compete in the regional and national competitions To promote the growth of individual technicians, pass on skills within Mazda, and raise standards 	<p>Specialized training is conducted with the goal of sending welding technicians to compete in the national championships.</p> <p>[Aggregate achievements since commencement]</p> <ul style="list-style-type: none"> National competition winners: 12 Prize recipients: 40

^{*1} These activities are only conducted at Mazda Motor Corporation.

^{*2} 24 courses comprising skills to pass on to new engineers are available in 13 fields: Iron and casting, die casting, casting, powder alloys, heat treatment, machining, engine assembly, axle assembly, transmission assembly, press, chassis, painting, and vehicle assembly

I Competency Evaluation System*

Once a year, Mazda carries out a competency evaluation to evaluate the work attitude and behavior of administrative and engineering staff. Based on the seven principles of the Mazda Way, a subjective evaluation (360-degree evaluation) is carried out to assess the work attitude and behavior items that the employee is expected to improve (competency evaluation items), from the employee's own perspectives and from the perspectives of their supervisors, and, for managers and above, also from the perspective of subordinates, colleagues, and partner companies. Feedback on the evaluation results is given to the employee by supervisors at the career meetings at which they discuss growth goals and future issues to be addressed. The competency evaluation system is used as an effective tool for supporting the employee's personal development and contributions. The evaluation results are used as a reference for effective Companywide positioning of personnel.

* These activities are only conducted at Mazda Motor Corporation

I Career Challenge (In-House Recruitment/FA) System*

As part of the career challenge system, Mazda advertises for the requisite work experience and skills it requires for new positions and offers an in-house recruitment system for employees who want to take on the challenge of a new position. Briefing sessions on in-house recruitment are held, and many employees considering applying for the system have participated in briefings online. These briefings function as forums for the active exchange of information with the personnel from various departments that called for applicants for specific assignments. A large number of applicants come forward each time such recruitments take place. The Company will continue to periodically implement this system to provide employees with an opportunity to think about their own career development.

* These activities are only conducted at Mazda Motor Corporation.

Employment and Empowerment of People with Disabilities

Mazda steadily and continuously recruits those with disabilities. To ensure that each employee can deliver their best performance, the Company has established a support desk*1 for people with physical disabilities that offers consultations on various matters to employees with disabilities to help provide them with a comfortable work environment. In addition, the Company has employed two certified sign-language interpreters to further ensure provision of information to people with hearing impairments (as of March 31, 2024). In FY March 2014, the Company was certified as an Ai Support Company/Organization by Hiroshima Prefecture under its Ai Support campaign.*2 The Company participates in this campaign with the aim of helping realize a society where all people can live in harmony and in comfort, regardless of whether they are with or without disabilities. In FY March 2015, the Company registered itself with the "special support school employment support unit Hiroshima"*3 to carry out the internship program for students with cognitive disabilities as part of its collaboration with the local community to promote employment of people with disabilities. As a result of these initiatives, the Company has seen an increasing number of employees with disabilities being recognized as Excellent Workers with Disabilities by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers.

Mazda has also worked to promote active inclusion of people with disabilities, and in January 2021 it joined The Valuable 500, an international initiative to promote disability inclusion. The Valuable 500, launched at the World Economic Forum's Annual General Meeting in January 2019, aims to inspire business leaders to make changes for disability inclusion that will enable people with disabilities to realize their potential value in the areas of business, society, and economy. In support of this aim, the Company is ramping up its efforts to engage in co-creation with people with disabilities.

- *1 These activities are only conducted at Mazda Motor Corporation.
- *2 "Ai" translates to "love" in English. The Ai Support campaign is intended to certify companies and organizations that recommend that their employees read the textbook "Let's Learn about and Live with People with Disabilities" and to participate in Ai Supporter training programs.
- *3 "Special support school employment support unit Hiroshima" is a program for promoting the employment of special school students through collaboration between local companies and Hiroshima Prefecture.



Support for Contributions of Veteran Employees

Mazda seeks to support employees of all ages in making the most of their abilities and continue to make full contributions while feeling motivated and empowered. To this end, the Company has revised our reemployment systems to introduce retirement age options.
[Raising of the Retirement Age](#)

Development of Workplaces and Systems that Support Individual Diversity

Sexual Minorities (Members of the LGBTQ+ Community)

Mazda is engaged in an ongoing crusade to prevent harassment on the basis of sexual orientation and gender identity to ensure that all employees, regardless of sexuality can be themselves, be excited to work, and realize their full potential.
[Human Rights Training and Education](#)

Initiatives toward Organizational Culture Reforms

In March 2023, Mazda started initiatives to transform its current top-down organizational culture into one that shines alight on the front lines and where the higher echelons of management support them. Through these initiatives, Mazda is driving cultural reforms throughout the Company to foster an empowering organizational culture.
[Examples of Organizational Culture Reforms](#)

Measures for Promoting Diversity

Mazda is implementing and growing a variety of programs to enable its employees—a diverse range of people with different values and lifestyles—to feel empowered at work and find a healthy balance between their work and personal lives.
[List of Measures](#)

OCCUPATIONAL SAFETY AND HEALTH

Approach

Basic Approach

Under its Safety and Health Creed, Mazda is making Groupwide efforts to develop people, workplaces, and mechanisms that ensure the safety and health of employees. In FY March 2023, the Company launched a new three-year plan and globally promoted activities involving participation by all employees in accordance with the plan's three pillars, which support the realization of a proactive and enjoyable workplace.* The Company believes that these efforts will help invigorate employees and improve their work performance and thereby help it exercise its corporate philosophy.

Safety and Health Creed

For workers, safety and health are essential assets. Our people are our most valuable resource, and we are committed to keeping them safe.

One Mazda Movement for an Enjoyable Workplace The Three-Year Plan

Policy

Realize a proactive and enjoyable workplace* by accomplishing safety and health activities initiated by individuals and divisions.

Slogan

Safety and health first in One Mazda, 24 hours a day

Three pillars of activities

- 1) Development of human resources with heightened sensitivity
- 2) Creating optimal systems (promoting standardization)
- 3) Development of a safe, secure, and comfortable working environment

* Proactive and enjoyable workplace: A workplace where intensive problem-solving activities are implemented, taking into account the division's characteristics, and where individual employees work as a team harmoniously led by their manager, so that individual employees and the organization are both invigorated.

Frameworks

Safety and Health Management Framework

Mazda has established the General Safety and Health Committee, whose members include management (executive officer in charge of safety, general managers of each division and independent department) and labor representatives (Mazda Workers' Union leaders). The committee members meet to discuss each year's action plan and priority measures concerning safety and health. Based on the decisions made by the committee, division and independent department general managers take the lead in promoting occupational safety and health activities, taking into account the work characteristics of and the risks faced in specific workplaces.

Initiatives

Coordination with Group Companies

Mazda offers proactive support to Group companies in Japan and overseas by such means as holding regular meetings, sharing activity plans and information, and providing educational materials to help resolve safety and health issues. Three overseas plants have obtained ISO 45001 certification and other plants operate an occupational safety and health management system that is based on ISO 45001 or other standards. The Company works to make continuous improvements throughout the entire Group to such management systems.

I Safety and Health Management System

Mazda implements voluntary and continuous occupational health and safety management measures through its occupational safety and health management system with the aim of reducing the potential risks for work-related accidents, enhancing overall levels of occupational health and safety, and achieving the industry's lowest-level workplace accident occurrence in Japan. Furthermore, the Company evaluates the procedure and facility risks that may easily lead to serious accidents, creates mechanisms to prevent accidents before they happen, and works to improve the performance of its occupational health and safety management system.

[Social data \(Lost-time injury frequency rate for the past five years\) >](#)

Risk Assessments

Mazda conducts risk assessments in all divisions, including those related to production, development, management, and administration, to identify and evaluate the potential risks of disasters, diseases, and fire and implement appropriate countermeasures. Through these efforts the Company reviews and identifies risks each year, improving the level of workplace safety. Moreover, in much the same way, Mazda carries out risk assessments when chemical substances or machinery is introduced and is promoting more substantial safety measures. Particularly for the management of chemicals, the Company has introduced a system to create a database of Safety Data Sheets (SDSs)*¹ that enables it to evaluate risks from the perspectives of damage and exposure.

Respect for Human Rights	Human Capital	Diversity, Equity, and Inclusion	Occupational Safety and Health	Realization of an Automotive Society that Offers Safety and Peace of Mind	Improving Quality	Supply Chain Management	Open Innovation (Exploring Partnerships for Co-Creation with Others)	Uplifting Customers' Minds and Bodies	Creating a System That Enriches People's Lives	Social Contribution
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Education and Training

One of the initiatives described in the One Mazda Movement for an Enjoyable Workplace the Three-Year Plan is to develop human resources with heightened sensitivity toward occupational safety and health. As part of this undertaking, Mazda strives to improve safety and health education and training. The Company places particular emphasis on training to enhance employees' risk sensitivity and organizes safety education seminars,*2 risk simulation training,*3 and KYT (risk prediction training) for all divisions, including those related to production, development, management, and administration. The Company also supports Group companies in Japan and overseas, suppliers (Toyukai Affiliated Corporation*4), and partner companies within the Company premises in conducting education and training programs on safety and health in order to develop safety-conscious human resources across the Mazda Group.

*1 A Safety Data Sheet is a document used when chemical substances and chemical mixtures are transferred or provided to others to supply information on their physical properties, potential risks, and harmfulness as well as instructions for safe use of these chemical substances.

*2 The seminars feature panel exhibitions showing a timeline of Mazda's safety activities that summarizes past serious accident cases and safety activities that Mazda has implemented so far to help employees reflect on the Company's safety activities and past accidents, raise their awareness, and obtain new knowledge, which will be helpful to safety management in the future.

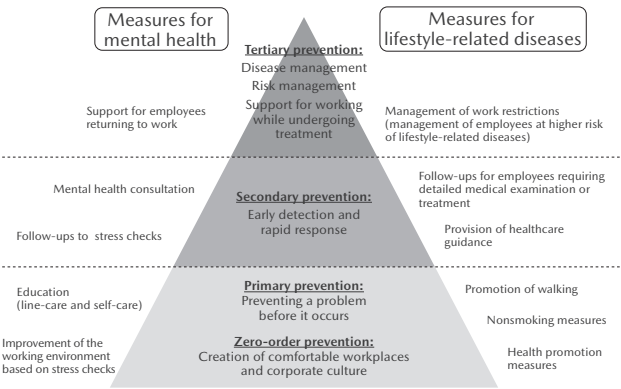
*3 The training is intended to improve employees' sensitivity toward risk through simulations of various potential risks in their workplaces.

*4 Toyukai Affiliated Corporation is a voluntary organization established in 1952 by Mazda (then Toyo Kogyo Co., Ltd.) and 20 partners with transactional relationships with the Company. This organization currently consists of 63 members. The Company offers advice and support to these members from the perspective of safety by providing safety information and inviting members to safety training provided by Mazda.

Health Maintenance and Improvement

To maintain and improve the health of its employees, Mazda promotes measures to prevent and mitigate mental health problems and lifestyle-related diseases. Also, Companywide health improvement activities are underway emphasizing the reduction of health risks by providing guidance and education based on the results of health checkups, promoting physical fitness and healthcare for senior employees, supporting related activities at domestic Group companies, and offering health support for employees dispatched to other companies overseas. With the aim of getting employees to think about their own health and giving them a chance to act, each month's payday has been designated as Health Promotion Day and Mazda distributes health information throughout the Company.

Measures for Combating Health Risks



Measures for Mental Health*1

In 2003, Mazda declared its commitment to active cooperation between labor and management to promote employees' mental health and formulated the Mazda Warm Heart Plan. Management, divisions, occupational health doctors and advisors, and the Mazda Workers' Union have come together in labor-management cooperation to advance ongoing measures.

Consultation System

Mazda has established a system to provide consultations by occupational health doctors and advisors. Not only for employees at Mazda headquarters but also for employees dispatched to other companies in Japan and overseas, the Company offers on-site healthcare consultations and consultations via telephone or online conference systems.

Education and Training

Mazda holds training for newly appointed managers on caring for the health of their team members. Subjects of these trainings include listening skills, assertion, and response to case studies. Furthermore, regular self-care training is conducted targeting third-year employees. The Company also offers training in which instructors are dispatched to specific workplaces based on their individual needs. In addition, information is periodically provided to managers regarding the important points of mental health measures.

Vitality Checkups (Stress Check System)

In 2008, prior to the enactment of legislation requiring companies to implement the stress check system, Mazda began offering employees the occupational stress diagnoses (known as vitality checkups) provided by the Ministry of Health, Labor and Welfare. Employees use the results of individual diagnoses to understand and manage their own health conditions. Organization-level results are shared with the respective divisions. Based on the results of these diagnoses, divisions promote exhaustive workplace diagnoses*2 to facilitate workplace improvements and prevent mental health problems.

*1 These activities are only conducted at Mazda Motor Corporation.

*2 Exhaustive workplace diagnoses are activities in which all members of a workplace participate to identify points needing improvements and make proposals for improvements, and assess their working environment from a broad perspective to drive improvements by using clear and simple procedures.

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I Measures to Prevent Lifestyle-Related Diseases*1

To alleviate and prevent lifestyle-related diseases, including metabolic syndrome, Mazda carries out various activities, such as nonsmoking measures, promotion of walking, and seminars on these themes.

Promotion of Nonsmoking Measures

Mazda has set a long-term target of reducing the percentage of smokers at the Company to 25%. To achieve this target, the Company offers full individual support and promotes a nonsmoker-friendly environment. A Companywide smoke-free day has been implemented once a month. In addition, the provision of outside smoking areas is promoted to prevent passive smoking.

Promotion of Walking

To help employees improve their health, Mazda promotes walking using the PepUp*2 personalized website for individuals. The Company has been also introducing the Eco-Walk Commuting Program, which provides those who walk to work with allowance payments.

Joint Activities with the Mazda Health Insurance Society (Collab Health)*3

Mazda conducts the following health promotion events in cooperation with the Mazda Health Insurance Society:

- Weight Challenge Event: Promotion of weight management by employees
- Health Quiz Challenge: Enhancement of employees' understanding on health checkup items

*1 These activities are only conducted at Mazda Motor Corporation.
 *2 This health website supports efforts to become healthier and is available for use to those insured by the Mazda Health Insurance Society or their dependent spouse.
 *3 Collaboration is promoted between the Health Insurance Society and the Company in promoting preventative health and health improvement measures for insured individuals in an efficient and effective manner based on the clear segregation of roles and in a good work environment.

I Support for Working while Undergoing Treatment Systems for Supporting Employees Returning to Work

Mazda is enhancing its systems for supporting employees who are returning to work after taking leave due to illness in order to prevent them from being forced to take subsequent leave. The systems include a reduced work hour system, a system of allowing employees to return to workplaces on a trial basis, and follow-up consultations after their reinstatement.

Special Work Provisions for Employees Undergoing Treatment

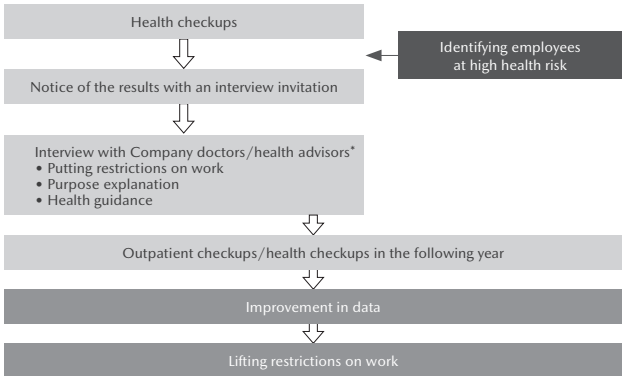
Mazda has employed occupational health doctors and advisors as part of its measures for helping employees facing diseases that require ongoing treatment to continue working while undergoing treatment. In addition, the Company offers special work provisions for employees who can only undergo treatment on weekdays or who must take leave for treatment, even short-term treatment.

I Health Checkups*1

In addition to legally prescribed health checkups*2 for all employees, Mazda carries out comprehensive medical checkups*3 covering a variety of areas for employees when they reach the ages of 30 and 35, as well as for employees aged 40 or above. Furthermore, the Company conducts complete physical checkups, including gastroscopy and abdominal ultrasonography, for employees when they reach the ages of 50, 54, and 58. Based on the results of these health checkups, occupational health doctors and advisors offer personal health guidance to support employees in improving their health.

*1 These activities are only conducted at Mazda Motor Corporation.
 *2 Checkup items: Height, chest circumference, chest X-ray, blood test, urinalysis, electrocardiogram, etc.
 *3 For employees aged 30, 35, and 40 and above, stomach cancer, colorectal cancer, breast cancer, uterine cancer, and other cancer screening is available.

Healthcare Guidance Data



* After the interview results are confirmed by the employee, these results are also reported to the employee's manager.

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I Measures for Combating Health Risks*

The business climate has undergone various changes, including the globalization of workplaces and the extension of the retirement age. Giving consideration to these changes, Mazda strives to establish a system to appropriately assess and address the health risk of employees from the perspectives of risk prevention and management.

* These activities are only conducted at Mazda Motor Corporation.

Infection Prevention Measures

In response to various risks related to infectious diseases, Mazda takes appropriate measures in accordance with the relevant laws and regulations, including the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases. To prevent infectious diseases, the Company, at its expense, provides employees dispatched to other companies overseas and their accompanying spouses with necessary vaccinations, such as hepatitis A and tetanus, taking into account the risk status of each country or region. The Company also provides pre-overseas assignment education, which incorporates information on how to prevent infectious diseases, such as malaria and hepatitis B. In regard to influenza, the Company has launched a system to cover part of the expenses paid by employees for flu vaccinations to prevent mass flu infection at workplaces. Moreover, the Company has prepared internal guidelines on how to prevent the spread of COVID-19 given that the Japanese government has downgraded the threat level of this disease. These guidelines have been distributed throughout the organization.

Measures for Employees at High Health Risk

Mazda has established a system to take appropriate measures for employees at high health risk of heart diseases and cerebrovascular diseases. The Company has also clearly defined standards for determining high-risk individuals and has established a follow-up system to care for high-risk individuals that includes measures such as mandatory meetings with occupational health doctors.

Labor–Management Relations

Mazda has a standing labor agreement with the Mazda Workers' Union.* The Company builds relationships in which everyone thinks and works together with the Union to build environment contributing to all stakeholders. The Company and the Union held discussion on such themes as personnel affairs, production and sales once or twice a month. A discussion with the Mazda Workers' Union is also held regarding operation changes which may have a significant impact. The information about operation changes should be shared with employees with sufficient lead time. Moreover, various measures for discussion with labor are ready in entire Mazda Group to maintain and develop positive labor relations.

- Group companies in Japan
Regular exchanges of information and engagement in active discussions with the Federation of All Mazda Workers' Unions
- Group companies overseas
Measures for discussion with labor based on the labor practices in each country and region

[Statistics from FY March 2024]

- No collective labor disputes at Mazda Group companies.

* Membership is approximately 90% of Mazda employees.

I Dialogue between Labor and Management*

At Mazda, labor unions and management work together to create opportunities for dialogue. The Company recognizes that a sense of psychological safety is created when management and employees accept each other and continue to see and address the same issues. It is important to accelerate and evolve such two-way dialogue, which will lead to the nurturing of an open workplace culture.

* These activities are only conducted at Mazda Motor Corporation.

Respect for
Human RightsHuman
CapitalDiversity, Equity, and
InclusionOccupational Safety
and Health**Realization of an Automotive Society
that Offers Safety and Peace of Mind**

Improving Quality

Supply Chain
ManagementOpen Innovation
(Exploring Partnerships for
Co-Creation with Others)Uplifting Customers'
Minds and BodiesCreating a System That
Enriches People's Lives

Social Contribution

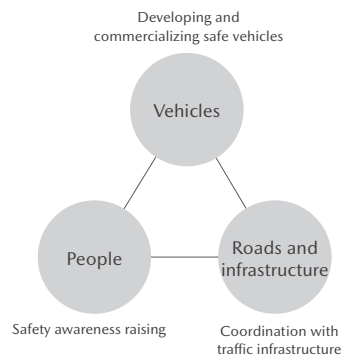
REALIZATION OF AN AUTOMOTIVE SOCIETY THAT OFFERS SAFETY AND PEACE OF MIND

Approach

Basic Approach

Mazda promotes safety and security initiatives from the three perspectives of vehicles, people, and roads and infrastructure to create infrastructure that allows everyone to move freely and enjoy a fulfilling life. The Company thereby aims to contribute to the realization of a safe and secure automotive society.

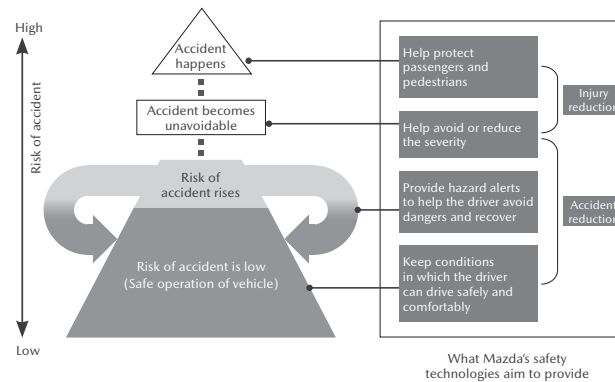
Three Perspectives of Safety and Security Initiatives



Mazda's Safety Philosophy

Mazda Proactive Safety is Mazda's safety philosophy based on understanding, respecting, and trusting the driver. Mazda places this philosophy at the heart of its research on and development of safety technologies. Ensuring safe driving under a variety of circumstances requires one to operate their vehicle while predicting potential risks of accidents and making appropriate decisions. However, no matter how careful people are, some accidents cannot be avoided. To address such accidents, the Company is utilizing the insight gained through years of research on human-engineering mechanisms to develop advanced safety technologies that reduce the risk of being exposed to dangerous circumstances, as opposed to responding once a dangerous circumstance has arisen. These technologies are offered to drivers under Mazda Proactive Safety.

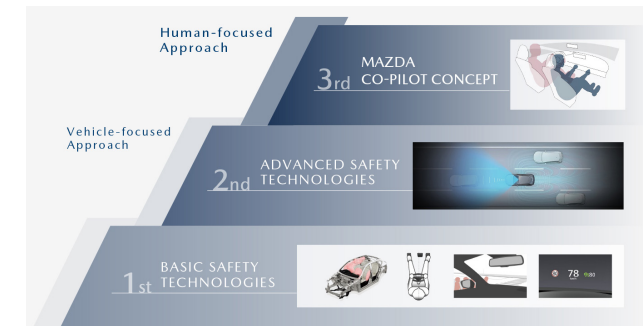
Mazda Proactive Safety: Mazda's Safety Philosophy



Building Block Concept for Safety Technology

In addition to refining its safety technologies, Mazda promotes technical development based on the belief that the very act of spreading these technologies throughout society is a way of demonstrating the value it offers. In developing safety technologies, the Company applies the Building Block concept in a manner similar to the approach used for environmental technologies.

Building Blocks toward the Realization of an Automotive Society that Offers Safety and Peace of Mind



Goals

Realization of an Automotive Society that Offers Safety and Peace of Mind

Based on an original safety concept, Mazda Proactive Safety, Mazda is continuing to develop advanced driving support technologies that utilize IT. The Company is also working to create vehicles that enhance the safety and peace of mind for drivers, passengers, and everyone else around. In terms of what Mazda can achieve between now and 2040 through automotive technologies, the Company aims to achieve for zero deaths resulting from its new vehicles.

Initiatives

Basic Safety Technologies

Basic safety is a crucial performance element underpinning the safety we feel in our everyday lives. For this reason, Mazda promotes the continuous evolution of basic safety technologies and will install these technologies in all vehicles as standard to contribute to the realization of an automotive society that offers safety and peace of mind.

I Support for Assuming the Ideal Driving Position

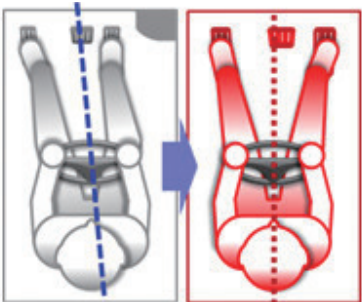
Mazda believes that the ideal driving position not only allows drivers to properly control a vehicle but can also improve their handling when attempting to avoid emergency collisions and reduce injury to occupants should a collision occur. Based on this belief, the Company has offered driving position lectures by experts at [the Mazda Driving Academy](#) and other events. Large product group launched after 2022 (the CX-60, CX-70, CX-80, and CX-90) have incorporated an automatic driving position guide to help as many people as possible achieve the driving position that the Company considers ideal.* As one of Mazda's driver personalization systems, this feature estimates the driver's physical build based on the body data that they have input in advance as well as by detecting the positions of their eyes with a camera. This feature will then automatically adjust the positions and angles of the driver's seat, the steering wheel, the Active Driving Display (ADD), and the outer mirrors. The driver can also make fine adjustments on their own.

* The feature is only available for certain vehicle grades.

I Ideal Pedal Layout

Mazda offers a layout for brake and accelerator pedals that enables them to be pressed while sitting in a natural position in order to allow people to enjoy safe and comfortable driving with the ideal driving position. In this layout, the accelerator pedal is located where the driver can stretch their foot forward and naturally rest it on the accelerator pedal when siting in the driver's seat. The distance between the accelerator pedal and the brake pedal has also been reviewed and optimized. This more ideal pedal layout is anticipated to reduce driving fatigue and lower the possibility of the driver stepping on the wrong pedal when braking in an emergency. Moreover, the accelerator pedal employs an organ-type design. With this design, the driver's foot and the pedal follow the same trajectory when the driver's heel is placed on the floor. This minimizes deviations in its trajectory and makes it easier to control the accelerator pedal while reducing leg fatigue on long drives.

Comfortable Layout Enabling Easy Operation from a Natural Position



Respect for
Human RightsHuman
CapitalDiversity, Equity, and
InclusionOccupational Safety
and Health**Realization of an Automotive Society
that Offers Safety and Peace of Mind**

Improving Quality

Supply Chain
ManagementOpen Innovation
(Exploring Partnerships for
Co-Creation with Others)Uplifting Customers'
Minds and BodiesCreating a System That
Enriches People's Lives

Social Contribution

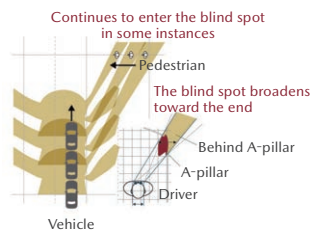
Excellent Visibility

Mazda considers it important to secure good visibility to help the driver identify and react to their surroundings, such as road environment, other vehicles, obstacles, and pedestrians including children. Accordingly, door mirrors on all Mazda passenger vehicles currently available on the market are installed on the outer door board in a lower position to expand the scope of visibility through the mirror. For the 2019 Mazda3 and subsequent models, visibility has been further enhanced via a combination of the inherent slenderness and the well-devised shape of the A-pillar, which reduces blind spots. One of the areas where increased visibility is noticeable is during left turns, which are at high risk for coming into contact with children.

Opening Angle Enlarged by Improved A-pillar

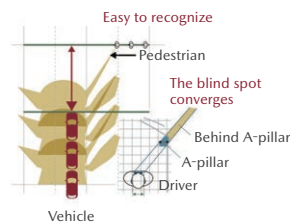
In the case of an A-pillar where the blind spot broadens toward the end

A pedestrian is often continuously hidden behind the A-pillar, preventing the driver from recognizing him/her.



In the case of Mazda3's A-pillar where the blind spot converges

Sufficient visibility is provided by a combination of the slenderness of the A-pillar itself and its well-devised shape, making the blind spot smaller than in the case of a conventional pillar.



Introducing the See-Through View Technology, which Helps the Driver Check the Surroundings

The See-Through View technology has been introduced in large products group (the CX-60, CX-70, CX-80, and CX-90) and the CX-50*¹ to allow the driver to check the surroundings with a stronger feeling of security.*² This technology uses a camera system that has the three functions of detection, identification, and collision prediction. With this camera system, the technology complements the driver's vision by displaying an image of the surroundings as if they are seen from inside the car in order to enable the driver to not only identify an object or pedestrian as early as possible but also park or start the car without concern.

Detection

Broadening the field of vision by integrating a front-view (or rear-view) image with part of a side-view image

Identification

Making the integrated image show an object in a larger size and three-dimensionally so that it seems like a diagonal view (from the driver's seat)

Collision prediction

Displaying the outermost side of the car and its predicted line of course

*¹ This feature is equipped on 2024 models and products released thereafter.

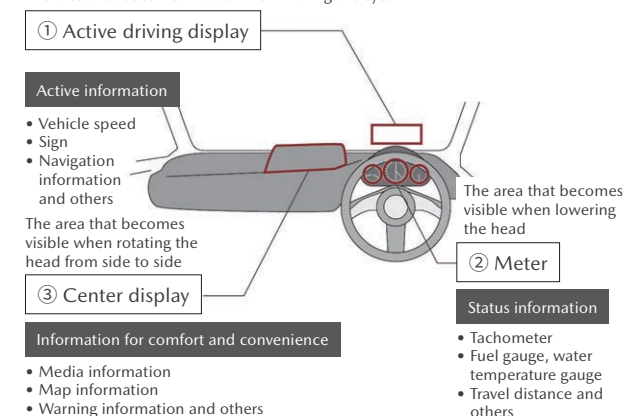
*² The feature is only available for certain vehicle grades.

HMI Concepts for Minimizing Causes of Careless Driving

Mazda has been committed to developing a human machine interface (HMI), which denotes equipment and mechanisms that facilitate communication of information about various inputs occurring during driving between the driver and the vehicle based on the concept of a Heads-up Cockpit. This concept is meant to allow people to focus on driving while considering a variety of information but still prioritizing safety. Based on Mazda's human-centered design philosophy for HMI, the cockpit is designed to minimize three risk factors for careless driving*¹ (cognitive distraction, visual distraction, and manual distraction) to enable the driver to concentrate on driving. The information necessary for driving is presented in order of priority so that the driver can concentrate their attention on driving and thus reduce cognitive distraction. Indications in front of the driver's seat have been simplified to make the display easier to see and thus reduce visual distraction. Meanwhile, indicators and other intuitively operable devices are installed to reduce manual distraction.

Designing a Cockpit that Enables the Driver to Concentrate His/Her Attention on Driving

The area that becomes visible when moving the eyes



1. Vehicle speed and other active information that should be checked at every moment are shown in the active driving display.
2. The amount of fuel and other status information necessary for checking the status of the vehicle are shown by meters.
3. Media information and other information for comfort and convenience are shown in the center display.

More-Advanced HMI Based on an Enhanced Human-Centered Design Philosophy

The CX-60 was the first model to be equipped with an HMI that featured an advanced indicator system based on an enhanced human-centered design philosophy.*2 One of the most prominent advancements of this system lies in the increased area of the ADD, which displays vehicle and navigation information. Large product group launched after the CX-60 feature an ADD that is three times larger than ADDs in preceding models. In conjunction with the enlargement of the ADD, the indicator layout has also been reconstructed and the size of characters and graphics have been increased to make displayed information more recognizable and more quickly readable.

*1 The following are three risk factors for careless driving.

- Cognitive distraction: When the driver is distracted by something other than vehicle control, such as checking the position of a switch or its operation method
- Visual distraction: When the driver takes their eyes off the road to check information or for other purposes
- Manual distraction: When the driver makes large movements of their body and adopts an awkward posture to operate a device

*2 The feature is only available for certain vehicle grades.

Technologies for Mitigating Injuries and Damage from an Accident

Mazda has been developing technologies for mitigating injuries to the driver, passenger, and pedestrians and damage to other vehicles involved in accidents, mainly focusing on analyzing various real cases of accidents and a variety of forms of accident-caused injuries and damage in the market, as well as human-engineering mechanisms for causing injuries to human bodies. Mazda's major safety technologies are described below.

Lightweight collision-safety body:

Mazda has developed a sturdy vehicle body structure that can absorb energy very efficiently by introducing highly strong material for pillars and frames, reinforcing skeleton joints, and designing the optimal forms of skeleton joint sections. This body can absorb and disperse impacts in various directions to support the cabin and mitigate its deformation.

Occupant protection:

Mazda has developed a technology for reducing injuries based on research on the human characteristics of people who are different in terms of build, including elderly people. Mazda vehicles use an occupant-protection structure in anticipation of various forms of accidents and injuries.

Pedestrian protection:

As a technology for mitigating injuries to not only drivers and passengers but also pedestrians in the event of an accident, Mazda vehicles use a pedestrian-protection structure designed in anticipation of injuries in various spots in pedestrians' bodies.

Advanced Safety Technologies

i-ACTIVSENSE*

Mazda is committed to continuous evolution of i-Activsense advanced safety technologies to deliver safer, more reliable vehicles to a greater number of customers, ranging from beginners to elderly drivers. Mazda's i-Activsense is an umbrella term covering a series of advanced safety technologies developed in line with Mazda Proactive Safety principles. These technologies include active safety technologies, which support safer driving by helping the driver to recognize potential hazards, as well as precrash safety technologies, which help to avert collisions when an accident may be difficult to prevent or reduce their severity in situations where they cannot be avoided.

[Advanced Safety Technologies i-ACTIVSENSE >](#) (in Japanese only)

* i-Activsense technologies are designed to help reduce damage and/or injuries resulting from accidents. However, each system has its limitations, and no safety system or combination of such systems can prevent all accidents. These systems are not a replacement for safe and attentive driving. Please drive carefully at all times and do not rely on technology to prevent an accident.

Advanced Driving Support Technology

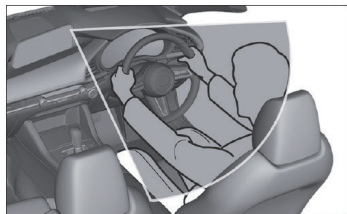
MAZDA CO-PILOT CONCEPT

Mazda has conducted extensive research on human-engineering mechanisms. By understanding and modeling physical bodies and brain mechanisms, the Company has come up with the Mazda Co-Pilot Concept, an advanced driving support technology that can help to reduce risks associated with the driver becoming sleepy or unwell. Based on this concept, people enjoy driving and are revitalized mentally and physically through the process. Meanwhile, the car knows all the movements of the driver and the car is driving “virtually” in the background at all times. If the unexpected occurs, such as the driver suddenly losing consciousness, the car takes control to help prevent an accident and reduce potential injuries. It also automatically contacts emergency services and drives to a safer location. The Company aims to develop technologies of the Mazda Co-Pilot Concept, which uses autonomous driving technologies to allow drivers to enjoy any drive with peace of mind and make these technologies standard.

Driver Monitoring

For Driver Monitoring, which was introduced in the Mazda3 in 2019 for the first time, two new functions have been added: step-by-step warnings issued when the driver’s drowsiness is detected, and an earlier frontal collision warning issued when careless driving is detected. More advanced technologies are applied to the CX-60, detecting drowsy driving with the driver’s eyes closed and noticing a sudden change in the driver’s condition based on changes in their posture or the position of their head, in addition to issuing a warning against careless driving. The accuracy of Driver Monitoring’s detection of both drowsiness and changes in the driver’s condition has been increased through comprehensive judgment based on various factors, including the state of driving.

Driver Monitoring



Detecting the Driver’s Condition by Driver Monitoring

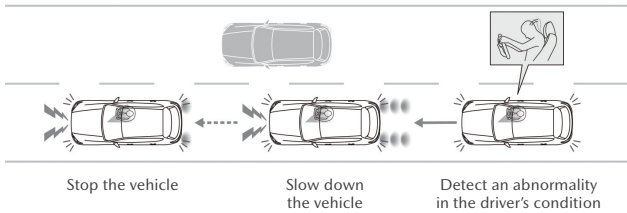
MAZDA 3 (from 2019 onward)		Detection of careless driving		Directions of the eyes and face	Detecting careless driving from the directions of the driver's eyes and faces
		Detection of drowsy driving		Movement of the eyelids	Detecting drowsy driving from the movement of the driver's eyelids
CX-60 (from 2022 onward)	Detection of the driver's abnormal conditions	Closed eyes		Closed eyes	Detecting the driver's closed eyes from the distance between his/her upper and lower eyelids
		Abnormal position		Steering	Detecting the driver not holding the steering wheel from his/her abnormal position
				Position (location and angle)	Detecting abnormalities in the driver's position in comparison with his/her usual driving position

Driver Emergency Assist (DEA) System*

The CX-60 is equipped with the Driver Emergency Assist (DEA) system, an advanced safety technology that can detect abnormalities in the driver’s condition to help avoid an accident or reduce damage and injuries. Working with Driver Monitoring, the DEA system will slow down and stop the vehicle if it becomes difficult for the driver to continue to drive due to a sudden sickness or for other reasons, regardless of whether the vehicle is running on an expressway, an automobile road, or an ordinary road. This system therefore helps avoid an accident or reduce accident damage and injuries. In April 2023, the system was recognized with an Ichimura Industrial Achievement Award at the 55th Ichimura Industrial Awards (organized by the Ichimura Foundation for New Technology).

* This system is designed to complement the driver’s safe driving; it will function only under certain conditions, and its functions have limitations. No safety system or combination of such systems can prevent all accidents. This system is not a replacement for safe and attentive driving. Please drive carefully at all times and do not rely on technology to prevent an accident. For details, please ask dealer staff or refer to Mazda’s website.

Steps in the Operation of the DEA System



- Step 1:

Monitor the state of the driver and detect an abnormality
- Step 1-1:

After detecting an abnormality in the driver's condition, start the hazard lights blinking to inform the passenger that the vehicle will make an emergency stop soon
- Step 2:

If the driver cannot resume driving, slow down and stop the vehicle while blinking not only the hazard lights but also the brake lights and sounding the horn repeatedly to warn others
- Step 3:

Automatically make emergency contact with an external party as needed

* Some functions of the DEA system are available only for customers who have contracted for the connected services and inserted an SD card in their navigation system.

EXTERNAL EVALUATIONS FOR MAZDA'S SAFETY TECHNOLOGIES

Third-Party Safety Evaluations

Rating by vehicle model													(As of May 31, 2024)
		DEMIO/ MAZDA2	MAZDA3	ATENZA/ MAZDA6	CX-3	CX-30	CX-5	CX-50	CX-60	CX-70	CX-90	MX-30	ROADSTER/ MX-5
Japan	J-NCAP*1 (Collision Safety Performance Tests)	5★ (2014)	—*6	5★ (2013)	5★ (2015)		5★ (2017)					—*6	—*6
	J-NCAP*1 (Advanced Safety Vehicle (ASV) Technology Assessment)	ASV+ (2014)	—*6	ASV+++ (2018)	ASV+++ (2018)	5★ (2021)		—*5	5★ (2023)	—*5	—*5	—*6	—*6
US	US-NCAP*2	—*5	5★ (2024MY)	—*5	—*5	5★ (2024MY)	5★ (2024MY)	—*6	—*5	—*6	—*6	—*5	—*6
	IIHS*3	—*5	24TSP+	—*5	—*5	24TSP+	23TSP	24TSP+	—*5	—*6	24TSP	—*5	—*6
Europe	Euro-NCAP*4	5★*8 (2020)	5★ (2019)	5★ (2018)	—*6	5★ (2019)	—*6	—*5	5★ (2022)	—*5	—*5	5★ (2020)	—*6

Recent NCAP Evaluations*7

(As of May 31, 2024)			
		Vehicle models evaluated	Number of vehicle models receiving the highest possible (5★) rating/number of vehicle models evaluated
Japan	J-NCAP*1	CX-60	1/1
US	US-NCAP*2	MAZDA3, CX-30, CX-5	3/3
Europe	Euro-NCAP*4	—	0/0

- *1 Japan New Car Assessment Program: Vehicle collision safety performance evaluations conducted by the National Agency for Automotive Safety and Victims' Aid. For collision safety performance, 5★ is the highest possible rating. For Advanced Safety Vehicle (ASV) Technology Assessment, ASV+++ is the highest possible rating (from 2018 to 2019).
- *2 National Highway Traffic Safety Administration's 5★ Safety Ratings program. 5★ is the highest possible rating.
- *3 Insurance Institute for Highway Safety: Safety performance evaluations by an independent, nonprofit organization funded by auto insurers. Top Safety Pick + (Plus) is the highest possible rating.
- *4 European New Car Assessment Programme: An independent agency comprised of the transport authorities of European countries, etc. 5★ is the highest possible rating.
- *5 No sales as of May 31, 2024
- *6 Not evaluated
- *7 Excludes OEM vehicles
- *8 Mazda2 Hybrid

Mazda earns most Top Safety Pick + awards of any single brand > (in Japanese only)

Safety Awareness Raising

It is said that most traffic accidents are caused directly or indirectly by human behavior. Mazda endeavors to raise safety awareness among adults and children through various means of communication.

I Traffic Safety Awareness Raising

In cooperation with local municipalities and organizations, Mazda conducts various activities to raise safety awareness. To encourage increased seatbelt and child seat use, for example, the Company has been partnering with the Hiroshima Branch of the Japan Automobile Association (JAF) since 2017 to conduct ongoing awareness-raising activities. In these activities, the importance for all passengers to wear a seatbelt is illustrated through the simulation of a collision at a speed of 5 km/h, quizzes to raise children's safety awareness, and shock absorption experiments with toy cars.

[Statistics from FY March 2024]

- Participation in the Traffic Safety Challenge Festa held at Numaji Transportation Museum (Hiroshima City's traffic science museum)
- Organization of Mazda Traffic Safety Challenge event at Miyoshi Shoko Festival, etc.



Awareness Raising Regarding Seatbelt and Child Seat Use

I Safe Driving Demonstrations

Since FY March 2015, Mazda has held the Mazda Driving Academy, an experience and training program, to help customers in Japan learn the theories and techniques for driving their cars easily, comfortably, and safely.

[Statistics from FY March 2024]
Mazda Driving Academy held seven times

For more information, please refer to [MAZDA OFFICIAL WEBSITE](#) > (in Japanese only)



Driving Position Lecture



Experiencing Sudden Braking

Coordination with Traffic Infrastructure

Initiatives toward Realizing a Safe Automotive Society with ITS*

Traffic accidents and congestion are serious social problems in many countries and cities. To solve these problems, worldwide efforts have been taken to introduce advanced technologies for roads and automobiles. As an automobile manufacturer, Mazda has been proactively supporting the ITS project driven by the government and private sector, and working collaboratively with the national and local governments and related companies in order to realize a society where the road traffic is safe and accident-free.

* ITS: Intelligent transport system uses telecommunications technology to bring together vehicles, people, and the traffic environment, with the aim of easing traffic congestion and reducing the number of accidents throughout Japan.

I Technology to Notify the Driver of Unseen Dangers

Mazda is promoting research and development of ITS as a means to monitor the objects in a distant position that cannot be detected by Mazda's advanced technology i-Activsense or the areas in an intersection that cannot be seen from the driver.

ITS Projects that Mazda Participates In

Project	Description	Organizer
ASV (Advanced Safety Vehicle)	<ul style="list-style-type: none"> Research and development to realize a system to assist safer driving utilizing cutting-edge technologies, including communication-based driving safety support systems. In 1991, the project's first phase was launched, and currently discussions are underway as to the seventh phase. 	Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism
ITS Connect*	<ul style="list-style-type: none"> The ITS Connect Promotion Consortium promotes practical application and widespread use of a driving support system combining automobile-related technology with new ITS communication technology. The consortium aims to achieve a safe anxiety-free transportation society, by studying the fundamental technology for the driving support system (ITS Connect), which utilizes ITS-dedicated frequency band, and by carrying out operation support. 	ITS Connect Promotion Consortium

* Website of [ITS Connect Promotion Consortium](#)  (External link)

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Enriches People's Lives

Social Contribution

IMPROVING QUALITY

Approach

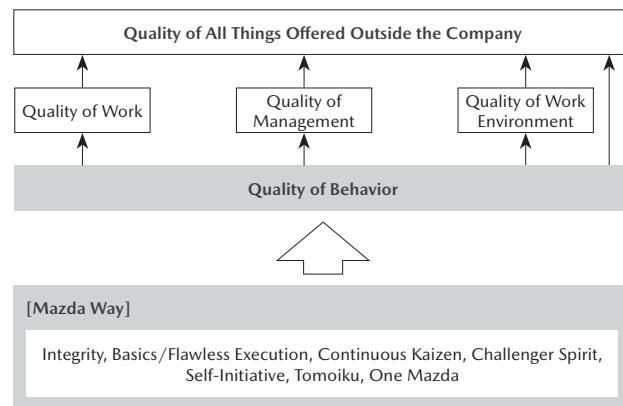
Basic Approach

Mazda believes that it is important to enhance the quality of all things offered outside the Company, including products and services, to satisfy customers as it seeks to exercise its corporate philosophy. The Company has defined the Five Types of Mazda Quality: quality of work, quality of management, quality of work environment, quality of behavior, and quality of all things offered outside the Company, which is underpinned by the preceding four. In line with its quality policy, the Company continues to evolve its initiatives and promote united collaboration among all areas of operation to further enhance Mazda's unique value.

Mazda Quality Policy

To enrich the lives of our customers by providing products and services that reflect steady and uncompromising work

[Five Types of Mazda Quality]



Approach toward Quality Improvement

To deliver customers safety, trust, and excitement through automotive lifestyles and to ensure that customers always feel the value of its products, Mazda positions customers as the starting point of all of its business activities and makes Groupwide efforts based on the following Vision for Quality Assurance. The Company recognizes that quality assurance does not conclude unless the

quality includes not only the outward appearance of products but also the processes used by customers. Accordingly, the Company works diligently to develop personnel who thoroughly understand its customers, and who can think and act in accordance with the belief that everything starts with the customer.

Vision for Quality Assurance

[Vehicle production based on the "100 - 1 = 0" belief]

1. Consistent quality from planning to production:

The "100 - 1 = 0" belief expresses Mazda's strong desire to provide good quality to all customers under the belief that if even only one out of 100 vehicles is found to be defective, the car has no value for the customer. Mazda pursues a kind of vehicle production that respects each vehicle as a certain customer's one-and-only, and aims to achieve zero defects. In keeping with the basic principles of manufacturing and based on a full understanding of its mechanisms, all related departments work in close collaboration to establish consistent quality in all processes, ranging from planning to production.

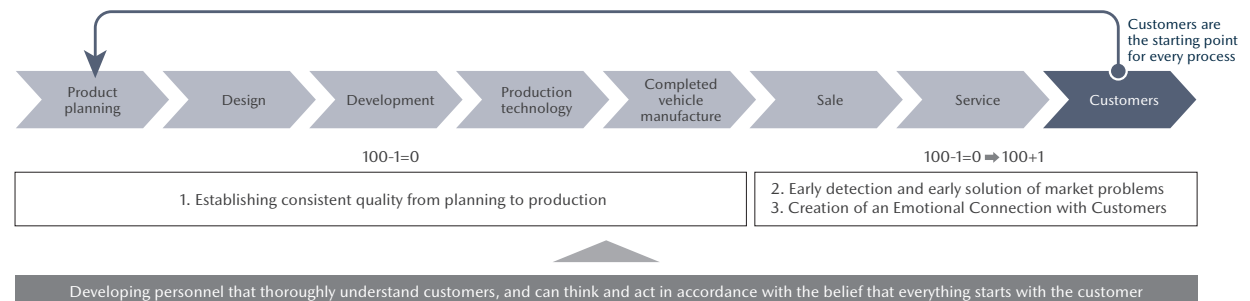
[Initiatives for the process of changing "100 - 1 = 0" to "100 + 1"]

2. Early detection and early solution of market problems:

If an unpredictable problem arises in the market, it may result in loss of trust from customers ("100 - 1 = 0"). To avoid this situation, Mazda promotes quality assurance activities for the early detection and early solution of any trouble pointed out by customers.

3. Creation of an emotional connection with customers:

Through consistently earnest engagement with customers as well as close communication, Mazda aims to forge special bonds with customers based on enduring trust ("100 - 1 = 0" → "100 + 1").



I Mazda Quality Management System

To make faithful and unceasing efforts and constantly ensure quality in products, sales, and after-sales services that can always satisfy the expectations and live up to the trust of customers, Mazda has established the Mazda Quality Management System based on ISO 9001,* and has applied it to the series of processes spanning from product development to production, sales, and after-sales services. At overseas production sites, the Company promotes the establishment of systems that encourage local employees to take autonomous action to improve quality and is advancing the acquisition of ISO 9001. The Company thereby aims to drive improvements in the quality of Mazda vehicles, which are produced and sold worldwide. Global quality managers are responsible for practicing regular communication with representatives from each region who are most closely connected to local markets in order to gather input from the front lines on whether the Company is living up to the expectations and trust of customers. This communication helps facilitate the quick resolution of issues. Furthermore, quality representatives for each region participate in meetings where they share best practices with the goal of enhancing Mazda's global quality.

* ISO 9001 is a set of international standards for quality management and assurance.

Acquisition of ISO 9000 Series

Year of Acquisition	Types of ISO Certification	Certified Organization, Product, Service, Etc.
1994	ISO 9002	Mazda Motor Corporation: Vehicles produced at Hiroshima Plant and Hofu Plant (The first Japanese automobile manufacturer to be certified)
1996	ISO 9001	Mazda Motor Corporation: Engineering, product development, manufacturing, and after-sales service
2001	ISO 9001	Mazda Motor Corporation: Accessories, KD, product planning, design Mazda Engineering & Technology Co., Ltd.: Specially equipped vehicles (TESMA), etc. (Application range expanded)
		Auto Alliance (Thailand) Co., Ltd.
2007	TS 16949 (ISO 9001 Sector certificate)	Changan Ford Mazda Automobile Co., Ltd. (now Changan Mazda Automobile Co., Ltd.) Changan Ford Mazda Engine Co., Ltd. (now Changan Ford Mazda Engine Co., Ltd.)
2015	ISO 9001	Mazda de Mexico Vehicle Operation Mazda Powertrain Manufacturing (Thailand) Co., Ltd.
	ISO 9001: 2015	Mazda Motor Corporation: Head Office, Hiroshima Plant and Hofu Plant, Mazda de Mexico Vehicle Operation, and Auto Alliance (Thailand) Co., Ltd.
2018	IATF16949: 2016 (ISO 9001 Sector certificate)	Changan Mazda Automobile Co., Ltd., Changan Ford Mazda Engine Co., Ltd. (now Changan Mazda Engine Co., Ltd.)

Initiatives

Customer-Oriented Quality Improvement

To provide customers with satisfaction through an enriching car ownership experience, Mazda has to gain a deeper understanding of the ways in which customers use their cars and the value they expect. Mazda values customer feedback all over the globe as its greatest asset. The Company is working to store this feedback in knowledge databases, and to reflect it in product planning, development, and elsewhere. Moreover, through activities such as those to educate about or raise awareness of quality, the Company strives to continue developing personnel who think of customers as their first priority and think and act accordingly.

I Understanding Customers

Activities to Turn Customer Feedback into Knowledge

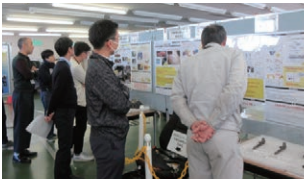
Customer feedback from all over the globe are fed into a knowledge database, and Mazda is working toward vehicle development that reflects these quality criteria and optimization of product quality standards.

Sharing of Past Cases

Mazda shares the lessons learned from past cases through exhibits of actual defective products and e-learning programs in order to drive reforms in behavior.

[Statistics from FY March 2024]

- Participation in exhibits and e-learning programs by approx. 16,000 individuals



Exhibit



Participants in e-learning program

I Thinking from the Customer's Perspective

Quality Awareness-Raising Activities

Mazda holds quality meetings on a regular basis. At these meetings, top management communicate their commitment to compliance and quality in their own words to all employees. This provides opportunities for individual employees to reflect on and think about their work, thereby enhancing their compliance and quality awareness.

Quality Education

For the purpose of developing human resources capable of proactively finding and solving problems from a customer viewpoint and working for continuous improvement, quality control education is provided for employees. Quality education courses taught by internal instructors are offered, and employees take appropriate courses when their job type or management level changes.

Groupwide Quality Education Courses (FY March 2024)

	Course	Objective
1	Quality education program for new employees	To understand basic quality control concepts (customer-oriented attitude, continuous improvement efforts)
2	Quality education by level	To understand quality management approaches tailored to different management levels or job roles
3	Quality management methods course	To become capable of applying and practically implementing specialized quality management techniques

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Enriches People's Lives

Social Contribution

I Behavior that Puts the Customer First Quality Control (QC) Circle Activities

Mazda promotes QC circle activities to encourage members of each workplace to find and solve problems by themselves. QC circle activities, which have been implemented for over 60 years as key activities for the Company, have evolved into global activities, being conducted not only inside Mazda but also at its suppliers and dealerships. The All-Mazda QC Circle Competition held every year at the Head Office in Hiroshima is now participated in by QC circles of Japanese dealerships and overseas sites such as those in China, Thailand, and Mexico; it is taking root as a truly global initiative.



FY March 2024 All-Mazda QC
Circle Competition President's
Award
Plant Technology Department
Economy Circle

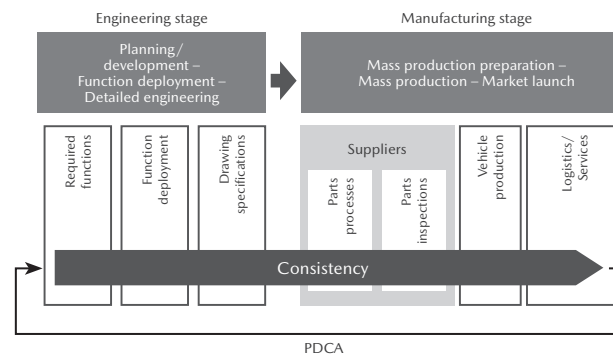
Establishing Consistent Quality, from Planning to Production

To satisfy the diverse needs of customers and offer greater trust, joy, and excitement, Mazda is engaged in establishing a consistent quality level to be assured at all stages from planning and product development to the delivery of products to customers.

I Consistent Quality from Planning to Production

Mazda is committed to process assurance to improve the performance of products as well as to enhance the quality of new technologies in response to regulation and electrification trends. Process assurance is the approach of ensuring a consistent quality level at all stages spanning from engineering (planning and product development) to product creation (purchasing, vehicle production, logistics, and after-sales services). Through this approach, the Company identifies the important elements necessary to guarantee the quality of each function and performance based on an accurate understanding of customer needs and expectations. The Company has established a system to maintain and manage these elements in every stage from engineering to manufacturing. The cooperation of partners is imperative in improving quality levels. For this reason, the Company promotes personnel and technology exchanges as well as other co-creation activities with customers. Furthermore, to allow customers to feel the joy of driving through its products, the Company identifies the functions and performance that embody the joy of driving for each stage from before getting in the car to after starting driving, so as to achieve increased consistency in quality.

Consistent Process Assurance Based on Major Characteristics



I Monotsukuri Innovation

Looking five to 10 years into the future, Mazda has implemented *Monotsukuri* Innovation for efficiently developing and manufacturing products. Shared development methods and manufacturing processes are made possible by using bundled product planning for models to be introduced in the future through an approach that transcends the boundaries of market segments and model classes. During the development phase, optimized structures for each function are shared among vehicle models and classes to apply these structures to a wider range of vehicles. In the production phase, Mazda's unique flexible production system is used to produce products engineered based on a common architecture concept in a highly efficient and flexible manner. Mazda is aiming to raise operational efficiency by building flexible production frameworks that can handle changes in volumes and can quickly introduce new models with a minimum of investment. Through *Monotsukuri* Innovation, the Company has achieved efficiency improvement in terms of both product development and manufacturing facility investment as well as significant improvements in vehicle costs in relation to Skyactiv Technology and products after and including the CX-5 launched in 2012. Through design based on common architecture under *Monotsukuri* Innovation, Mazda is able to promptly apply the latest technologies and designs to all of its products. In new-generation technology development, the Company is working to enhance the efficiency of development processes through bundled planning and model-based development.

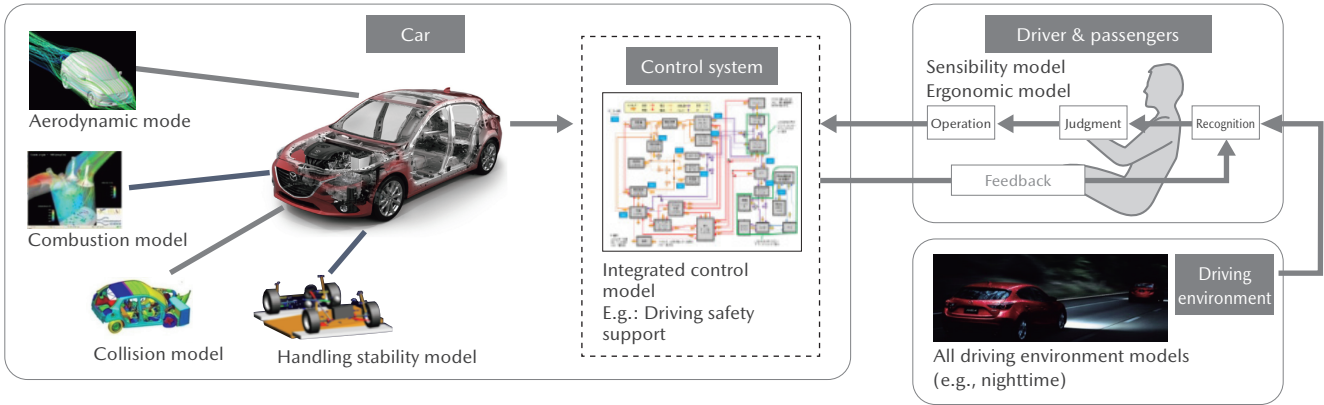
I Model-Based Development

Cars are being called on to provide increasingly advanced and diverse functions, while vehicle architecture and control systems are becoming more and more complex. Model-based development, which uses computers to efficiently replicate development processes, is essential to keep developing complex systems quickly and with limited resources. Model-based development involves creating computer models of the vehicle, control systems, drivers, passengers, driving environments, and other development subjects and conducting development via thorough computer simulation. It is an efficient method of optimization. Mazda is carrying out model-based powertrain and vehicle development through simulations for stages spanning from design to vehicle evaluation. The Company thereby strives to reduce the number of prototype parts and actual unit verification in order to develop

complex, highly sophisticated technologies and products quickly and with minimum resources while also ensuring quality. Mazda believes that to further promote model-based development, universities working on cutting-edge technologies and automobile manufacturers and suppliers that cooperate in manufacturing must build upon the SURIAWASE 2.0 concept, which is aimed at enhancing development efficiency by using virtual models across the engineering chain. To that end, the Company is playing an active role in activities by [the Japan Automotive Model-Based Engineering center \(JAMBE\)](#). To spread the SURIAWASE 2.0 concept throughout the Japanese automotive industry, the Company is engaging with domestic automobile manufacturers and business partners.

Model-Based Development

A technique to develop outstanding products by modeling (quantifying) and connecting all four elements of (1) the car, (2) control systems, (3) the driver & passengers, and (4) the driving environment without using an actual vehicle



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Improving Quality

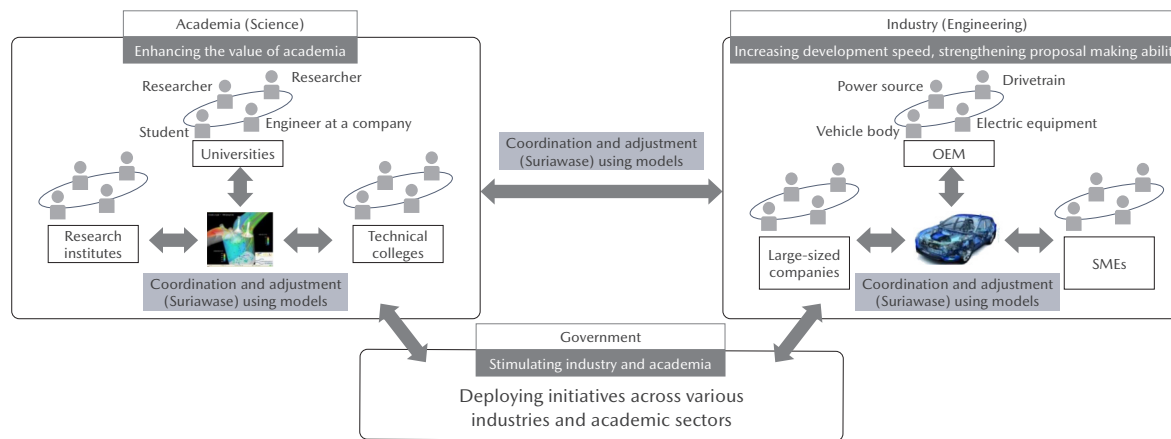
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Social Contribution

What Is Advanced Matching Development SURIAWASE 2.0?

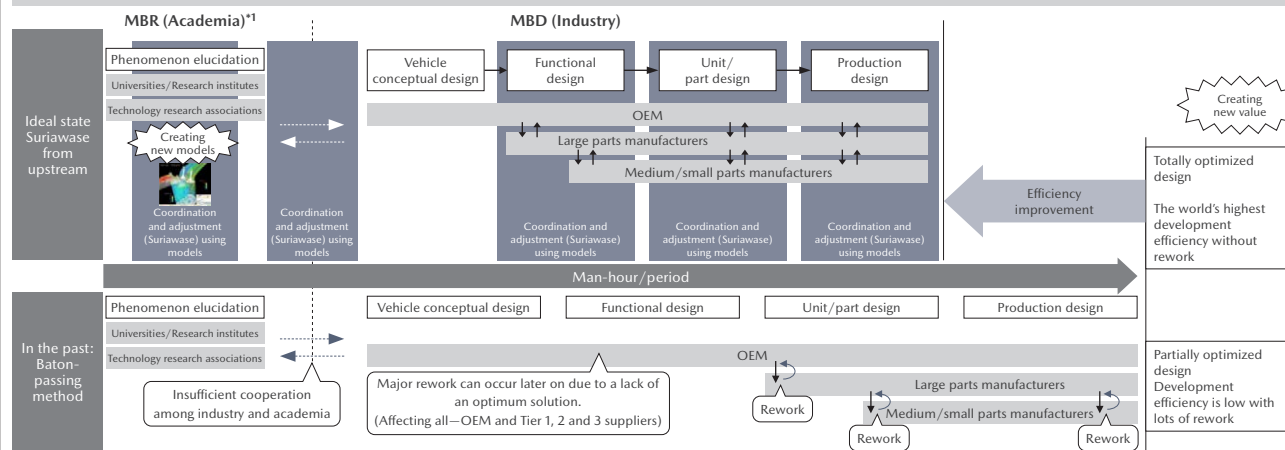
Created based on the SURIAWASE 2.0 concept presented in the materials prepared by Japan's Ministry of Economy, Trade and Industry in 2017

SURIAWASE 2.0 is an initiative to enable academia and businesses (parts manufacturers and OEMs of all sizes) to share digital models across the board, linking academic research with development of parts, systems, and vehicles, thereby allowing both sides to coordinate and make adjustments (Suriawase in Japanese) digitally from the initial stages of development, without using physical machines. This approach makes it possible to create the most advanced development community in the mobility sector, able to carry out optimal and high-grade monozukuri (engineering and manufacturing) efficiently and without rework.



Goal: Concretize SURIAWASE 2.0

Achieve the most efficient development processes in the world and create new value by innovating the research, development, and production processes



*1 Model-Based Research: An approach that applies model-based concepts to research

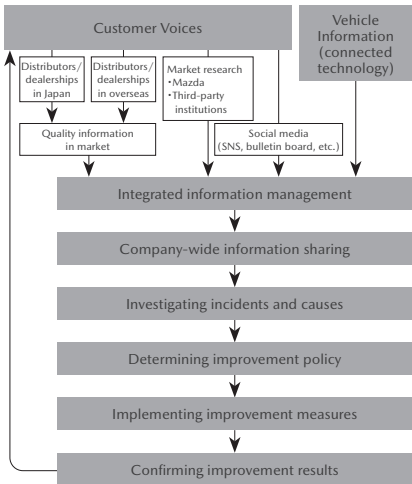
Referred to the October 2022 issue of "Introduction to JAMBE"

Early Detection and Early Solution of Market Problems

Mazda strives to offer an enriched car ownership experience in which customers can feel satisfied with their car and realize its value as a product. While respecting each vehicle as a certain customer's one-and-only, the Company endeavors to ensure comprehensive and speedy quality improvement and enhance the quality of present and future products.

I Comprehensive and Speedy Quality Improvement
To ensure early detection and early solution of market problems, Mazda has established a system for unified management of all items of quality information. Such information is gathered from distributors and dealerships in Japan and overseas and by employing the results of surveys by external institutions and conducting the Company's own market research. Through the system, the collected information is shared Companywide in real time. By using the system and closely monitoring daily progress, the Company investigates quality-related incidents and their causes, determines and implements improvement measures, and confirms the results. In this manner, the Company works to achieve comprehensive and speedy improvement. The Company also carries out quality improvements capitalizing on the vehicle information collected through the utilization of connectivity technologies in addition to conventional initiatives based on customer input.

Quality Improvement System



[Examples of Surveys, Analyses, and Improvement Measures]

- Gathering customer feedback through Mazda-unique market surveys
- Market surveys conducted by third parties
- Analysis of customer feedback via social media
- Analysis of vehicle information obtained through connected technologies

Customer Safety and Security as Highest Priority for Corporate Activities

Mazda prioritizes customer safety and security above all. Through a strict quality assurance system, the Company conducts inspections on conformity with laws and regulations of relevant countries and on functions to be used by customers with a view to manufacturing vehicles that customers feel safe using. This quality assurance system is maintained and managed by having development, production, and quality divisions audit each other from their respective independent standpoints.

Recall Procedures (Overview)*

- Registration with authorities in each jurisdiction in accordance with the laws and regulations of each country and region
- Disclosure to customers via direct mail, telephone, and other methods and explanations at dealerships
- Disclosure of information on recalls on the Mazda website

[Social data \(Number of recalls in Japan\) >](#)

* Recall procedures may vary by country or region.

Building an Emotional Connection with Customers

I Customer Support Tailored to Customer Needs
Mazda aims to provide customer service that customers can always rely on. To this end, in addition to providing safe, reliable, and comfortable vehicles, Mazda also provides a stress-free ownership experience that allows customers to enjoy their vehicle-related lifestyle, including visits to dealerships. Understanding customers' difficulties and expectations is crucial to successfully tackling this challenge. In addition to the fundamental efforts to develop and provide tools and service manuals and to establish parts supply networks, the Company is working with dealerships in Japan and overseas to reform operations, create new touch points with customers, and cultivate human resources capable of considering and acting toward customers' happiness.

Tools & Service Manuals	<ul style="list-style-type: none"> Establishing an internet-based support system that enables quick and efficient access to the latest service manuals as well as efficient searching for and ordering of parts Deploying unique malfunction diagnostic devices that are compatible with the sophisticated electronic control systems adopted in a wide range of safety and environmental technologies Providing information on special tools dedicated to Mazda vehicles and their usage
Development of Dealership Sales Staff	<ul style="list-style-type: none"> Positioning of instructors in training centers in major countries and regions of operation; incorporating development and production innovations into new machinery and technical training to develop human resources globally; and proactively utilizing remote training tools to satisfy the needs of those requiring training and improve training efficiency Holding global events to recognize service maintenance technicians who represent their respective countries and service staff members who help supply customers with enriched car ownership experiences to foster individual growth, motivation, and pride among employees

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Social Contribution

Initiatives at Dealerships and Distributors

Mazda is committed to providing dealership and distributor experiences that accommodate the needs of individual customers. The Company therefore promotes operational improvement measures driven by dealerships and distributors with the aim of heightening process quality and creating more comfortable work environments for employees. The Mazda Production System, which is built on Mazda's accumulated production insight, is a central component of these initiatives. Through initiatives involving all dealership and distributor employees, the Company seeks to eliminate operational inefficiencies while increasing the value of processes from the perspective of the customer. In FY March 2024, the Company expanded the scope of dealerships and distributors in which improvements are pursued to include those located overseas in addition to those in Japan. To enhance the level of customer satisfaction initiatives at Mazda dealerships and distributors, the Company has prepared award systems for sharing and honoring best practices demonstrated by the staff of dealerships and distributors that have contributed to increased customer satisfaction through excellent teamwork and the sales and service staff members who achieved outstanding results.

Staff Awards & Shop Awards

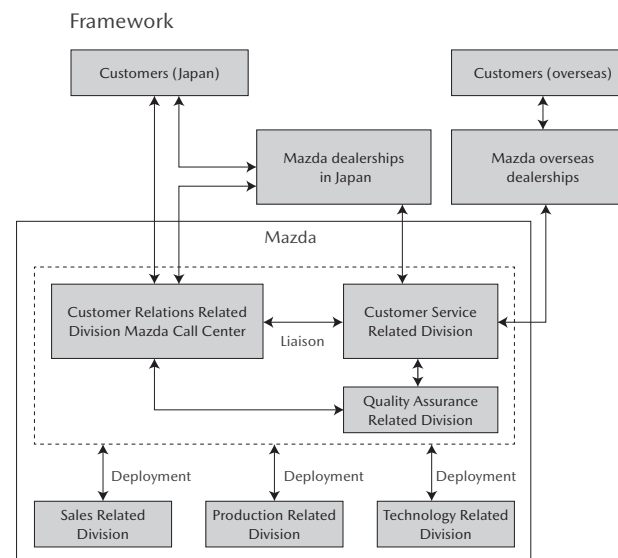
Measure	Frequency	Objective /Contents
Staff Awards/ Shop Awards	Once a Year	To encourage staff self-improvement, meetings are held on a periodic basis to award sales and service staff members according to their degrees of achievement of targets. Improvement of technical skills, and contribution to improved vehicle quality. Awards are also given to dealerships that have achieved their targets as a result of all staff members' customer-oriented activities, demonstrating excellent teamwork. In particular, best practices from the shops producing outstanding results are shared and commended at the presentation meetings hosted by the Mazda Dealerships Association each region across Japan.

Responses to Expectations and Opinions of Customers

At Mazda dealerships and distributors around the world, systems have been established to gather opinions and requests from customers, to respond to them honestly, accurately, and quickly, and to reflect this input in sales and services in cooperation with the Mazda Head Office.*1 The contacts for each market area as well as an FAQ section*2 are available on Mazda's corporate website for the convenience of customers. To strengthen bonds with customers, Mazda conducts global surveys focusing on the Mazda brand experience, sales and after-sales services, ownership cost, product attractiveness, and other specific items. Through these surveys, the Company identifies problems in each market and addresses them in cooperation with local dealerships and distributors. Having defined [indicators to measure customer satisfaction](#), the Company is implementing a plan-do-check-act (PDCA) cycle to improve customer satisfaction.

*1 [Distributor list by country/region >](#)

*2 [Inquiries from Japan / FAQ >](#) (in Japanese only)



SUPPLY CHAIN MANAGEMENT

Approach

Basic Approach

In light of the recent expectations of society regarding sustainability, Mazda is promoting compliance with the labor laws of the countries and regions in which it operates, including those regarding the prohibition of child and compulsory labor. In addition, the Company respects the Charter of Corporate Behavior issued by Keidanren (Japan Business Federation) and other international standards and engages in a wide range of initiatives for facilitating coexistence and mutual growth with suppliers in Japan and overseas.

Initiatives

Efforts Targeting Mazda's Suppliers

In line with its basic purchasing policy, Mazda is making efforts to build open business relationships and ensure fair and evenhanded dealings with its companies both in Japan and overseas, while extending opportunities to businesses throughout the world, regardless of home country, scale, or history of transactions with the Company. Upon receiving a request to start business with Mazda, we will assess the company in question in a fair and evenhanded manner according to our in-house criteria for the evaluation of suppliers in order to determine the feasibility of a business partnership. In addition, Mazda bases its assessments of business dealings with new suppliers on a comprehensive evaluation that covers not only quality, technical strengths, pricing, delivery time, and management approach but also corporate compliance structures and sustainability initiatives, including environmental protection activities. The Company conducts questionnaire surveys of its suppliers on an as-needed basis, aiming to track and evaluate the status of their implementation of sustainability initiatives in more detail. Also, concerted efforts are underway between Mazda and its

suppliers to establish risk management systems that ensure business continuity and stable development so as to avoid a suspension of business that would extensively impact society. In addition to proactively offering opportunities for communication, Mazda provides support in various forms to suppliers to ensure that the Company can promote sustainability initiatives and risk management in close concert with them.

Stakeholder Engagement

Basic Purchasing Policy

Mazda will, in the fullest sense of coexistence and mutual growth, engage in research and production for improved competitiveness. The Company will build open and fair business relationships to ensure sustainable growth and raise its level of contributions for social and economic development.

Measures for Supplier Support

- Co-creation and technology exchange with suppliers, aimed at improving their competitiveness
- Cooperating with suppliers in improving their product quality
- Adoption of the Milk-Run system (Mazda has shifted from the conventional system, with delivery of parts by each supplier, to the Milk-Run system* (MRS), in which Mazda trucks stop at multiple suppliers to collect parts)
- Provision of information on third-party exhibitions and conventions to showcase the latest technologies and manufacturing methods

* A method in which a single truck visits multiple suppliers to collect supplies. Named after truck routes in rural areas, which picked up milk from each farm.

Deployment of the Mazda Supplier Sustainability Guidelines to Suppliers

The Mazda Supplier Sustainability Guidelines have been formulated based on Mazda's basic approach to sustainability initiatives and with reference to the Supplier CSR Guidelines of the Japan Automobile Manufacturers Association. The guidelines outline sustainability areas and items that are closely related to procurement. In the guidelines, sustainability activities are categorized into six areas: Customer Satisfaction (Safety & Quality), Environment, Social Contributions, Respect for People (Human Rights & Work), Compliance, and Information Disclosure. The Company

requests that all Mazda suppliers comply with the guidelines in these areas. In addition, the Mazda Green Purchasing Guidelines have been created to describe the Company's approach toward environmental protection in more detail, and Mazda requests that suppliers observe these guidelines. The Company also conducts periodic surveys of suppliers to confirm their compliance status.

[Mazda Supplier Sustainability Guidelines >](#)
[Mazda Green Purchasing Guidelines >](#)

Customer Satisfaction (Safety & Quality)

Suppliers are requested to abide by the guidelines regarding products and services that meet the needs of consumers and customers, sharing appropriate information about products and services, safe products and services, quality products and services, etc.

Environment

Suppliers are requested to abide by the guidelines regarding environmental management, greenhouse gas reduction, air, water, and soil pollution prevention, resource conservation, waste reduction, chemical management and ecosystem conservation.

Social Contributions

Suppliers are requested to make social contributions proactively and continuously at home and abroad to meet the needs of each region, thereby fulfilling their responsibilities as a good corporate citizen.

Respect for Human Rights	Human Capital	Diversity, Equity, and Inclusion	Occupational Safety and Health	Realization of an Automotive Society that Offers Safety and Peace of Mind	Improving Quality	Supply Chain Management	Open Innovation (Exploring Partnerships for Co-Creation with Others)	Uplifting Customers' Minds and Bodies	Creating a System That Enriches People's Lives	Social Contribution
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Respect for People (Human Rights & Work)

Suppliers are requested to abide by the guidelines regarding abolition of discrimination, respect for human rights, prohibition of child labor and forced labor, [non-use of conflict materials](#), wages, working hours, dialogue with employees, and safe and healthy working environment.

Compliance

Suppliers are requested to abide by the guidelines regarding regulation compliance, competition law compliance, promotion of fair business practices, corruption prevention, confidential information management and protection, export management, and intellectual property protection.

Information Disclosure

Suppliers are requested to disclose information to their stakeholders in a timely and appropriate manner, and make efforts to maintain and develop mutual understanding and trustful relationships with stakeholders through open and fair-minded communication.

I Promotion of Fair Business Practices

Compliance: Fair Business Practices

Mazda promotes fair business practices to ensure that both the Company and its suppliers have fair dealings under clear standards with a shared understanding to strengthen their global competitiveness through mutual collaboration. Based on the Guidelines for Appropriate Transactions in the Automobile Industry, which was formulated at the initiative of the Ministry of Economy, Trade and Industry, Mazda carries out various activities, including the formulation of the Promotion Manual for Appropriate Purchasing, education for those engaged in procurement operations at Mazda, and information provision to suppliers through its website and briefing sessions.

In-House Education to Ensure Fair Transactions

The following educational initiatives are conducted for those engaging in procurement operations.

- Education and comprehension tests on promotion of fair business practices (including questions pertaining to the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors)
- Education on financial control
- Posting of guides and process rules regarding fair business practices and compliance on the Company's intranet
- Courses on promotion of fair business practices for employees who were newly assigned to the relevant sections

I Supplier Evaluation System

When starting transactions with a new supplier, relevant departments coordinate to confirm the supplier's quality control system, R&D system, technological capabilities, management conditions, and sustainability initiatives in order to evaluate whether or not the supplier is compliant with the procurement and selection policies of the Mazda Group. For each long-term supplier, Mazda conducts not only an evaluation based on the quality, cost, and delivery time of goods or services produced but also a comprehensive evaluation of the entire business including the quality management system, R&D system, technological capabilities, and the status of its sustainability initiatives. For the supplier quality control system, the Company employs a system that enables continuous grasping of issues, evaluation of the situation, and provision of guidance for improvement by receiving daily reports on product quality as well as voluntary audit results, and when a supplier is in need of quality improvement, conducts remote quality auditing in addition to on-site confirmation of actual products at both domestic and overseas sites.

Also, Mazda comprehensively evaluates its suppliers every year from the perspectives of quality, cost, delivery time, and other considerations in order to build more positive business relationships with them. The results of these evaluations are communicated to the suppliers. Outstanding suppliers are recognized with awards. The Company has also introduced sustainability-based evaluations, and has presented special awards to suppliers that have made outstanding proposals on weight trimming, which greatly affects environmental performance.

[Statistics from FY March 2024]

- Evaluations conducted targeting 185 suppliers

Evaluation System

Evaluation items when starting business with a new supplier:

Quality management system, research & development system, technological capacity, production and delivery capacity, financial conditions, sustainability initiatives, etc.

Evaluation Items for Continuing Suppliers:

Quality management system, R&D system, technological capabilities, production and delivery capacity, management conditions; quality, cost, and delivery time of goods or services procured; and other items in [the Mazda Supplier Sustainability Guidelines](#) >

I Questionnaire Surveys for Suppliers

Mazda has conducted questionnaire surveys of its suppliers since FY March 2014 with the aim of tracking and evaluating the status of their implementation of sustainability initiatives. The survey results are used to confirm that these suppliers have appropriately implemented sustainability initiatives and established their own sustainability promotion systems. After analyzing these results, the Company conducts individual interviews with companies deemed to be in need of further improvement in order to help them in devising improvement methods. Through these surveys, the Company also checks each supplier's recognition of the Mazda Supplier Sustainability Guidelines.

[Statistics from FY March 2024]

- Compliance (fair business practices) surveys targeting all suppliers

I Enhancement of the Business Continuity Plan

From the perspective of risk management, Mazda works together with its suppliers to enhance its business continuity plan (BCP) in order to avoid a suspension of business that would extensively impact society. The Company has introduced SCR (Supply Chain Resiliency) Keeper,* a supply chain risk management system, to accelerate its initial response in the event of a disaster by promptly and thoroughly gathering information on the situation at operation sites. Also, initiatives are underway to promote disaster prevention and mitigation activities related to disasters including earthquakes, landslides, and flooding. Going forward, the Company will continue to work with suppliers to enhance its BCP. In addition, the Company educates suppliers on the threats posed by cyberattacks, which are becoming more commonplace and more advanced, and asks them to promote further-enhanced security. The Company also arranges discussions regarding hypothetical cyberattacks on some of its suppliers to formulate measures for minimizing the impact of such attacks on the production of its materials and components.

* SCR Keeper is a system combining map data with earthquake information from the Japan Meteorological Agency through which the seismic intensity at the registered production sites can be determined quickly in the event of an earthquake.

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Supply Chain
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Social Contribution

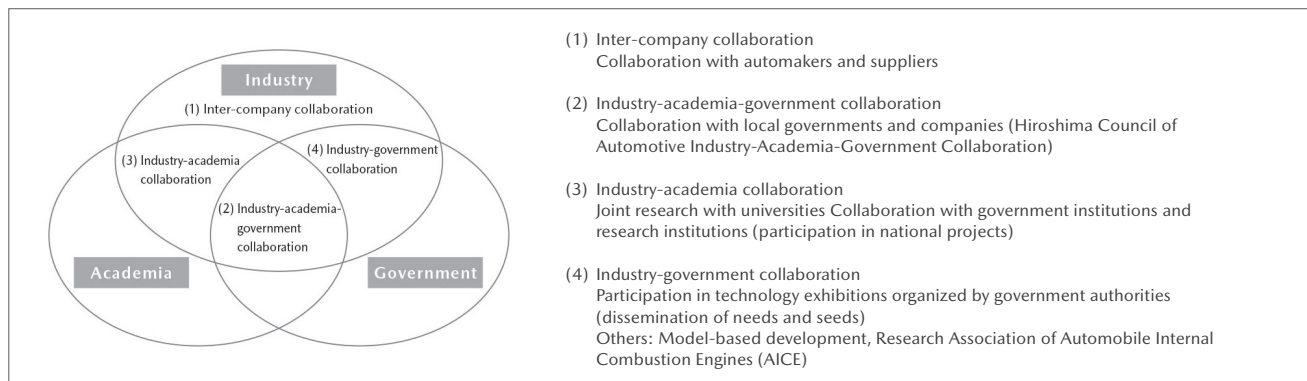
OPEN INNOVATION (EXPLORING PARTNERSHIPS FOR CO- CREATION WITH OTHERS)

Approach

Basic Approach

To ensure that the Company can continue to thrive and grow, we must cherish and co-create Mazda's uniqueness together with everyone involved with it. While enhancing alliances with existing partners, the Company will continue to explore new partnerships—even outside the automotive industry. To this end, the Company has promoted collaboration (open innovation) with companies, universities, and government authorities with the aim of efficiently resolving business issues by obtaining new knowledge from outside the Company and of achieving the sustainable growth of society and businesses. The business environment is becoming increasingly competitive due to stricter environmental and safety regulations, new competitors from other industries, and diversification of the mobility business. Through open innovation, the Mazda Group will pursue and contribute to society as it seeks to exercise its corporate philosophy.

System Diagram of Open Innovation



Objectives of Open Innovation

- [Achieve the growth of the Mazda Group]
 - Improve engineering capabilities, enhance the brand value, and increase R&D efficiency
- [Contribution to society]
 - Achieve a sustainable society, advance monotsukuri or product development and manufacturing (share knowledge and skills), and enhance regional empowerment

Initiatives

MAZDA INNOVATION SPACE TOKYO

In February 2024, Mazda opened MAZDA INNOVATION SPACE TOKYO in the Roppongi area of Minato City, Tokyo. This hub will serve as a place where partnerships are formed and talented individuals dare to create new value. We established this new space in Tokyo so that we may reach far beyond the conventional framework of the automobile business, encounter a diverse range of talented individuals and business partners, and accelerate our co-creation activities. In addition to recruiting IT, Mobility as a Service (MaaS), and other specialists, this space is slated to host interactions with new business partners, including those engaged in the electrification process, and facilitate new business development, internal workshops, and other activities for co-creation both inside and outside the Company.

[MAZDA INNOVATION SPACE TOKYO Opens >](#)

Inter-Company Collaboration

Mazda has been promoting inter-company collaboration with other automakers and suppliers, etc., to enhance their manufacturing and engineering capabilities and create synergies.

Collaboration with Partners

By working together with its partners to realize shared aspirations, Mazda wants to be a company to which partners find pride in their connection and feel attachment toward. We thereby aim to make Mazda into the brand that is connected to all stakeholders, including customers, by the strongest of bonds. The Company plans to promote active collaboration founded on mutual trust with various other companies.

[Recent Collaboration Examples]

- April 2021 [Reached an agreement to jointly develop technical specifications for next-generation vehicle communications devices and to promote the shared use of communications systems >](#)
- September 2021 [Participated in the Japan Automotive Model-Based Engineering center >](#)
- November 2021 [Took on Challenge to Expand Options for Producing, Transporting, and Using Fuel Toward Achieving Carbon Neutrality >](#)
- November 2021 [Participated in the Carbon Neutrality Promotion Council in the Chugoku region > \(in Japanese only\)](#)
- November 2022 [New Partnerships for the Development and Production of Electric Drive Units >](#)
- March 2023 [Concluded offsite corporate power purchase agreement \(PPA\) on solar power generation >](#)
- March 2023 [Joined Research Association of Biomass Innovation for Next Generation Automobile Fuels >](#)
- April 2023 [Established Council for Utilizing Namikata Terminal as a Hub for Introducing Fuel Ammonia >](#)
- September 2023 [Engaged in activities based on comprehensive collaboration agreement for creating everyday value concluded between Higashihiroshima City, Hakuho Inc., and Mazda > \(only in Japanese\)](#)
- December 2023 [Concluded J-Credit trading agreement >](#)
- December 2023 [Established "Advanced SoC Research for Automotive" with 12 companies, led by automotive manufacturers >](#)
- March 2024 [Concluded cylindrical automotive lithium-ion battery \(LiB\) supply agreement with Panasonic Energy Co., Ltd. >](#)

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Social Contribution

Support for the Autonomous Growth of Local Suppliers

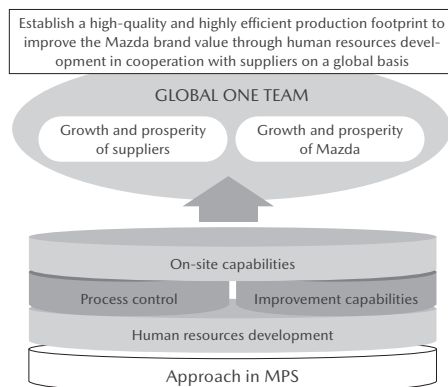
Mazda has conducted the Autonomy Development program aimed at promoting the autonomous growth of local suppliers since 2019. This program was created for local suppliers based on the approach adopted in the Global Manufacturing Network (GMN), which has been promoted since 2013 to enable production sites in Japan and overseas to autonomously carry out high-quality and highly efficient production activities that improve the value of the Mazda brand and to learn from each other at the same time.

The program is designed to enhance human resources development as a core component of the autonomous growth of local suppliers, a task for which the prior Jiba Achieve Best Cost (J-ABC) program was not sufficient. In the Autonomy Development program, local suppliers assign promoters to play a leading role in promoting understanding of the Mazda Production System (MPS) at their company. These promoters take part in training for senior managers and practical project work as part of promoter training. In this manner, Mazda is supporting the creation of human resources development frameworks at suppliers to drive the Companywide adoption of the MPS. Launched at three model suppliers in August 2019, the program is deployed throughout the organization to include positions such as MPS Master Trainers and other supervisors.

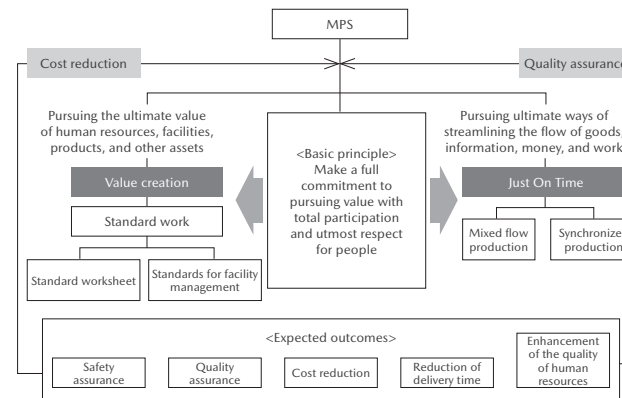
[Statistics from FY March 2024]

- Introduction of MPS at a total of 25 suppliers in Japan
- Appointment of 23 MPS Master Trainers at 10 suppliers

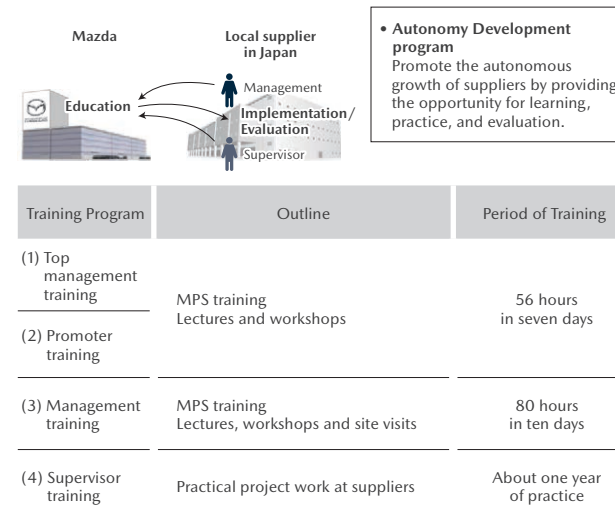
Vision to Promote MPS



MPS Flow Chart



Program Developed for Local Suppliers



Implementation of the Autonomy Development Program at Overseas Production Sites and Their Local Suppliers

In the course of transition to the Autonomy Development program in Japan, the Company has adopted the Global Manufacturing Network (GMN) at overseas production sites to support the autonomous growth of local suppliers. The GMN is being implemented at five overseas production sites: AutoAlliance (Thailand) Co., Ltd. (AAT), Mazda Powertrain Manufacturing (Thailand) Co., Ltd. (MPMT), Changan Mazda Automobile Co., Ltd. (CMA), Changan Mazda Engine Co., Ltd. (CME), and Mazda de Mexico Vehicle Operation (MMVO).

[Statistics from FY March 2024]

- Introduction of GMN at a total of 25 suppliers overseas
- Appointment of 31 MPS Master Trainers at 25 suppliers

Industry–Academia–Government Collaboration

Mazda, in establishing the Industry–Academia–Government Collaboration Secretariat, has promoted collaboration with local companies, universities, and government authorities. Through collaboration among industry, academia, and government, the Company has contributed to local communities in terms of developing new creative technologies and fostering human resources capable of bringing about innovation.

Hiroshima Council of Automotive Industry–Academia–Government Collaboration (Hirojiren)*1

As a company which has its R&D and production facilities mainly in Hiroshima Prefecture, Mazda believes that cooperation with local business and industry is extremely important. Under this belief, Mazda is collaborating with the Chugoku Bureau of Economy, Trade and Industry, Hiroshima Prefecture, Hiroshima City, Hiroshima Industrial Promotion Organization, and Hiroshima University to support local automobile-related companies and promote innovation and the vitalization of the region. Toward achieving the 2030 Industry–Academia–Government Collaboration Vision established in 2015, various activities have been conducted, such as creating new frameworks to support local businesses, investigating next-generation automotive societies, and raising awareness in society.

Following its selection for a subsidy under the Cabinet Office's Project for Revitalization of Local Universities and Regional Industries*2 for FY March 2019, Mazda was chosen in FY March 2024 for additional support to further expand upon its original activities and established the Digital Monozukuri Education Research Center at Hiroshima University. Mazda has been conducting R&D activities related to innovative materials technology, data-driven control technology, smart inspection monitoring, and smart battery/air-conditioning systems. Mazda will continue to accelerate activities with a view to the social implementation of development technologies in the future.

*1 A council that promotes industry-academia-government collaboration. Motivated by the strong hope and enthusiasm for encouraging the manufacturing industry in Hiroshima, its member organizations have voluntarily joined Hiroshima Council of Automotive Industry–Academia–Government Collaboration, to consider what manufacturing ought to be and to leverage innovation that will lead to industrial development.

*2 The Hiroshima Prefecture Special Committee to Promote the Project for Revitalization of Local Universities and Regional Industries was established. Chairperson: Hidehiko Yuzaki, Governor of Hiroshima Prefecture; Project manager: Kiyotaka Shobuda, Representative Director and Chairman of the Board of Mazda Motor Corporation

The 2030 Industry–Academia–Government Collaboration Vision Upheld by Hirojiren

- Transform Hiroshima into a hub that attracts people seeking innovative automotive technologies and dynamic car culture, and a place that continually produces technologies that amaze the world.
- Industry, government and education sectors work together to nurture human resources capable of innovation across all generations, and enliven the region through monozukuri (product development and manufacturing).
- Develop Hiroshima's unique Industry–Academia–Government Collaboration into a leading model for "regional empowerment" in Japan, serving also as a benchmark for the rest of the world.

Major Initiatives

Initiatives	Details
Support for programming education at elementary schools	Support for programming education at elementary schools in Hiroshima Prefecture following a curriculum designed under the guidance of Hirojiren and using videos and car-shaped robots as part of efforts to foster human resources capable of bringing about innovation. [Achievements in FY March 2024] <ul style="list-style-type: none"> • Support provided to around 720 students at 10 schools
Co-creation and technology exchanges with suppliers	<ul style="list-style-type: none"> ■ Joint research on next-generation automotive technologies with local companies ■ Training for engineers and digital technology expertise (industry-academia collaboration) ■ Investigation of means of providing government support to local companies (coordination with government agencies)
Popularization and use expansion of next-generation liquid fuel	<ul style="list-style-type: none"> ■ Verification tests of SUSTEO next-generation biofuel made by Euglena Co., Ltd. ■ Microalgae culture research based on the island of Osakikamijima ■ Lectures and exhibitions at universities and Next-generation Liquid Fuel Symposium
Fundamental research to support model-based development*1 of power sources for vehicles	<ul style="list-style-type: none"> ■ Joint research with universities on battery management using model-based development to expand scope of research from internal combustion engines to batteries, motors, and other EV devices ■ Sharing of research results and other information at regional events and university lectures to promote understanding of multi-solution approach as a realistic approach to carbon neutrality
Research and development in KANSEI (sensitivity) field	<ul style="list-style-type: none"> ■ Research and development of KANSEI technology and basic research on sensibility in collaboration with Hiroshima University ■ Joint research on sensibilities with local suppliers ■ Social contribution through Hiroshima's Council for the Promotion of Innovation with KANSEI
Human resources development in model-based development field	Basic courses for development of human resources with model-based development and computer-aided engineering skills for automobile suppliers and manufacturing companies organized in collaboration with the Hiroshima Digital Innovation Center to enhance the R&D capabilities of local companies [Achievements in FY March 2024] <ul style="list-style-type: none"> • Model-based development and computer-aided engineering courses administered to aggregate total of 7,346 individuals since 2016 (as of the end of March 31, 2024) • Model-based development process training course certified as a Course on IT-Skill Training to Meet the Era of the Fourth Industrial Revolution by the Ministry of Economy, Trade and Industry (certification maintained since 2018)

*1 Model-based development is a development process employing simulation technologies.

Industry–Academia Collaboration




Mazda has implemented frameworks for efficiently advancing research and development through collaboration with educational institutions such as universities and research institutions.

Participation in World-Leading National Projects and Joint Studies with Research Institutions

Mazda participates in world-leading national projects and joint studies with external research institutions with the aim of resolving social issues facing the automotive industry.

Collaboration with Universities

Through enhancing collaboration with universities in various fields, Mazda aims to help resolve a broader range of issues from a wider perspective and to thereby contribute to society.

Relevant government institutions/organizations	Project name
Ministry of Economy, Trade and Industry, New Energy and Industrial Technology Development Organization, NEDO Green Innovation Funding Program Coordination Office	Green Innovation Fund Projects/Development of Next-Generation Batteries and Next-Generation Motors  (in Japanese only)
Ministry of Economy, Trade and Industry, New Energy and Industrial Technology Development Organization, Energy Conservation Technology Department of New Energy and Industrial Technology Development Organization	Program to Develop and Promote the Commercialization of Energy Conservation Technologies to Realize a Decarbonized Society  (in Japanese only)
Cabinet Office, Regional Development Bureau	Local University and Industry Grant Program for Digital Transformation of Hiroshima's Manufacturing Industry  (in Japanese only)

University	Collaboration outline
Hiroshima University	<ul style="list-style-type: none"> ■ Next-generation automotive technology joint research course (since April 2015) Mazda has set up joint research courses with the university to find solutions to long-term technological issues and to develop human resources to implement the solutions ■ Comprehensive collaboration agreement (since February 2011) Through collaboration in broad areas, from technologies related to research and development and production to social science fields such as planning, management, and marketing, proactively conducting joint research. ■ Regional empowerment and open innovation Mazda contributes to regional empowerment and human resources development of the Chugoku region and Hiroshima Prefecture, and to SDGs through collaboration with Hiroshima University and local communities and participation in national projects, etc.
Hiroshima City University	<ul style="list-style-type: none"> ■ Mazda and Hiroshima City University Faculty of Arts Co-Creation Seminar (since May 2017) Set up a co-creation seminar with the university, aiming to develop human resources who are capable of creating new manufacturing for a new era, and make Hiroshima a place to generate human resources for manufacturing that Hiroshima can boast to the world.
Kyushu University	<ul style="list-style-type: none"> ■ Establishment of a joint research department (since August 2017) Mazda has set up a joint research department with the university to find solutions to long-term technological issues and to develop human resources to implement the solutions. ■ Inter-organizational collaboration regarding next-generation automotive technologies (since May 2011) Mazda has been working together with the university to reinforce research and development projects and to encourage academic research and education activities.
Kindai University	<ul style="list-style-type: none"> ■ Agreement concerning comprehensive research collaboration (since December 2012) Cooperating in bolstering cutting-edge research and development and in strengthening the technological capabilities of local industries.
University of Hyogo	<ul style="list-style-type: none"> ■ Concluded an agreement on joint research using Spring-8, a large synchrotron radiation facility (May 2016) Cooperating in the development of innovative materials and product development technologies using radiation analysis techniques.
Tokyo Institute of Technology	<ul style="list-style-type: none"> ■ Participation in Tokyo Institute of Technology's Super Smart Society Promotion Consortium (from October 2018) Collaboration between industry, academia, and government to accelerate the development of both element technologies and human resources to realize a super smart society (Society 5.0.) Contribution to education and research on cyber- and physical-space technologies to connect people, the earth, and society. ■ Automotive technology lectures Organization of automotive technology courses at the School of Engineering every three years on a rotating basis together with Toyota Motor Corporation and Honda Motor Co., Ltd.
University of Tokyo	<ul style="list-style-type: none"> ■ Joint research with Pre-emptive LCA Social Cooperation Research Department (from April 2023) Participation in cross-industry consortium tasked with developing methodologies for analysis and assessment of interactions between advanced technologies and social systems that contribute to carbon neutrality and circular economies and impacts of social adoption of technologies on performance, communities, and climate

Respect for Human Rights	Human Capital	Diversity, Equity, and Inclusion	Occupational Safety and Health	Realization of an Automotive Society that Offers Safety and Peace of Mind	Improving Quality	Supply Chain Management	Open Innovation (Exploring Partnerships for Co-Creation with Others)	Uplifting Customers' Minds and Bodies	Creating a System That Enriches People's Lives	Social Contribution
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Industry–Government Collaboration

Mazda efficiently promotes cutting-edge joint research and other projects through collaboration with government authorities.

Basic and Applied Research on Technologies for Internal Combustion Engines and Cleaner Exhaust Emissions

Mazda participates in the Research Association of Automobile Internal Combustion Engines (AICE), an organization that promotes joint research on the Japanese automotive industry through collaboration between industry, academia, and government. AICE is a technical research union established in April 2014 with the certification of the Ministry of Economy, Trade and Industry. This organization is designed to enable automobile manufacturers to conduct basic and applied studies jointly with universities and research institutions on themes common to automobile manufacturers and to use the research results to accelerate their in-house development activities. AICE is advancing research projects based on research scenarios aimed at achieving carbon neutrality by 2050 while being funded by subsidies from the Japanese government's Green Innovation Fund. Through its involvement in AICE, Mazda is working to resolve common technological issues via coordination with universities and other automobile manufacturers. One part of our multi-solution approach, these activities are aimed at achieving carbon neutrality and zero emissions for internal combustion engines with an eye toward using carbon-neutral fuel.

Promotion of Model Distribution in the Automotive Industry

Mazda has participated in the Study Group for Ideal Approaches to Model Utilization in the Automobile Industry organized by the Ministry of Economy, Trade and Industry since its launch in November 2015. The Company works on initiatives with other automakers and parts manufacturers to spread model-based development, a development technique to achieve the advanced development and performance assessment process for automobiles through virtual simulation. In April 2018, the Company agreed on the Enrichment of SURIAWASE 2.0*1 for the Automobile Industry (an industry-academia-government joint strategy project policy), and announced that the Company would continue with the initiatives to enrich model-based development and harmonization areas, etc. In addition, Mazda formulated the guidelines for smoothly promoting model distribution between companies, based on the results of activities implemented by the study group thus far. In December 2018, the study group, ProSTEP iVip,*2 an international standardization preparatory organization, and the DX promotion organization SystemX*3 jointly announced these guidelines to the world, as international rules originating from Japan. This study group concluded its activities in March 2021, and the Japan Automotive Model-Based Engineering center (JAMBE) was established in September 2021 to promote the widespread use of model-based development technology widely throughout the Japanese automotive industry in order to carry on the results of the study, at which time 10 companies became operating members. In March 2023, the organization was made a general incorporated association. Mazda is also participating as one of the operating member companies, and takes full advantage of the accumulated virtual simulation and unique model-based development knowledge that has been accumulated through Mazda Digital Innovation (MDI) to contribute to activities for increasing the global competitiveness of the Japanese automobile industry.

[Statistics from FY March 2024]
JAMBE membership of 171 companies and organizations as of the end of April, 2024

- *1 An initiative to enhance the harmonization of development processes by taking advantage of a model-based development process that uses virtual simulations instead of physical machines across entire supply chains in Japan. A Study Group for Ideal Approaches to Model Utilization in the Automobile Industry was organized in November 2015 by the Ministry of Economy, Trade and Industry, to further enhance the international competitiveness of the automotive industry.
- *2 An international standardization organization based in Germany. Its membership comprises 185 companies, primarily automakers in Europe, the United States and Japan, as well as airlines and software companies. ProSTEP iVip works to develop and promote international rules regarding computer-aided design and model-based development.
- *3 A DX research organization based in France

Respect for
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that Offers Safety and Peace of Mind

Improving Quality

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(Exploring Partnerships for
Co-Creation with Others)Uplifting Customers'
Minds and BodiesCreating a System That
Enriches People's Lives

Social Contribution

UPLIFTING CUSTOMERS' MINDS AND BODIES

Approach

Basic Approach

Mazda hopes to create moving experiences in driving and mobility for people's everyday life through its human-centered philosophy.

- Further maturing Mazda's *Kodo* design language, which is grounded in a philosophy of bringing cars to life and raises car design to the level of art to enrich people's emotional lives
- Further pursuing a *Jinba-ittai*—or a sense of oneness between driver and vehicle—driving feel, which unlocks people's potential and uplifts them mentally and physically
- Enhancing events and experiences for customers to build emotional connections with Mazda by providing a comfortable showroom space and through other means

Initiatives

Creation of an Emotional Connection with Customers

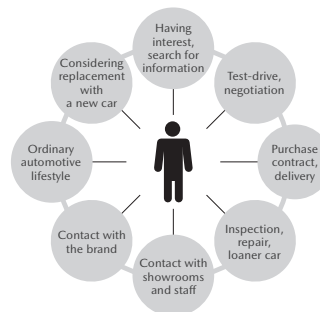
Three Approaches toward Creating an Emotional Connection with Customers

To establish an emotional connection with customers, Mazda considers it necessary to take into account all touch points, not only the period during which customers are in possession of a Mazda vehicle but also the periods before they purchase the vehicle and after they have ceased to own the vehicle. Based on this belief, the Company has determined three approaches that sales, marketing, customer services, and other relevant divisions should jointly pursue, based on which the Group companies in each country and region we serve implement specific measures appropriate for the respective local cultures and customs.

Three approaches

- View customers from a lifelong perspective. In childhood, people ride in their family vehicle, and after growing up, they enjoy owning their own vehicle. Then at an advanced age, they return to riding in someone else's vehicle. It is important to have customers continue to feel close to Mazda and Mazda vehicles over all these years.
- Continuously maintain the relationship. Always provide customers with excitement and stimulation so that customers can feel a stronger connection to Mazda as time proceeds.
- Place particular emphasis on Mazda's uniqueness (e.g., strong attachment to Hiroshima, where the Mazda Head Office is located, enthusiasm for offering the joy of driving, etc.).

Every touch point



| KODO: Soul of Motion Design Philosophy

For Mazda, cars are more than just lumps of metal, they are living, breathing things. The relationship between driver and car is akin to the emotional connection a rider has with their horse. At Mazda, designs that emphasize this connection are labeled *Kodo* design. The CX-80, launched in 2024, is based on the design concept of graceful toughness, with a form emphasizing the toughness of an SUV while also having a strikingly elegant presence. With a cabin crafted to provide an abundance of space and an elegant atmosphere, the CX-80 offers a spacious interior befitting of its stature.



MAZDA CX-80

| Approach toward Automobile Development

In 2017, in light of the rapid changes taking place in the global automotive industry, Mazda announced "Sustainable Zoom-Zoom 2030." This new vision for technology development takes a longer-term perspective and sets out how the Company will use the joy of driving, the fundamental appeal of the automobile, to help resolve issues facing people, the earth, and society. The Company aims to offer new forms of car ownership and automobile culture through its unique human-centered approach. To achieve this, the Company is engaged in various R&D projects.

- Further maturing Mazda's *Kodo* design language, which is grounded in the philosophy of bringing cars to life and enriching people's lives
- Developing Skyactiv Technologies to further pursue a *Jinba-ittai*—or a sense of oneness between driver and vehicle—driving feel, which unlocks people's potential and uplifts them mentally and physically

The Pursuit of *Jinba-ittai*: Vehicle Dynamics Control Technologies

Mazda has been pushing ahead with the development of Skyactiv-Vehicle Dynamics, a series of vehicle dynamics control technologies. These technologies provide integrated control of the individual Skyactiv units used in the engine, transmission, chassis, and body to enhance the car's driving feel in pursuit of a feeling of *Jinba-ittai*—a sense of oneness between driver and vehicle. G-Vectoring Control (GVC), a unique control technology, was developed with the goal of allowing more drivers to experience the joy of feeling *Jinba-ittai* regardless of their driving skill. GVC allows drivers to remain relaxed and feel peace of mind, while also allowing them to maneuver their vehicle however they please under a wide variety of driving conditions, ranging from low-speed everyday driving to winding roads and expressways and even when taking emergency action to avoid an accident. In 2020, the Company introduced electric G-Vectoring Control Plus (e-GVC Plus), designed to take advantage of its electrification technologies to enhance the consistency of vehicle response to control inputs in all directions and realize seamless transitions between forces along multiple vectors of acceleration (G forces). This technology contributes to even smoother vehicle motion.

The Pursuit of *Jinba-ittai*: Architecture Structural Technologies

Skyactiv-Vehicle Architecture is a technology with a focus on the human-centered design philosophy to leverage the human body's inherent ability to balance itself. With this technology, Mazda is reviewing every component and function—seats; body; chassis; and noise, vibration, and harshness performance—approaching development and commercial implementation from the viewpoint of total vehicle optimization. This technology allows the driver to control the car more easily, delivering the ultimate *jinba-ittai* driving feel.

Large Product Technologies and Value

With the addition of the Mazda3 to its line of next-generation products, Mazda began advancing development based on two platform architecture schemes, one for small products and the other for large products. For small products, we employ the Skyactiv-Multi-Solution Scalable Architecture, which entails vehicle structures enabling for flexible development and production of differing powertrain and electrification technologies. Through

bundled product planning based on this architecture, we have continued to evolve our internal combustion engine technologies and expand our electrification technologies to deliver greater degrees of joy in driving. For the CX-60 and subsequent large products, the Skyactiv-Multi-Solution Scalable Architecture has been used for the development of new technologies for straight-6-cylinder gasoline and diesel engines with a longitudinal power unit orientation to increase output and environmental performance. Moreover, our newly developed front-engine, rear-wheel-drive layout base platform, longitudinal-engine power unit, and more compact torque converter-less automatic transmission, which allows for a layout with the transmission and the power unit on either side of the motor, have made it possible to introduce electrification technologies for mild hybrid electric vehicles (MHEVs) and plug-in hybrid electric vehicles (PHEVs). Mazda has also redesigned its suspensions, evolved its all-wheel drive systems, and positioned the batteries for PHEVs under floors to lower the center of gravity of vehicles in order to provide nimble vehicle movement with all powertrain variations. By delivering enjoyable driving experiences for all aspects of everyday driving, we aim to help our customers feel the joy of *jinba-ittai* driving.

Response to Diverse Customer Needs

Mazda has been establishing a system to deliver products and services to customers in the most appropriate way, taking into consideration the cultures and trends of each country and region. At its R&D centers in Japan, North America, Europe, and China, the Company gathers information about markets and customers around the globe. Through local testing, Mazda develops products and provides services to suit its customers' wide-ranging needs. To effectively enhance its brand recognition among customers, the Company focuses on promoting an understanding of the Mazda brand's common vision and the Company's spirit of product development and manufacturing, rather than on awareness of individual models.

Examples to Meet Specific Customer Needs

- Research and Product Planning Conducted by Female Members
To respond to the increasingly diverse needs of female drivers, a team composed of female members from various departments conducts planning and research on the vehicles which are convenient for them to use.
- Customizing Business: Japan
Believing that the development of vehicles serving people with specific needs is essential to a more open and accessible automotive society, Mazda produces a wide range of vehicle types, as described below (as of the end of June 2022).

Specially designed passenger vehicles	Vehicles for the transportation of COVID-19 patients with mild symptoms	<ul style="list-style-type: none"> Mazda developed specially designed vehicles for the transportation of COVID-19 patients with mild symptoms for use by local governments, companies, and other organizations. Mounted with various accessories to reduce the risk of infection, the specially designed vehicles provided safety and peace of mind to both transport staff and patients (orders are no longer accepted for these vehicles).
	Instructional vehicles	<ul style="list-style-type: none"> Mazda offers instructional vehicles equipped with various unique features. As the first car that trainees drive in their life, these features can help them feel the joy of driving and acquire correct driving techniques.
	Vehicles for people with special needs	<ul style="list-style-type: none"> In 1995, Mazda became the first Japanese automobile manufacturer to launch a vehicle for people with special needs. This vehicle was developed with top priority placed on ease of use and comfort for both care givers and receivers. Furthermore, Mazda is developing Self-empowerment Driving Vehicles, which empower people to travel and act independently, helping them enjoy richer, more fulfilling lives, to expand its lineup of such vehicles. <p>[Lineup of Vehicles for People with Special Needs]</p> <ul style="list-style-type: none"> Vehicles with a swivel passenger seat: Vehicles with a powered passenger seat that rotates (Mazda2) Vehicles with a lift-up passenger seat: Vehicles with a powered lift-up passenger seat that elevates and rotates (CX-5) Wheelchair ramp-equipped vehicle: Vehicles with a ramp that enables people in a wheelchair to get in and out while remaining in a wheelchair (Flair Wagon) Vehicle with hand-operated controls: Accessibility models that allow the driver to enjoy the joy of driving by only using both hands (Roadster/MX-5 and MX-30)
	Commercial and specially equipped vehicles	<ul style="list-style-type: none"> Mazda offers a wide commercial vehicle lineup to respond to various business needs. To satisfy highly specialized needs, the Company has developed the TESMA line of specially equipped vehicles, adapting the Bongo Van and Titan Truck for use as refrigerator trucks, freezer trucks, lift gate trucks, and other commercial vehicles.



Mazda instructional vehicle



Vehicle with a swivel passenger seat (Mazda2)

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Social Contribution

I Self-empowerment Driving Vehicles

Self-empowerment Driving Vehicles were developed to empower people to travel and act independently, helping them enjoy richer, more fulfilling lives. In developing these vehicles, Mazda interviewed a large group of individuals with lower-limb disabilities about their difficulties. The insight propelled development forward with the focus on driving, entering the vehicle, and wheelchair loading to address commonly faced challenges and deliver the joy of driving the Company has to offer to everyone.

The MX-30 Self-empowerment Driving Vehicle, which was launched in 2022, is a vehicle with hand controls that was developed with the goal of helping more people lead their own lives, so that anyone can go where they want, when they want. In other words, so everyone can enjoy exciting lives in which they act and move as they wish. One example of how it does this is the driving system with hand controls featuring an accelerator ring. This system allows easy switching between hand-operated and pedal-operated driving, providing an opportunity for people with disabilities to operate the vehicle themselves or take turns with their friends or family members. A Transfer Board that helps a wheelchair user transfer between their wheelchair and the driver's seat is also available. Through the Mazda website, the Company offers online consultations with our specialists, who will listen to the customer's individual requirements and propose a configuration specifically tailored to the customer's needs. In December 2022, the MX-30 Self-empowerment Driving Vehicle received the Minister of the Economy, Trade and Industry Award at the 57th Promotion of Machine Industry Awards,* which is organized by the Japan Society for the Promotion of Machine Industry. The Company will continue its development efforts to brighten people's lives through car ownership.

* This awards event recognizes achievements deemed to have made a remarkable contribution to the progress or development of technologies for the machine industry, whether through outstanding research and development related to the industry or through the practical application of such research and development. Of the presented awards, the Minister of the Economy, Trade and Industry Award is the highest award.



MX-30 Self-empowerment Driving Vehicle

Communication of the Mazda Brand and Provision of Brand Experiences

Mazda promotes initiatives to provide customers with opportunities to communicate with the Mazda brand and strengthen bonds with Mazda throughout their car ownership.

New Concept in Sales Outlets—New-Generation Showrooms

Since FY March 2015, Mazda has been developing New-Generation Showrooms, stores based on a new concept for sales outlets, both in Japan and overseas to allow customers to experience the attractiveness of Mazda and its vehicles. Under the supervision of Mazda's Design Division, the showrooms' interiors and exteriors are designed using the colors of black, white, and silver, with black-based facility signs,* and, as accents, wood is used to create comfortable spaces with atmospheres exuding warmth, dignity, and quality. The Company is also developing New-Generation Showrooms overseas based on the tastes of the respective markets in collaboration with local sales-related Group companies.

* Facility signs are used in showrooms to display the Mazda brand symbol and the showroom name.



New-Generation Showroom in Japan



New-Generation Showroom in the United States

I Club Mazda Membership Website

Club Mazda is a free membership website for which Mazda owners as well as those with an interest in Mazda can register. By registering, members can access various application services. Membership also allows them to receive a wide range of content, such as information on how to better enjoy their vehicle and places to go.

[Club Mazda Website >](#)

I Classic Mazda

The Classic Mazda website, now in its seventh year, has grown information about restoration services and restoration parts for the first MX-5 (Roadster in Japan) and RX-7, based on the Company's aspiration to foster a society where not only new vehicles but also old vehicles can be valued and contribute to the automobile culture of the world.



Family visiting the Hiroshima Plant for a ceremony commemorating the delivery of their restored NA Roadster

I Official Mazda Merchandise for Building Bonds with Customers

The Mazda Collection, a series of official Mazda merchandise created to commemorate the Company's 100th anniversary, was planned and developed under the supervision of Mazda's Design Division with the aim of bringing the essence of Mazda's world into various aspects of everyday life. Going forward, Mazda will continue to create merchandise that reflects the Company's aesthetic and provides opportunities for the customers to feel closer to the Mazda brand.

[Mazda Collection Website >](#)

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Social Contribution

Creation of Exciting Driving Experiences

Mazda is diligently exploring how cars can best draw out people's inherent abilities and sensibilities. Through deep research on people, we entrench a human-centered design philosophy into all areas of automobile development. The Company thereby seeks to alleviate stress and anxieties to allow people to drive with comfort and deliver their maximum performance to support more comfortable and enjoyable mobility for drivers and passengers alike. The Company is supporting motorsports that use vehicles created based on this philosophy or in which customers use their own vehicles. The Company also organizes Mazda Driving Academy events to help improve everyday driving skills. Through such means as increasing opportunities to experience the inherent joy of driving and to heighten one's personal driving skills, The Company is contributing to the development of a safer automotive society.

Club Mazda Spirit Racing

Club Mazda Spirit Racing is a venue for connections between people who want an easy way to enjoy motorsports, people who enjoy manipulating tools and speed-based sports of all genres, and people who look up to and encourage such individuals. Based on the slogan of "Rising to the challenge together", we are empowering such communities. In 2023, Mazda launched two goal-oriented programs that provide opportunities for people to move beyond their endeavors in virtual spaces to tackle challenges in the physical world. These programs are aimed at helping drivers chase their dreams and expanding the very scope of motorsports to spur the development of motorsports culture.

- [Road from Virtual to Physical Racing program](#) > for helping aspiring racers transition from esports to races in physical spaces (in Japanese only)
- [Road to Super Endurance Racing program](#) > for helping aspiring racers participating in Party Race and other defined-specification races to train for participation in super endurance races

Activities to Enable Customers to Experience the Joy of Driving

Mazda promotes activities in which everyone, from beginners to advanced drivers, can easily participate to experience the joy of driving and learn about safe driving techniques that are considerate of the environment. For example, at circuit events sponsored by Mazda, the Company holds lessons to teach advanced techniques useful in daily driving and organizes races in which everyone, from beginners to advanced drivers, can participate. These activities are designed to offer opportunities for customers and employees to communicate and to forge bonds with customers by conveying the joy of driving.

Examples of Mazda-sponsored Events

[Mazda Fan Endurance](#) > (Organizer: Circuit where the event is held, main administrator: B-Sports Corporation) Mazda Fan Endurance is a circuit event held by Mazda vehicle users, who are able to participate with ease using the vehicle they drive normally, without need for special modifications. To promote safety and environmental awareness, professional driving advisors are stationed at the circuit to give participants advice regarding safe driving, and refueling is prohibited during the race, as a way to encourage better fuel economy. In September 2023, the Company held our first special Mazda Fan Endurance race, which took a form that differed from a series race. Participants were recruited through Mazda Group dealerships for a 180-minute race, 30 minutes longer than the standard 150-minute series race, with rigorous requirements for safety and fuel economy. The Company thereby sought to create an event that customers and Mazda employees could enjoy together.

[Statistics from FY March 2024]

Sponsorship of six series races and one special race drawing participation by 890 individuals



Mazda Fan Endurance

Mazda Driving Academy (Organizers: B-Sports Corporation and Fuji International Speedway Co., Ltd.)

[The Mazda Driving Academy](#) > is a driving lesson event designed to teach participants driving theory and skills so that they can enjoy driving safely and with peace of mind in everyday life and lead a fulfilling life. As lessons are conducted using a circuit, participants can experience driving, turning, and stopping in a way that they cannot do on ordinary roads. In addition, dedicated Mazda instructors give participants advice on the correct driving posture and how to drive the car smoothly.

[Statistics from FY March 2024]

- Organization of seven Mazda Driving Academy events with participation by 155 individuals



Mazda Driving Academy

CREATING A SYSTEM THAT ENRICHES PEOPLE'S LIVES

Approach

Basic Approach

Mazda aims to evolve mobility technologies to further cultivate connections among people and between people and society, and thereby build a social contribution model that will enrich lives by offering safe, secure, and unrestricted mobility to people everywhere. At the same time, the Company will move forward with initiatives to enhance brand value through active social contributions capitalizing on its strengths as a vehicle manufacturer.

Initiatives

Social Contributions Capitalizing on Strengths as a Vehicle Manufacturer

Mazda promotes various initiatives to help resolve social issues, taking advantage of technologies and skills that the Company has cultivated thus far. While valuing dialogues and co-creation with its stakeholders, Mazda aims to help realize a sustainable society.

Test of Shared Mobility Service Leveraging Mobility Technologies

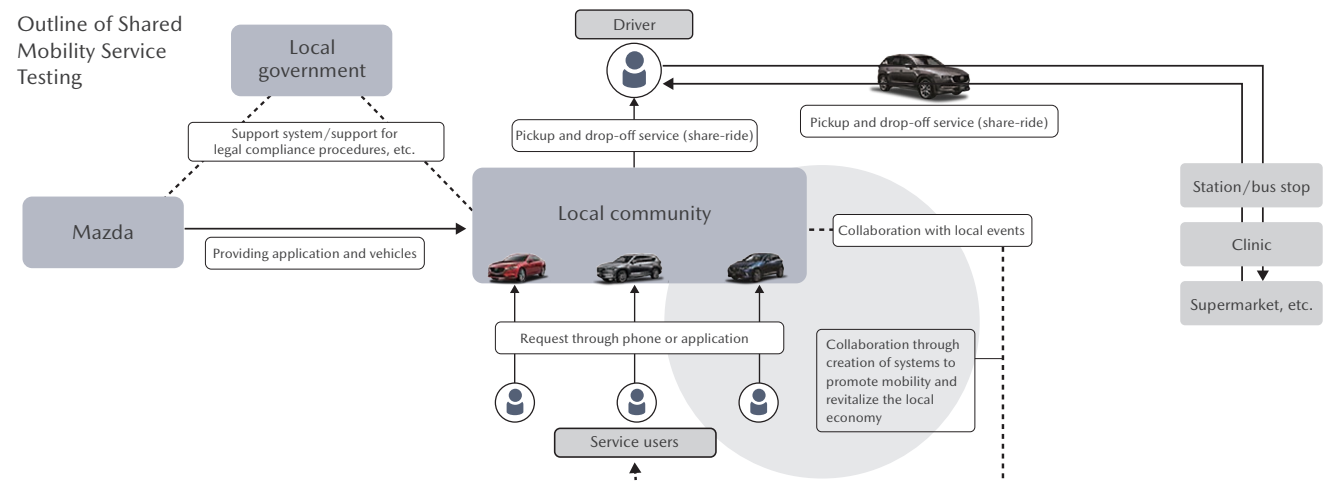
Mazda is leveraging mobility technologies to help foster communities where local residents help one another, assisted by drivers from inside and outside the community, and promote real-life discoveries, experiences, and growth through human interactions. The Company believes that this is the way to create a more people-oriented world that allows people to really experience the joy of life. Recent years have witnessed the dilapidation of public transportation systems in depopulated areas in hilly and mountainous regions of Japan, and this is becoming a serious social issue. To address this, in December 2018 the Company started testing a shared mobility service utilizing its connectivity technologies, in cooperation with local residents and prefectural and city

authorities in Miyoshi City, Hiroshima Prefecture. In this project, the Company is in charge of developing a transportation service management system and application software for users. The Company is in the process of coming up with ideas to improve the convenience of the service through communication with the local community while having residents of the testing sites—the Kawanishi district and Sakugi-cho area of Miyoshi City—continue using the service and verifying its benefits. Mazda is implementing various measures to ensure seamlessly connected mobility of people and goods inside and outside the community by linking its shared mobility service with local events and with everyday services such as shipping and collection of agricultural products, delivery of food products, and support for everyday issues. The Company thereby strives to create a sustainable service that will be used by as many people as possible and will help invigorate the community.



Trial of the shared mobility service
(Photo courtesy of Kawanishi Residents Association)

Outline of Shared Mobility Service Testing



Collaboration and Coordination for Creating Everyday Value in Higashihiroshima City

In December 2021, Mazda concluded a collaboration and coordination agreement with Hakuodo Inc. and Higashihiroshima City aimed at creating everyday value and new lifestyles for people living in this city. As part of the agreement, Mazda’s renewable energy insight and EV and other mobility technologies will be used to help provide sustainable lifestyles for people living in the hilly and mountainous regions of Japan and to contribute to the realization of a more enriching society through a circular economy. As one part of our efforts to develop sustainable communities, we are working together with community members to address community issues through such means as enhancing infrastructure for supporting child-rearing and preventing the destruction of woodland areas on the outskirts of communities. Furthermore, in October Mazda began taking part in a community co-creation project to shape the future of Higashihiroshima City’s Fukutomi district through the utilization of such woodland areas.*

* For more information, please refer to [the press release >](#) (in Japanese only).

Support for Disaster Evacuees Needing to Spend the Night in a Car

By leveraging its knowledge as an automobile manufacturer, in response to a recent rise in the frequency of unexpected disasters, Mazda has launched an original kit containing emergency items that are useful for disaster evacuees in spending the night in a car. The kit includes goods that enable evacuees to spend the night as comfortably as possible in a car, such as pressure socks, which help reduce the risk of suffering from economy class syndrome, as well as portable toilets and a water bag. The kit also includes jumper cables, which are helpful if the car battery dies. In the aftermath of a disastrous torrential downpour in Japan in July 2020, Mazda sent this kit to disaster-affected areas so that it could be used in support and recovery activities. We have two types available: the Emergency Disaster Prevention and Overnight Car Sleeping Set (10L) with a full set of contents, and the more affordable Emergency Disaster Prevention and Overnight Car Sleeping Set (5L).



Mazda original emergency kit for spending the night in a car

SOCIAL CONTRIBUTION

Approach

Basic Approach

Basic Principles

Mazda continues to implement initiatives tailored to the issues faced by each country and region. Through its human connections and uplifting experiences, we build a “community of trust and empathy” with local communities and society in line with the purpose to enrich life-in-motion for those we serve.

Enrich life-in-motion for those we serve.

At Mazda, we value the progress we have made alongside our communities. This progress represents the company's founding principle of contributing to society through manufacturing, as well as our deep connection to society. Mazda has been able to produce vehicles for over a century due to the support of people in Hiroshima, its blessed location open to the sea, and the development of the region.

To continue this legacy, we connect with communities in many ways – by creating opportunities for people to learn more about cars and to experience making things, and by directly contributing to forest and ocean conservation.

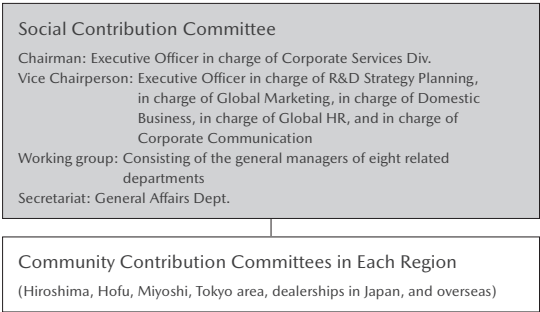
Through these actions, we aim to enrich people's lives and their communities, while preserving natural beauty and promoting peace for the sake of our children and future generations.

Building connections through these activities will create a more joyful future, and acting together in a supportive atmosphere will make tomorrow even more prosperous. Based on these convictions, Mazda provides uplifting experiences both emotionally and physically to enrich life-in-motion for those we serve in Hiroshima, Japan and around the world.

Frameworks

Promotion Frameworks

The Social Contribution Committee has been established to regularly discuss and share information on the social contribution activities of the entire Mazda Group. The details of actual activities will be considered by the working group made up of relevant departments. The community contribution committees, which are subordinate organizations of the Social Contribution Committee, have been established at each site to promote activities that are tailored to regional characteristics based on the directions and plans set forth by the Social Contribution Committee.

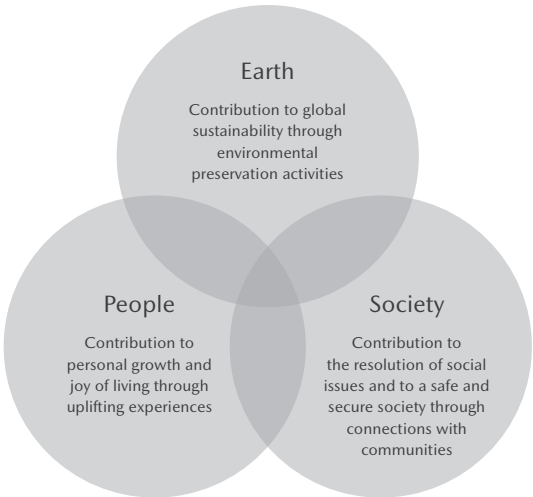


Initiatives

Core Initiative Areas

Mazda will carry out initiatives to address the issues regarding “Earth”, “People”, and “Society”.

- Earth
Contribution to global sustainability through environmental preservation activities
- People
Contribution to personal growth and joy of living through uplifting experiences
- Society
Contribution to the resolution of social issues and to a safe and secure society through connections with communities



[Statistics from FY March 2024]

- Carried out over 900 activities in Japan and overseas*
[Social Contribution Initiatives >](#)
- Cost of social contribution activities: around 2.73 billion yen
[Social Data \(Expenses Related to Social Contribution Activities\) >](#)

* Scope of social contribution activities: Includes Mazda Corporation and major consolidated subsidiaries. Encompasses monetary donations, in-kind contributions, facility access, employee participation and dispatch, independent programs, and support for areas affected by natural disasters.

Earth: Environmental Conservation

Mazda’s business activities have a relationship with and impact social issues, such as global warming, and energy and resource shortages. To resolve these issues, the Company attaches importance to the environmental perspectives, not only in conducting its main business, but also when making social contributions. Mazda has been involved in forest conservation activities, initiatives for biodiversity, initiatives to deal with waste problems that lead to environmental destruction, volunteer activities for natural environment protection, environmental awareness at events, environmental education, and so forth.

Japan: Initiative to Reduce Marine Plastic Waste

Mazda has participated in the GREEN SEA Setouchi Hiroshima Platform (hereinafter GSHIP) and implemented a coastal cleanup activity. GSHIP was established as a public-private partnership organization to resolve issues in the Seto Inland area amid global environmental pollution caused by marine plastic waste.

[Statistics from FY March 2024]
Mazda and the local government worked together to clean up the beach in Saka town in Hiroshima Prefecture.



New Zealand: Trees That Count

Mazda Motor New Zealand is supporting the “Trees That Count” initiative launched by Project Crimson Trust. This initiative aims to reduce CO₂ emissions in New Zealand and enhance our environment. Five native tress are planted on behalf of Mazda customers for every new Mazda vehicle sold.

[Statistics from FY March 2024]
Mazda Motor New Zealand planted 18,750 trees for FY 2023. Since started in 2018, a total of approximately 160,000 native trees has been planted.



People: Human Resources

Mazda emphasizes the perspective of human resources development, based on the idea that fostering people who will be future leaders in the foundation of society and in business is important. We conduct plant tours, offer work experience programs, and provide on-site classes that make use of our specialized knowledge of automobile and Monozukuri (engineering and manufacturing). We also provide hands-on learning programs and organize sports classes.

Japan: On-site Classes

Mazda offers workplace and factory tours for students from elementary school to university. Additionally, the company conducts various on-site classes at local schools, aimed at helping students develop a positive perspective on careers and broaden their views on future paths.

[Statistics from FY March 2024]

Mazda provided learning support activities to approximately 50 schools, incorporating both in-person and online classes.



South Africa: Improving School Environment

MSA collaborated with MFSA, and supported school education, and two container-shaped classrooms were donated to the elementary school which the group ran.



Society: Coexistence with local communities

For a society where all people harmoniously coexist, Mazda engages in activities to address the unique issues faced by each local community in the countries and regions in which we conduct business. We support sports and culture, make donations and the donation of vehicles to social welfare organizations, and hold or cooperate with local events, such as the road relay race.

Japan: Collaboration with community centers

Mazda collaborates with local community centers in exhibiting booths at festivals of the community centers and offering hands-on manufacturing workshops for children with the aim of creating human connections with the local community and community development.

[Statistics from FY March 2024]

Mazda offered hands-on manufacturing workshops. Parents and children experienced the enjoyment of manufacturing through the programs, such as how to produce key holders with melted tin by casting, how to polish metals, and how to process sheet metals.



Mexico: Donating Toys to Children

Mazda de Mexico Vehicle Operation delivers toys during the Christmas season to children in orphanages and children with terminal cancer. All Mazda dealerships in Mexico serve as collection centers, and toy packing and delivery are carried out with the help of Mazda employees and local community support.

[Statistics from FY March 2024]

Over 8 million toys were collected and distributed to children across Mexico.



I Support through Mazda Foundations

Mazda and its Group companies have established Mazda Foundations in five countries such as Japan, the United States, Australia, New Zealand, and South Africa, to promote support activities tailored to each region.

Country	Name	Support activities / objectives	Year of establishment	Amount of grants (donations) in FY March 2024
Japan	Mazda Foundation (only in Japanese)	Support activities to promote science and technology and the sound development of youth.	1984	Around 44,100,000
U.S.	Mazda Foundation U.S.A. (MFUS)	Provide funds to various initiatives for education, environmental conservation, social, welfare, cross-cultural understanding etc.	1990	Around \$476,000
Australia	Mazda Foundation Australia (MFA)	Provide funds to various initiatives, including education, environmental conservation, technology promotion, and welfare.	1990	Around A\$1,764,000
New Zealand	Mazda Foundation New Zealand (MFNZ)	Provide funds to various initiatives for education, environmental conservation and culture.	2005	Around NZ\$190,000
South Africa	Mazda Foundation Southern Africa	Provide funds to various initiatives for education, career development, technological development, and environmental conservation.	2017	Around R\$826,000

I Disaster Relief

Mazda provides various support activities with hopes for the recovery of disaster-affected areas. When disasters such as earthquakes or extreme weather occur, Mazda's headquarters and local offices coordinate to offer aid. In response to the 2024 Noto Peninsula Earthquake, Mazda donated 10 million yen through the Japanese Red Cross Society to support recovery efforts for the affected areas and individuals.

I Volunteering by Employees

Mazda offers support to help employees become actively involved in volunteer activities.

- Subsidizing part of the cost of activities (Mazda Flex Benefits, etc.)
- Enabling employees to take leave for activities (volunteer leave such as the Special Warm Heart leave system, etc.)

[Main measures for promoting work-life balance and diversity](#)

Traffic Safety

Mazda's business activities have a relationship with and impact social issues, such as traffic accidents. To resolve these issues, the Company attaches importance to the safety perspectives, not only in conducting its main business, but also when making social contributions. We dispatch lectures to offer safety education programs, provide quizzes on traffic safety, and fly the flag for safety (crossing guards).

Japan: Gallery Exhibition for Traffic Safety

Mazda and the local resource library jointly held a gallery exhibition aiming to raise traffic safety awareness. In addition to exhibiting panels, airbags and other safety equipment, and dummies for crash testing, Mazda conducted crash experiments using a mini car, gave the traffic safety quiz, and made small objects by hand using luminous materials.



Japan: To give lectures on traffic safety

Mazda conducts traffic safety awareness activities for elementary through high school students in the area surrounding Mazda's headquarters. Employees involved in developing safety technologies deliver vocational lectures, educating students on traffic safety. In the 2023 fiscal year, students had the opportunity to learn about traffic safety firsthand by handling an airbag.



CHAPTER

4

GOVERNANCE

CONTENTS

P104 Corporate Governance

P110 Risk Management

P113 Compliance

CORPORATE GOVERNANCE

Approach

Basic Approach

Mazda respects the principles of Japan's Corporate Governance Code, formulated by Tokyo Stock Exchange, Inc., and works to maintain strong relationships with its stakeholders, including shareholders, customers, suppliers, local communities, and its employees. By doing so, the Company strives to sustain growth and enhance its corporate value over the medium and long term through transparent, fair, prompt, and decisive decision-making and to continue to enhance its corporate governance. The Company's business environment is undergoing rapid changes. In order to enable faster business decision-making, further enhance discussion of management strategies, and strengthen supervisory functions of the Board of Directors, the Company has adopted the company with audit and supervisory committee structure described in the Companies Act of Japan. Based on this structure, the Company maintains legally mandated governance organizations including the general meeting of shareholders, the Board of Directors, and the Audit & Supervisory Committee. Furthermore, to raise the transparency of the processes behind the nomination and selection of officers and the remuneration decision-making process, the Company established the Officer Lineup & Remuneration Advisory Committee as an advisory body to the Board of Directors.

Relevant Documents

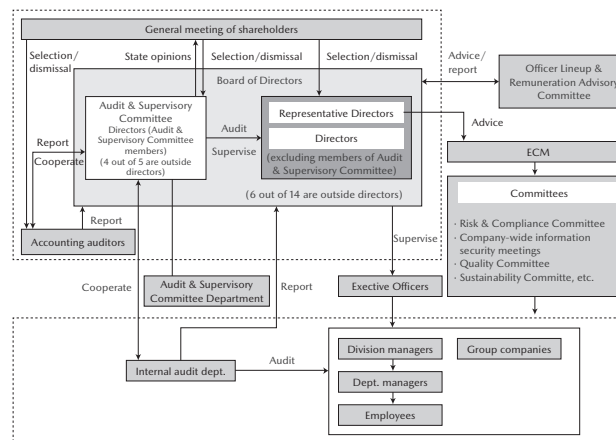
[Corporate Governance Report >](#)

[Annual Securities Report for FY March 2024 Corporate Governance \(P46-75\) >](#)

[Dialogue with Shareholders and Investors >](#)

Frameworks

Corporate Governance Framework



Board of Directors

The Company's Board of Directors deliberates and makes decisions on important operational execution matters, such as management strategy and basic management policies, and supervises the execution of duties by individual directors. In addition, to facilitate quick and flexible decision-making, based on the Articles of Incorporation a substantial part of decision-making regarding important operational execution matters will be delegated to management, and executive officers including and below the president to whom authority has been delegated based on the Company's rules of administrative authority will make decisions regarding these matters. The Board of Directors is made up of 14 directors, six of whom are highly independent outside directors. The Board of Directors generally meets once per month. [Major Matters Discussed in FY March 2024]

- Management policies and progress management leading up to 2030
- Phased electrification scenarios based on trends and other conditions specific to each market, and collaboration for electrification
- Plan for business activities in Japan to achieve carbon neutrality by FY March 2031

- Approach to issues around sustainability, development of the Group's human rights policy, and action plan for human rights due diligence
- Status of operation of systems for internal control and risk management

Audit & Supervisory Committee

The Company's Audit & Supervisory Committee audits the Board of Directors' decision-making process, the execution of duties by directors, the implementation of internal control systems through the execution of voting rights at Board of Directors' meetings, and the execution of the right to state opinions on the personnel changes and remuneration of directors (excluding directors who are Audit & Supervisory Committee members) at the general meeting of shareholders. The committee is made up of five members, four of whom are highly independent outside directors. To ensure the effectiveness of audits, one full-time Audit & Supervisory Committee member has been appointed.

[Major Matters Discussed in FY March 2024]

- Audit policy, high-priority initiatives, audit plan, work assignment, and audit methods for effective functioning of audit activities
- Strengthening the mechanisms and means to reflect the opinions of outside directors based on multifaceted perspectives and outside viewpoints in audits while striving to enhance the opportunities to provide outside directors with information, as well as the nature of such information
- Checking and enhancing the execution of duties (including the formulation and progress of management strategy matters) by directors (excluding directors who are Audit & Supervisory Committee members), executive officers, general managers of major departments, and management of subsidiaries and affiliates
- Cooperation with the internal audit department and accounting auditor auditors as an organizational audit
- The appropriateness of audit by the accounting auditors based on quarterly reviews and reports by the accounting auditors, the selection and dismissal of the accounting auditors, and remuneration for the accounting auditors

Accounting Auditors

Accounting audits are conducted by KPMG AZSA LLC. The certified public accountants who conducted the Company's accounting audits are Hiroshi Tawara, Koji Yoshida, and Kazumi Kanehara.

Those assisting with the Company's accounting audits include 13 certified public accountants and 38 others, five of whom have passed the certified public accountant examination.

Executive Officers

Mazda has introduced an executive officer system. By separating the execution and management functions, Mazda seeks to enhance the effectiveness of the Board of Directors as an oversight organization. In addition, decision-making is expedited through expanded discussion by the Board of Directors and by delegating authority to executive officers. In this way, the Company is working to further managerial efficiency.

Officer Lineup & Remuneration Advisory Committee

The Company has established the Officer Lineup & Remuneration Advisory Committee, made up of three representative directors and six outside directors, as an advisory body to the Board of Directors. The committee reports to the Board of Directors the results of its deliberation on matters such as officer lineup and policies regarding the selection and training of directors as well as remuneration payment policies and the remuneration system and processes based on those policies, which contribute to the Company's sustainable growth and to the raising of corporate value in the medium and long term.

[Major Matters Discussed in FY March 2024]

- Appropriateness of the composition of directors and executive officers to ensure the diversity and skills mix required to achieve management policy goals (executive personnel changes effective April 1, 2024, and executive personnel changes effective June 25, 2024)
- Appropriateness of remuneration amount for directors and executive officers to confirm conformity with the policies on determining details of individual remuneration for directors (excluding directors who are Audit & Supervisory Committee members) and compare with the remuneration levels of the benchmark companies whose size and line of business are similar to those of the Company, etc.
- Review of the remuneration system for directors (excluding directors who are Audit & Supervisory Committee members and outside directors), executive officers, and fellows (introduction of restricted stock remuneration and the performance share unit remuneration, changes in remuneration composition rates, and

identification of performance indicators for performance-based restricted stock remuneration)

Cooperation among Parties Responsible for Auditing

The Audit & Supervisory Committee regularly meets with the accounting auditors and hears explanations of their audit plans, audit issues, and results. The Audit & Supervisory Committee also provides necessary information on its audit plans and the status and result of audits. In this way, information is exchanged in both directions and the Company is working to strengthen this close cooperation. Also, some audits, such as physical inspections of inventories and securities, are conducted jointly by the Audit & Supervisory Committee and the accounting auditors. In addition, the Audit & Supervisory Committee regularly holds meetings with the group of the accounting auditors and internal audit department and with the group of the internal audit department and the departments in charge of promoting internal and financial control. The Audit & Supervisory Committee receives reports from the internal audit department on the plans for and results of internal audits of the Company and the Group companies. It also receives reports from the departments in charge of promoting internal and financial control on plans for efforts to enhance internal and financial control in the Company and the Group companies and the status of these efforts. In addition, the Audit & Supervisory Committee provides information acquired in the process of conducting its audits or conveys requests from its perspective as the Audit & Supervisory Committee, making for two-way exchange of information.

Board of Directors















I Skills Matrix of the Board of Directors

As the business environment surrounding the Company rapidly changes, Mazda believes that the Board of Directors must have an appropriate balance in knowledge, experience, and competence and also be diverse in composition to effectively fulfill its roles and responsibilities for the Company's sustainable growth and the raising of corporate value in the medium and long term.

Organizational Affiliation

(As of June 30, 2024)

Board of Directors (including members of Audit & Supervisory Committee)	Number	14 (Inside directors: 8, Outside directors: 6), including 2 female directors and 1 foreign-national director
	Ratio of Outside Directors	42.9%
	Ratio of Female Directors	14.3%
Audit & Supervisory Committee	Number	5 (Inside directors: 1, Outside directors: 4), including 1 female director
Officer Lineup & Re- muneration Advisory Committee	Number	9 (Inside directors: 3, Outside directors: 6), including 2 female directors and 1 foreign-national director
	Ratio of Outside Directors	66.7%

Job title Name and attributes*1	Organizational affiliation*2 and attendance in FY March 2024*3			Fields of experience and expertise*4									
	Board of Directors	Audit & Supervisory Committee	Officer Lineup & Remuneration Advisory Committee	Management (executive experience)	Global business	Product planning / R&D	Manufacturing/ Purchasing / Quality	Brand / Marketing / Sales	ESG	IT / DX	HR management / Personnel development	Legal / Risk management	Finance / Accounting
 Representative Director and Chairman of the Board Kiyotaka Shobuda 65; male	● 16/16		● 5/5	●	●		●	●	●				
 Representative Director, President and Chief Executive Officer (CEO) Masahiro Moro 63; male	● 16/16		● 3/3	●	●			●	●		●	●	
 Representative Director, Senior Managing Executive Officer and Chief Financial Officer (CFO) Jeffrey H. Guyton 57; male	● 13/13		● 3/3	●	●			●	●				●
 Director, Senior Managing Executive Officer and Chief Customer Experience Officer (CCEO) Yasuhiro Aoyama 58; male	● 16/16			●	●	●		●					
 Director, Senior Managing Executive Officer and Chief Technology Officer (CTO) Ichiro Hirose 63; male	● 16/16				●	●			●				
 Director, Senior Managing Executive Officer and Chief Supply Chain Officer (CSCO) Takeshi Mukai 62; male	● 15/16				●		●		●				
 Director, Senior Managing Executive Officer and Chief Strategy Officer (CSO) Takeji Kojima 58; male	● 13/13					●			●	●			
 Director Independent Director Outside Director Kiyoshi Sato 68; male	● 16/16		● 5/5	●	●			●	●	●			
 Director Independent Director Outside Director Michiko Ogawa 61; female	● 16/16		● 5/5			●		●	●				
 Director, Audit & Supervisory Committee Member (full-time) Nobuhiko Watabe 65; male	● 16/16	○ 19/19		●	●			●					●
 Director, Audit & Supervisory Committee Member Independent Director Outside Director Akira Kitamura 73; male	● 16/16	● 19/19	● 5/5	●					●				●
 Director, Audit & Supervisory Committee Member Independent Director Outside Director Hiroko Shibasaki 70; female	● 16/16	● 19/19	● 5/5					●			●		
 Director, Audit & Supervisory Committee Member Independent Director Outside Director Masato Sugimori 67; male	● 16/16	● 19/19	● 5/5		●				●	●		●	●
 Director, Audit & Supervisory Committee Member Independent Director Outside Director Hiroshi Inoue 67; male	● 13/13	● 14/14	● 3/3						●		●	●	

*1 The age shown is as of June 25, 2024.

*2 ● shows the person's status as chairperson.

*3 The attendance of Directors Masahiro Moro, Jeffrey H. Guyton, Takeji Kojima and Hiroshi Inoue is for the meetings held since they took office on June 27, 2023.

*4 Only shows each person's major fields of experience and expertise, instead of providing complete information.

Outside Directors

Mazda selects outside directors with independent standpoints to strengthen the oversight function of the Board of Directors and improve the transparency of management. Outside directors are judged to be sufficiently independent when they meet the Company's criteria for determining the independence of outside officers.

[Criteria for Determining the Independence of Outside Officers and Reasons for Appointment >](#)

Support System for Outside Directors

Mazda provides explanations of matters to be brought before the Board of Directors as necessary so that outside directors can freely state their opinions at Board meetings and so that outside directors can easily participate in decision-making. The Company also arranges for outside officers to interview executive officers and provides opportunities for them to inspect facilities and participate in events both inside and outside the Company. Audit & Supervisory Committee members (full-time) offer observations based on information they have acquired or opinions they have formed through their attendance at important internal meetings or through their audit activities. The departments concerned work together to provide information based on the opinions of the outside directors and to support them.

Analysis and Evaluation of the Effectiveness of the Board of Directors

Mazda analyzes and evaluates the effectiveness of the Board of Directors in order to steadily advance measures for the further enhancement of its effectiveness. Information on the processes of the analyses and evaluations conducted in FY March 2024 as well as the results is provided below.

[Method of Analysis and Evaluation]

Using a survey form prepared by the secretariat for the Board of Directors, all directors conducted a self-evaluation of the Board of Directors' effectiveness. Based on the survey results, the directors analyzed the current situation and discussed improvements, this year focusing particularly on matters identified as ongoing issues. Subsequent discussions were then held at Board of Directors' meetings to define the principles to pursue and the approach to adopt.

[Details of Analyses and Evaluations]

The analyses and evaluations primarily covered the membership

of the Board of Directors; deliberations on business strategies, compliance, internal control, and other topics; provision of information (the amount of information, materials, explanations, and support for outside directors) and involvement in deliberations.

[Overview of results]

It was found that the directors are appropriately involved in determining the Company's business strategy and other matters and share details of these, that the outside directors express their opinions from an independent perspective after gaining an understanding of the Company's situation through briefings on resolutions beforehand and other forms of support, and that oversight on the execution of operations has been ensured. It was also confirmed that discussions at Board of Directors' meetings have become livelier and that directors have a strong awareness and expectations regarding further improvements in the effectiveness of the Board of Directors.

Furthermore, as there has been progress in delegation of the Board of Directors' authorities to representative directors within the appropriate scope under the Company's Articles of Incorporation, improvement in the speed of decision-making and improvement in the productivity of discussions resulting from securing ample discussion time were confirmed. At the same time, as the surrounding business environment continues to change drastically, and the outlook remains uncertain, the directors again clarified and shared their understanding of the functions and roles of the Board of Directors and discussed how agenda items should be selected and the processes required for deliberation. Through the discussion, all directors confirmed that important matters such as the management strategy should be brought up in a timely manner and decisions made after thorough discussion, and that it is necessary to continue to strengthen the monitoring of the progress of the management strategy and related specific initiatives from various perspectives. The directors also recognized the need to share information and hold discussions among themselves at an early stage to enable them to consider the opinions of outside directors amid rapid changes in the external environment.

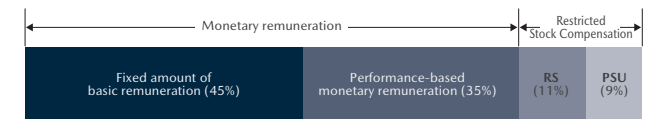
Executive Remuneration

In June 2024, a revision was instituted to the remuneration systems for directors (excluding directors who are Audit & Supervisory Committee members and outside directors), executive officers,

and fellows. This revision was designed to heighten motivation for pursuing medium- to long-term improvements in corporate value by increasing the degree to which officers share the benefits and risks of share price fluctuations with shareholders. Remuneration is comprised of basic remuneration, performance-based monetary remuneration, and restricted stock remuneration.* The ratios of these different forms of remuneration are set to be around the levels described below when all of the targets of the medium-term management plan and the targets for all of the performance indicators defined for performance share units are accomplished. Directors who are Audit & Supervisory Committee members and outside directors receive a fixed amount of basic remuneration only, considering their independence from the execution of operations.

* Restricted stock remuneration is comprised of restricted stock that is not linked to performance and performance share units that are linked to performance.

Structure of remuneration for directors



Remuneration category	Details	Performance indicators
Basic remuneration	Fixed-sum payments based on the director's position and responsibilities	—
Performance-based monetary remuneration	Payments based on the director's position and responsibilities that are adjusted in accordance with the degree of progress toward the initially announced performance forecasts for defined performance indicators Payments based on personal evaluations that reflect the degree of accomplishment of targets set for each individual	<ul style="list-style-type: none"> ■ Consolidated net sales ■ Net income attributable to owners of the parent
Restricted stock compensation	Number of shares issued based on standard value set in accordance with the director's position and responsibilities	—
Performance-based performance share units	Number of units allocated equivalent to the base amount (1 unit = 1 share equivalent) based on the director's position and responsibilities and used to determine the number of shares to be issued based on whether the target for each performance indicator was achieved after the performance evaluation period (one fiscal year in which the unit grant date falls)	<ul style="list-style-type: none"> ■ Return on equity ■ Employee engagement* ■ Customer focus enhancement* ■ Greenhouse gas emission reduction

* Employee engagement and customer focus enhancement are measured based on rates of positive responses in regard to relevant questions on employee awareness surveys.

Executive remuneration amounts in FY March 2024

[Annual Securities Report for FY March 2024 \(P71\) >](#)

Cross-Shareholdings

(1) Policy on cross-shareholdings

Taking into overall consideration the business strategy, the necessity of business activities such as maintaining and strengthening business dealings, and the comparison of benefits and risks of cross-shareholding with the cost of capital, the Company will have cross-shareholdings when it will lead to the raising of corporate value over the medium and long term. If the purpose of cross-shareholdings is judged to have diminished, the Company will aim to reduce cross-shareholdings, including the selling of shares based on the relevant company's circumstances, etc.

(2) Verification by the Board of Directors

Every year at a Board of Directors' meeting, the Company will individually verify the appropriateness of its cross-shareholdings according to the above policy.

(3) Basic policy on exercise of voting rights

When exercising its right to vote for cross-shareholdings, the Company will comprehensively evaluate whether or not matters that have come up for a vote will contribute to raising the corporate value, etc., of the Company and companies in which the Company holds shares over the medium and long term; the Company will then decide whether to vote for or against any proposals.

Group Governance

To achieve comprehensive development of business, sustainable and stable growth, and proper governance as a group, Mazda has established and disseminated the Group Company Management Regulations to all its Group companies. In the Mazda Group, each Group company has established a corporate governance framework in accordance with the Regulations as well as the laws and regulations of each country and region, with the aim of enhancing cooperation between Mazda and the Group companies.

Group Companies in Japan

Group companies in Japan appoint corporate auditors to audit the execution of duties by directors. Through the Group Audit & Supervisory Board Members' Meetings attended by Mazda's Audit & Supervisory Committee members and full-time auditors from

large Mazda Group companies and by having staff from Mazda's internal audit department concurrently serve as auditors of the Group companies, Mazda aims not only to reinforce governance frameworks at Group companies but also to strengthen ties between Mazda and Group companies.

Overseas Group Companies

Many overseas Group companies hold meetings of the Audit Committee.* Members participating in these meetings are executives and internal audit departments of each overseas Group company, Mazda's executives and internal audit department, and the department in charge of each Group company. They enhance each Group company's internal control by discussing and exchanging opinions on activities related to internal control. Mazda further provides appropriate guidance and support to other overseas Group companies, to improve their internal control-related initiatives.

* Committees are set and operated independently for each overseas group company for the purpose of gathering information and exchanging opinions on internal control.

Internal Auditing

Conduct Internal Audits

The internal audit departments of Mazda and its Group companies collaboratively conduct internal audits for the purpose of ensuring sound and efficient management. The Mazda Group Basic Internal Audit Regulations were established, which define basic and common matters concerning internal auditing, such as the role, mission, organizational position, and scope of activities. In accordance with the Regulations, Mazda's internal audit department holds regular meetings with and training sessions online for the internal audit departments of Group companies in Japan and overseas. In addition, the department also conducts various tasks, such as approval of the internal audit plans of Group companies, receipt of their internal audit reports and follow-up of their improvement activities, thereby ensuring consistency of auditing policies across the Group and gathering audit-related information. Also, Mazda's internal audit department evaluates the functions of auditing departments of Group companies and supports their activities with the aim of strengthening the internal audit departments of the respective Group companies. Mazda's internal audit department is staffed with individuals holding Certified Internal Auditor (CIA), Certified Information System Auditor (CISA), and

other qualifications. Members of the department are constantly encouraged to improve their auditing skills, acquire specialized qualifications, and participate in outside training programs and internal workshops.

Internal Auditing Frameworks for Group Companies

At Group companies that possess their own internal audit departments, these departments conduct internal audits independently or through collaboration with the internal audit department of Mazda Corporation. For other Group companies, the internal audit department of Mazda Corporation performs audits. To ensure quality audits, the internal audit department of Mazda Corporation offers advice regarding the annual audit plans for and results of audits performed by the internal audit departments of Group companies and provides audit-related information to support these audits.

System Auditing

The internal audit department of Mazda Corporation and the internal audit departments of overseas Group companies conduct audits on overall IT control concerning financial reports and IT security for individual operations and systems with the aim of reducing IT-related risks.

Internal Controls

Mazda has established the Mazda Corporate Ethics Code of Conduct, which states action guidelines for employees, and other guidelines on financial controls and other matters. Based on these guidelines, each department develops rules, procedures, manuals, etc., to promote the establishment of internal controls. In the Mazda Group, in line with the affiliates' administration rules, each Group company is supported in employee education and system construction by Mazda's related department. All Group companies thus collaborate with each other in facilitating the establishment of Groupwide internal controls.

Mazda Internal Controls



Internal Controls Self-Diagnosis

In 1998, Mazda initiated a system of self-diagnosis of internal controls for the purpose of disseminating awareness concerning internal controls. Currently, self-diagnosis is carried out at almost all Mazda Group companies in Japan and overseas. This system enables the supervisors and persons in charge of actually developing and operating the processes and mechanisms, as opposed to third parties such as internal audit departments or auditing companies, to evaluate internal controls using a defined checklist. Through this system, Mazda's departments and Mazda Group companies are able to identify inadequacies in internal controls and take actions to improve them.

Implementation of Internal Controls Signoff System

In FY March 2007, Mazda introduced a signoff system in which the senior management of each department and each Group company ensures internal controls by "signing off" after confirming the status and issues of its organization's internal controls through auditing and self-diagnosis. In FY March 2010, a new system of quarterly reporting was implemented whereby inadequacies found are reported to Mazda's internal audit department on a quarterly basis for the purpose of early discovery of inadequacies at departments and Group companies. For each inadequacy reported, the deadline and responsible person for improvement are specified to facilitate speedy improvement.

RISK MANAGEMENT

Approach

Basic Approach

Mazda makes continuous efforts to identify and reduce various internal and external risks in accordance with the Basic Policy on Risk Management, Risk Management Regulations, and other related internal regulations, so as to ensure the continuous and stable progress of business activities. Considering the level of importance, individual business risks among the risks identified are managed by the department in charge of that business area while Companywide risks are handled by departments responsible for Companywide processes. These departments manage the risks appropriately through the implementation of a plan-do-check-act (PDCA) cycle. In the event of an emergency, such as a natural disaster or situation that creates serious managerial consequences, Mazda takes appropriate measures based on its internal regulations, which may include establishing an emergency response taskforce to respond to the situation where necessary. Moreover, Mazda has created the Risk & Compliance Committee to further enhance and strengthen risk management at the Company and its affiliates. The committee selects risks that are to be prioritized in a Companywide manner based on major risks identified by individual departments and information on risk trends. Then, every six months, it checks to confirm that progress is being made on risk countermeasures. The Risk & Compliance Committee reports to the Board of Directors on its activities every six months. Also, Mazda is working to enhance its business continuity plan (BCP) to ensure that society would not be severely impacted by a halt to its operations.

For more information, please refer to [Annual Securities Report for FY March 2024 Business and Other Risks \(P24-27\)](#) >

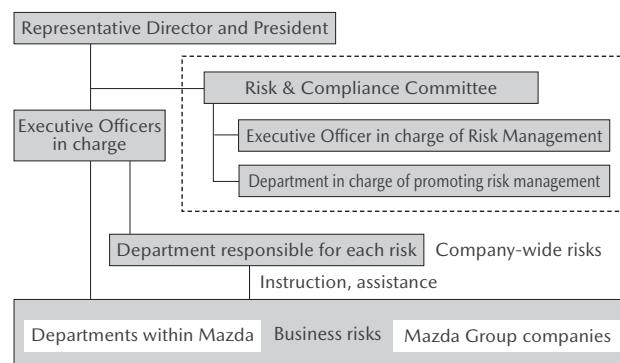
[Statistics from FY March 2024]

- Formulation of shared rules for Group companies to enhance their risk management activities, assessment of conditions at Group companies based on rules, and pursuit of improvements

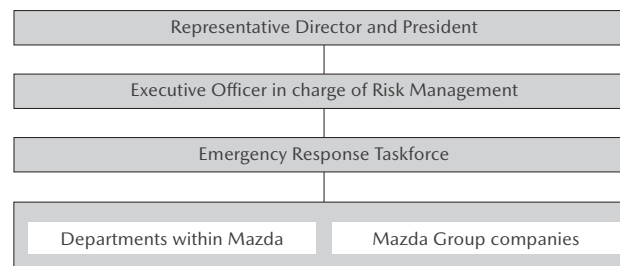
Frameworks

Risk Management Framework

Risk Management Structure in Normal Times



Emergency Risk Management Structure



For incidents that fall outside the scope of existing risk management organizations and require a coordinated interdepartmental response, the executive officer in charge of risk management will consult with the president, establish an emergency response taskforce, and appoint a general manager for this taskforce.

Basic Policies for Risk Management

Concept

With the advance of IT and globalization and the growing awareness of environmental issues and legal compliance, the environment surrounding Mazda's activities is rapidly changing, and it can be expected to change even further in the future. There is a need to accurately respond to such changes in the environment and to minimize the potential risks that threaten to interfere with the continuity and stability of our business activities. The Company must also create a system that will allow a rapid recovery when abnormal circumstances or emergencies occur and enable it to gain the strong trust of its customers, shareholders, and the community. The entire Mazda Group shall promote risk management and strive to maintain the earnest trust of society.

Goals

Through the following measures, Mazda shall strive to enhance corporate value and maintain harmony with the community.

1. Ensure the health and safety of all those who make up the Mazda Group as well as community members
2. Maintain and increase trust from the community
3. Make appropriate use of the tangible and intangible corporate assets of the Mazda Group
4. Protect the interests of the stakeholders, earn their trust, and meet their expectations
5. Maintain the functions of the organization and seek a rapid restoration of business activities at the time of abnormal circumstances or emergencies

Action Policy

All corporate officers and all employees shall have responsibility for carrying out risk management based on the understanding that risk exists in every facet of business activities. Risk management shall be addressed from all angles at every stage of operations.

Methods

Risk management activities shall be divided into two types:

1. Continuous efforts to prevent and mitigate potential risks existing in everyday duties and the proactive utilization of such measures (risk management)
2. Minimization of damage resulting from crisis and rapid recovery (crisis management)

Scope of Application

1. Shall include the control of all types of business risk
2. Shall apply to the entire Mazda Group including subsidiaries and related companies

Response to Accidents and Other Emergencies

Mazda has been continuously implementing measures to respond to natural disasters in preparation for major earthquakes, such as the projected potential Nankai Trough earthquake, and the tsunamis that may follow such earthquakes. Examples of such measures include infrastructure-related measures, such as quake-proofing buildings and facilities and raising embankments, but also the systematic development of framework-related measures by introducing an employee safety confirmation system, organizing self-disaster-defense teams, and conducting training for the operations of these systems. Furthermore, the Company holds disaster drills jointly with fire authorities in preparation for disasters. In addition to simultaneous evacuation drills, the Company has been conducting practical disaster drills to prevent the spread of damage to neighboring areas due to a secondary disaster by incorporating disaster simulation exercises to respond to various emergency situations, such as the leakage of high-pressure gas or hazardous substances, as well as practical skills training.

Information Security

Mazda manages and protects personal information and other important information appropriately based on its established information management policies and internal regulations. The Company also checks the implementation status of information security measures and the management system each year so as to ensure information security. As for the system to promote information security, a Companywide information security officer is appointed from among the officers. Under the guidance of this officer, the Information Security Committee^{*1} recognizes cybersecurity risks across the entire supply chain, submits improvement plans to the Executive Committee Meeting, and discusses and implements ongoing improvement measures. In addition, Mazda works together with suppliers to enhance the quality of cybersecurity measures for its products by participating in the Automotive Information Sharing and Analysis Centers (Auto-ISACs) of Japan and the United States,^{*2} responding to information on security incidents detected within the industry, and adopting best practices. The Company also complies with the cybersecurity standards instituted in July 2022.

To raise employee awareness about information security, Mazda requires its employees to take part in training on the management of confidential information, protection of personal information, and IT security. Other educational efforts are conducted on an ongoing basis, including the provision of an intranet site dedicated to insight and knowledge on information security. In addition, the Company provides guidelines and educational tools regarding information security to Group companies as part of Groupwide efforts to ensure rigorous information security.

^{*1} An organization that manages Companywide information security on a global basis. The committee regularly holds Companywide information security meetings as the decision-making body regarding information security issues on a Companywide level.

^{*2} In addition to participating in the U.S. Auto-ISAC, Mazda has participated in the establishment and operation of the Auto-ISAC of Japan (J-Auto-ISAC).

Protection of Personal Information

Mazda rigorously protects personal information in line with its own Personal Information Protection Policy. Handling rules are set out in order to ensure appropriate management of personal information, regular examination of management records for retained personal data is conducted, and management statuses are checked once a year. In cases in which the handling of personal information is entrusted to outside parties, such contractors are carefully selected based on a checklist for confirming security management and other necessary provisions. The Mazda Call Center responds to customers who wish to inquire about the Company's handling of personal information and those who request disclosure regarding privacy issues. In response to the establishment and revision of laws and regulations concerning personal information in countries of operation and changes to the ways in which personal information is handled through the application of IT, the Company reviews its rules and mechanisms to enable more proper management of personal information.

[Personal Information Protection Policy >](#) (in Japanese only)

Intellectual Property

Basic Policy on Intellectual Property

Mazda's overall vision for intellectual property is to use intellectual property as a management resource in support of its business management and corporate activities, prefaced on respect for its own and others' intellectual property rights. Based on this vision, Mazda has established the Intellectual Property Committee to discuss and decide key items regarding intellectual property. The committee is comprised of division general managers from related divisions and chaired by an executive officer responsible for intellectual property issues. Also, an invention incentive system has been put in place to increase motivation for inventions among employees working at the forefront of research and development. The Company supports Group companies in Japan and overseas in developing and implementing policies and establishing systems for handling intellectual property with the aim of enhancing the intellectual property management functions of the entire Mazda Group.

Invention and Device Awards

Once a year, on the anniversary of Mazda's foundation, certificates of commendation, commemorative medals, prize money, and other honors are presented to selected recipients through the manager of their department. No limit is set for the amount of prize money so that inventors can be fully rewarded for their contribution.

Protection of Intellectual Property and Intellectual Property Risk Management

Mazda's dedicated Intellectual Property Department leads internal activities regarding intellectual properties so as not to infringe upon the intellectual property rights of other companies, and conducts strategic activities aimed at fiercely protecting, accumulating, and making optimal use of the intellectual properties generated through these in-house activities.

1. Globally obtains rights concerning intellectual properties created by business activities, including new technologies, markings, model names, and vehicle designs, and protects Mazda technologies, designs, and the Mazda brand
2. Takes steps to exhaustively uncover as well as prevent and resolve any issues regarding intellectual properties that may obstruct business activities, such as infringement of other parties' patent rights, trademark rights, design rights, and copyrights, and violations of the Unfair Competition Prevention Act

Awareness-Raising Activities

The [Mazda Corporate Ethics Code of Conduct](#) stipulates "Keep confidential information. Never infringe on any intellectual property rights, whether belonging to Mazda or another party," so as to clearly convey a relevant code of conduct to all employees and guide their behavior. The Intellectual Property Department is responsible for the overall management of intellectual property, and also regularly conducts awareness-raising activities to instill respect for intellectual property law. Based on periodic review of risks according to changes in the operating environment, this department offers awareness-raising programs tailored to the management level and position of each employee and executive at Mazda and at Mazda Group companies in Japan and overseas as well as programs based on specific intellectual properties with the potential to give rise to social issues. For example, we provide education on intellectual property risks that can emerge from joint development in light of the rise in co-creation activities for developing new technologies and services together with external partners. Also, in response to an increase in communication through social media, the Company has recently been providing education with particular focus on intellectual property risks in the internet environment, thereby promoting information sharing and awareness raising to prevent intellectual property-related issues.

Examples of Awareness-Raising Activities

- Offering webinars and e-learning programs on intellectual property risks
- Preparing manuals for creating and publishing materials
- Developing the Mazda-Shared Image-Collection that compiles communication materials free of risks of intellectual property infringements

Brand Protection (Measures to Combat Imitation Products)

To protect customers, Mazda strives to eliminate the risk posed to customers by the purchase of imitation products. Mazda is prioritizing components related to safety in particular. These activities are aimed at improving the strength of the Mazda brand and its trustworthiness as a brand that continues to be relied on by customers.

Details of Activities

1. Mazda develops and implements its own measures against the sale of imitation products.
2. Mazda actively participates in programs organized by the private and public sectors against imitation products.
3. To promote brand protection activities in countries and regions that are major sources of imitation products, Mazda implements constructive and systematic measures through local affiliates and in close cooperation with industry peers and government and other agencies tasked with exposing imitation products.

COMPLIANCE

Approach

Basic Approach

At Mazda, the concept of compliance applies not only to laws and regulations but also includes adherence to other rules, such as internal guidelines and social norms and expectations. Business operations are conducted in accordance with the Mazda Corporate Ethics Code of Conduct to ensure fair and honest practices. The Global Employee Engagement Survey, which includes a questionnaire concerning compliance, is conducted to check employees' degree of understanding of compliance.

Outline of the Mazda Corporate Ethics Code of Conduct

Five principles of faithful behavior

1. To comply with laws and regulations, Company rules, common sense, and sound practice in international society
2. To be fair and even handed
3. To fulfill the Company's social responsibilities
4. To fulfill one's own duties truthfully
5. To be honest

Guidelines

1. Comply with laws and regulations and the Company rules. In a situation where such rules are not clearly defined, make a judgment considering their spirit.
2. Treat employees, customers, and clients fairly and justly. Do not obtain from or give anybody an unjust benefit and/or favor taking advantage of your business position.
3. Make distinctions between public and private affairs, and never pocket or abuse Company assets.
4. Keep confidential information. Never infringe on any intellectual property rights, whether it belongs to Mazda or another party.
5. Seek to develop, manufacture, and sell products taking human safety and the environment into consideration.
6. Act with a view to seeking sound profit.
7. Respect human rights and human dignity.
8. State the truth honestly and timely in reporting internally and/or to the public.

Overview of Compliance Activities

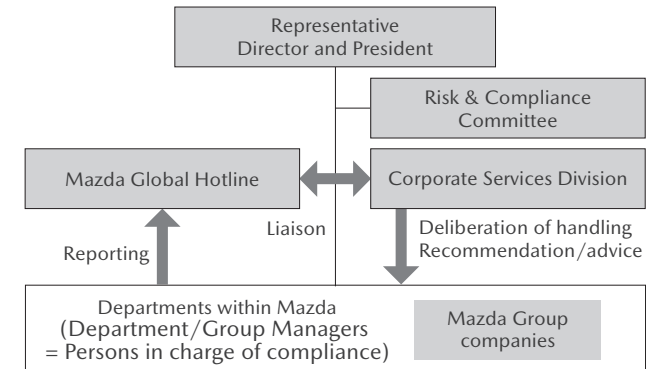
1997	Ethics Committee established under the direct supervision of the president
1998	Mazda Corporate Ethics Code of Conduct established
1999	Guidelines on Entertainment and Gifts established
2002	Ethics Advisory Office established
2002	Compliance Seminar started being arranged for executives and middle managers (once a year in principle)
2005	Mandatory e-learning course organized for all indirect employees
2005	Wallet-sized Compliance Cards distributed to every employee in the Mazda Group
2007	Mazda Global Hotline established
2008	Distribution of "Learning from Other Companies" and "Compliance Communications" started on the Company intranet
2008	Ethics Committee reorganized to form Risk & Compliance Committee
2013	Compliance Cards revised
2017	Distribution of "Let's Learn Together about Compliance!" started
2019	Special Risk & Compliance Committee Meeting organized for executive officers and department heads (once a year in principle)

I Policy of Non-Association with Antisocial Forces

Mazda practices a strict policy of non-association with antisocial forces and organizations and will under no circumstances lend aid to such entities. Inappropriate demands from antisocial forces and organizations will be met with a resolute response as we take organizational measures, including coordination with external organizations (police, lawyers, etc.) when necessary, to combat such demands.

Frameworks

Compliance Promotion Framework



Initiatives

Anti-Corruption Initiatives

For its efforts to prevent corruption, Mazda presents its basic policies on anti-corruption in the Guidelines on the Mazda Corporate Ethics Code of Conduct. Also, Mazda has established the Guidelines on Entertainment and Gifts, which lays out the policy for prohibiting bribery, to promote highly transparent and fair transactions with all partner companies. These guidelines are revised as needed to cope with changes in the social environment, social needs, or other circumstances. Overseas as well, Mazda complies with international regulations and the laws of each country and region, and also respects local history, culture, and customs. When Mazda makes political contributions, it adheres to the Political Funds Control Act and follows necessary internal procedures.

[Statistics from FY March 2024]

- Political contributions (Donations) of 21 million yen
- No incidents of fines for bribery, etc.
- No incidents of employees of Mazda Motor Corporation being subject to disciplinary measures for engaging in corruption

Compliance Initiatives

Internal Reporting System

The Company has established the Mazda Global Hotline as an in-house system for receiving reports regarding compliance and other issues. With its contact points set up both inside the Company and outside (attorney's office), the hotline enables Mazda Group employees to choose a contact point to submit their reports to either under their real names or anonymously. The content of these reports is carefully handled, and the whistleblowers' confidentiality is completely protected. In so doing, Mazda takes sufficient follow-up measures to ensure that those who make reports to the hotline or who cooperate in an investigation will not be subject to unfavorable treatment. The Company distributes Compliance Cards with the contact information for the hotline to all employees during compliance education programs. As part of its efforts to make the hotline better known to everyone, Mazda also puts up posters and implements e-learning programs. In addition, information on the use of the hotline is disclosed.

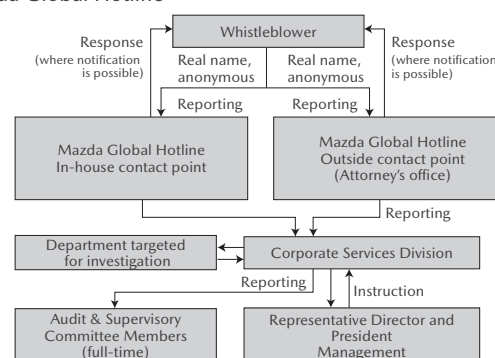
The Mazda Global Hotline is also introduced to suppliers so they can receive consultation regarding any doubts that may arise during transactions with Mazda or with Mazda Group companies.

[Statistics from FY March 2024]

Number of reports (including consultations) through the Mazda Global Hotline of 53

[Social data \(Number of reports through the Mazda Global Hotline in FY March 2024\) >](#)

Mazda Global Hotline



Compliance Education

Mazda believes that mere adherence to laws and regulations is not enough; it is important to have each and every employee understand the essence of such laws and regulations and to practice integrity. In response to the changes in the social environment and social needs, the Company provides voluntary learning opportunities using e-learning, organizes compliance seminars for executives and middle managers of Mazda as well as Group company executives conducted by internal and external lecturers, and provides information in a timely manner as part of ongoing initiatives aimed at increasing awareness of the importance of compliance.

Enhancement of Global Tax Compliance

The Mazda Group practices integrity with regard to tax affairs in keeping with the Mazda Corporate Ethics Code of Conduct and other relevant rules and regulations. It is an important duty of a good corporate citizen to pay taxes in an appropriate and timely manner in accordance with international rules, the laws and regulations of relevant countries and regions, and the Company's Finance Control Guidelines. With this in mind, Mazda contributes to social development in each country and region by voluntarily fulfilling its tax obligations.

The Mazda Group supports the Base Erosion and Profit Shifting (BEPS) initiatives, which are promoted by the Organisation for Economic Co-operation and Development (OECD) and the G20 countries. The Group will not engage in tax evasion behaviors through the abuse of tax havens, but will rather sincerely cooperate with requests for information disclosure from the tax authorities of relevant countries to ensure tax transparency. In its global business operations, Mazda is well aware of the importance of transfer pricing taxation as a means of determining proper profit sharing among Group companies in the respective countries. The Mazda Group is committed to practicing transparent and fair transfer pricing by promoting active dialogue with tax authorities through effective use of advance pricing agreements. The Group will continue to build trusting relationships with the tax authorities in relevant countries and enhance tax compliance from a global standpoint, while taking into account changes in the social environment and needs regarding tax affairs.

Support for Enhancement of Compliance at Dealerships and Parts Sales Companies in Japan

To support transparent management at all Mazda Group companies, Mazda systematically promotes the enhancement of compliance among dealerships and parts sales companies in Japan based on the understanding that compliance functions as the foundation for building its brand.

Specific Initiatives

- A risk and compliance site has been set up on the intranet used by all dealerships in Japan in order to promote understanding of compliance and internal controls among dealership employees and thereby facilitate appropriate practices. The site provides the "Standard Operating Procedures" and "Model Regulations," which define the basic business operations to be performed by dealerships; "One-Point Lessons on Compliance," concerning a training tool with relatable case studies; "Learning from Other Companies," which records the true causes of accident cases and recurrence prevention measures; and education tools that help ensure legal compliance in business activities. In addition, sites provided for parts sales companies offer information pertaining to human rights.
- Questions encompassing risks concerning new standard operating procedures, internal control risks and examples of recent accidents have been added to the Self-Diagnosis Checklist on Internal Controls, which is deployed throughout the Mazda Group. By enabling dealerships and parts sales companies to autonomously identify issues, challenges, and best practices, this checklist helps supports the promotion of dealership and parts sales company management in compliance with related laws and rules and the improvement of work efficiency. The best practices and issues identified using the Self-Diagnosis Checklist on Internal Controls are quickly shared with other organizations to promote activities for preventing the materialization of risks.
- At training sessions and meetings with dealerships and parts sales companies in Japan, we seek to raise the awareness of trainees to fully implement measures for identifying inadequacies in compliance and internal controls and preventing the recurrence of similar problems. Examples of these inadequacies are also shared with related parties and relevant investigations are carried out.
- For immediate reporting of problems regarding compliance, internal controls, human rights, and distribution of information via social media, an in-house consultation contact point has been set up at dealerships in Japan, and awareness of the Mazda Global Hotline reporting system is promoted among dealership employees.

CHAPTER

5

ESG DATA

ESG DATA

The results of major initiatives undertaken by Mazda and the Mazda Group through their business activities.
Mazda has received the third-party verification to improve the reliability of the data disclosed our Environmental data and Social data.

[Environmental Data >](#)

[Social Data >](#)

CHAPTER

6

GRI CONTENT INDEX

Statement of use	Mazda Motor Corporation referenced the GRI Standard and reports the information in this GRI Content Index for the period April 1, 2023 to March 31, 2024.
GRI 1 used	GRI 1: Foundation 2021

Code and Requirements	References
GR12: General Disclosures 2021	
1 The organization and its reporting practices	
2-1 Organizational details	• Company Outline >
2-2 Entities included in the organization's sustainability reporting	• Editorial Policy
2-3 Reporting period, frequency and contact point	• Editorial Policy
2-4 Restatements of information	• Editorial Policy
2-5 External assurance	• Third-Party Verification >
2 Activities and workers	
2-6 Activities, value chain and other business relationships	• Annual Securities Report (Description of Business) >
2-7 Employees	• ESG data > Social data (Employee) >
2-8 Workers who are not employees	• Annual Securities Report (Employees) >
3 Governance	
2-9 Governance structure and composition	• Corporate Governance (Framework: Corporate Governance System)
2-10 Nomination and selection of the highest governance body	• Corporate Governance (Framework: Corporate Governance System) • Corporate Governance (Board of Directors: Criteria for Determining the Independence of Outside Officers and Reasons for Appointment) • Annual Securities Report (Corporate Governance) > • Corporate Governance Report >
2-11 Chair of the highest governance body	• Annual Securities Report (Corporate Governance) > • Corporate Governance Report >
2-12 Role of the highest governance body in overseeing the management of impacts	• Approach to Sustainability (Sustainability Promotion Organization) • Corporate Governance • Annual Securities Report (Approach to Sustainability and Our Initiatives) >

Code and Requirements	References
2-13 Delegation of responsibility for managing impacts	• Approach to Sustainability (Sustainability Promotion Organization) • Corporate Governance • Annual Securities Report (Approach to Sustainability and Our Initiatives) > • Corporate Governance Report >
2-14 Role of the highest governance body in sustainability reporting	• Approach to Sustainability (Sustainability Promotion Organization)
2-15 Conflicts of interest	• Corporate Governance Report >
2-16 Communication of critical concerns	• Compliance • Risk Management • TCFD
2-17 Collective knowledge of the highest governance body	• Corporate Governance (Board of Directors: Skills Matrix of the Board of Directors)
2-18 Evaluation of the performance of the highest governance body	• Corporate Governance (Board of Directors: Analysis and Evaluation of the Effectiveness of the Board of Directors)
2-19 Remuneration policies	• Corporate Governance (Executive Remuneration) • Annual Securities Report (Corporate Governance) > • Corporate Governance Report >
2-20 Process to determine remuneration	• Corporate Governance (Executive Remuneration) • Annual Securities Report > • Corporate Governance Report >
2-21 Annual total compensation ratio	—
4 Strategy, policies and practices	
2-22 Statement on sustainable development strategy	• CEO Message > • Integrated Report 2024 (P5-10) >
2-23 Policy commitments	• Respect for Human Rights (Basic Approach, Rules and Guidelines) • Policy >
2-24 Embedding policy commitments	• Respect for Human Rights • Basic Approach to Sustainability
2-25 Processes to remediate negative impacts	• Human Rights Due Diligence • Supply Chain Management • Compliance (Compliance: Internal Reporting System)

Code and Requirements			References
GRI2: General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	• Compliance (Anti-Corruption Initiatives)
	2-27	Compliance with laws and regulations	• Compliance
	2-28	Membership associations	• Participation in Initiatives
	5	Stakeholder engagement	
	2-29	Approach to stakeholder engagement	• Stakeholder Engagement
	2-30	Collective bargaining agreements	• ESG data > Social data (Percentage of Employees with Membership in the Mazda Workers' Union) >
GRI3: Material Topics 2021	3-1	Process to determine material topics	• Materiality (Reviewing and Identifying Key Issues (Materiality)
	3-2	List of material topics	• Materiality (Mazda will carry out initiatives to address the eight themes of materiality that the Company has identified)
	3-3	Management of material topics	• Materiality (Mazda will carry out initiatives to address the eight themes of materiality that the Company has identified) • Annual Securities Report (Approach to Sustainability and Our Initiatives) >
200 Economic			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	• Annual Securities Report (Company Overview) > • ESG data > Social data (FY March 2024 average salary by gender) >
	201-2	Financial implications and other risks and opportunities due to climate change	• Climate Change • TCFD (Strategy)
	201-3	Defined benefit plan obligations and other retirement plans	• Annual Securities Report (Financial Information) >
	201-4	Financial assistance received from government	—
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
	202-2	Proportion of senior management hired from the local community	—

Code and Requirements			References
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	• Creating a System that Enriches People's Lives (Social Contributions Capitalizing on the Strength of a Vehicle Manufacturer) • Realization of an Automotive Society that Offers Safety and Peace of Mind (Safety Awareness Raising, Coordination with Traffic Infrastructure)
	203-2	Significant indirect economic impacts	—
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	• Confidential information
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	—
	205-2	Communication and training about anti-corruption policies and procedures	• Compliance (Anti-Corruption Initiatives)
	205-3	Confirmed incidents of corruption and actions taken	• Compliance (Anti-Corruption Initiatives)
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	• N/A
GRI 207: Tax 2019	207-1	Approach to tax	• Compliance (Compliance: Enhancement of Global Tax Compliance)
	207-2	Tax governance, control and risk management	• Compliance (Compliance: Enhancement of Global Tax Compliance)
	207-3	Stakeholder engagement and management of concerns related to tax	• Compliance (Compliance: Enhancement of Global Tax Compliance)
	207-4	Country-by-country reporting	—
300 Environment			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	• ESG data > Environmental data (Resources: Consumption of raw materials (steel, aluminum, etc.)) > • Promoting Resource Circulation (Product and Technology Development)
	301-2	Recycled input materials used	• Promoting Resource Circulation (Product and Technology Development)
	301-3	Reclaimed products and their packaging materials	• Promoting Resource Circulation (Product and Technology Development) • ESG data > Environmental data (Resources: Amount of recycled parts, Consumption of wrapping and packaging materials) >

Code and Requirements			References
GRI 302: Energy 2016	302-1	Energy consumption within the organization	• ESG data > Environmental data (Energy: Energy consumption (by type)) >
	302-2	Energy consumption outside of the organization	—
	302-3	Energy intensity	—
	302-4	Reduction of energy consumption	• ESG data > Environmental data (Energy: Energy consumption (by type)) > • Climate Change (Reduction in CO ₂ Emissions from Domestic Factories and Operating Sites by FY March 2031) • Climate Change (Energy Conservation) • Environmental Management (Routine Environmental Activities: Energy Use Reduction)
	302-5	Reductions in energy requirements of products and services	• Climate Change (Life Cycle Assessment) • ESG data > Environmental data (Energy) >
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	• Promoting Resource Circulation (Water) • TCFD (Metrics and Targets: Conservation of Water Resources)
	303-2	Management of water discharge-related impacts	• Promoting Resource Circulation (Water) • TCFD (Strategy: Specific Initiatives: Physical Risk Avoidance and Minimization)
	303-3	Water withdrawal	• ESG data > Environmental data (Water: Water withdrawal amount) >
	303-4	Water discharge	• ESG data > Environmental data (Water: Wastewater) >
	303-5	Water consumption	—
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
	304-2	Significant impacts of activities, products, and services on biodiversity	—
	304-3	Habitats protected or restored	—
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—

Code and Requirements			References
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	• ESG data > Environmental data (Energy: GHG emissions intensity) >
	305-2	Energy indirect (Scope 2) GHG emissions	• ESG data > Environmental data (Energy: GHG emissions intensity) >
	305-3	Other indirect (Scope 3) GHG emissions	• ESG data > Environmental data (Energy: GHG emissions intensity) >
	305-4	GHG emissions intensity	• ESG data > Environmental data (Energy: GHG emissions intensity (Scope 1 and 2: market-based)) >
	305-5	Reduction of GHG emissions	• Climate Change • ESG data > Environmental data (Energy) >
	305-6	Emissions of ozone-depleting substances (ODS)	• Promoting Resource Circulation (Resource Recycling Results in FY March 2024) • Status of resource recycling initiatives (in Japanese only) >
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	• Prevention of Pollution (Emissions Reduction Technologies, Adoption of Fuels that Reduce Environmental Burdens) • ESG data > Environmental data (Chemical Substances: NOx emissions and SOx emissions) >
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	• Promoting Resource Circulation (Materials: Product Development and Design with Consideration for Recycling Needs) • ESG data > Environmental data (Resources: Total amount of waste (by region)) >
	306-2	Management of significant waste-related impacts	• Promoting Resource Circulation (Materials: Product Development and Design with Consideration for Recycling Needs) • ESG data > Environmental data (Resources: Amount of landfill waste, amount of recycled materials, recycling ratio) >
	306-3	Waste generated	• ESG data > Environmental data (Resources: Resources: Total amount of waste (by region)) >
	306-4	Waste diverted from disposal	• Promoting Resource Circulation (Collection and Recycling of Vehicles and Parts) • ESG data > Environmental data (Resources) >
	306-5	Waste directed to disposal	• ESG data > Environmental data (Resources) >
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	• Environmental Management (Environmental Risk Management)
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	• Confidential information
	308-2	Negative environmental impacts in the supply chain and actions taken	• Environmental Management (Promotion of Green Purchasing) • Supply Chain Management (Deployment of the Mazda Supplier Sustainability Guidelines to Suppliers)

Code and Requirements			References
400 Social			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	• ESG data > Social data (Employee) >
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
	401-3	Parental leave	• ESG data > Social data (Employee) >
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	• Occupational Safety and Health (Labor–Management Relations)
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	• Occupational Safety and Health (Safety and Health Management System)
	403-2	Hazard identification, risk assessment, and incident investigation	• Occupational Safety and Health (Safety and Health Management System)
	403-3	Occupational health service	• Occupational Safety and Health
	403-4	Worker participation, consultation, and communication on occupational health and safety	• Occupational Safety and Health
	403-5	Worker training on occupational health and safety	• Occupational Safety and Health (Safety and Health Management System) • ESG data > Social data (Number of Participants in Education and Training Programs Concerning Occupational Safety and Health) >
	403-6	Promotion of worker health	• Environmental Management (Routine Environmental Activities: Eco-Walk Commuting Program) • Occupational Safety and Health (Health Maintenance and Improvement) • ESG data > Social data (Health Management Results) >
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Occupational Safety and Health
	403-8	Workers covered by an occupational health and safety management system	• Occupational Safety and Health
	403-9	Work-related injuries	• Occupational Safety and Health • ESG data > Social data (Disaster Occurrence) >
	403-10	Work-related ill health	• Occupational Safety and Health • ESG data > Social data (Disaster Occurrence) >

Code and Requirements			References
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	• ESG data > Social data (Education/Training Results) >
	404-2	Programs for upgrading employee skills and transition assistance programs	• Human Capital
	404-3	Percentage of employees receiving regular performance and career development reviews	• Human Capital
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	• Diversity, Equity&Inclusion (DE&I) • Corporate Governance (Board of Directors) • ESG data > Social data (Employee) >
	405-2	Ratio of basic salary and remuneration of women to men	• ESG data > Social data (FY March 2024 average salary by gender) >
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	• ESG data > Social data (Breakdown of Human Rights Consultations, FY March 2024 number of Reports to the Mazda Global Hotline) >
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	• Supply Chain Management
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	• Supply Chain Management
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	—
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	—
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	• Initiatives to Address Issues Related to Society: Creating a System that Enriches People's Lives • Creating a System that Enriches People's Lives (Social Contributions Capitalizing on the Strength of a Vehicle Manufacturer) • Social Contribution
	413-2	Operations with significant actual and potential negative impacts on local communities	—

Code and Requirements			References
GRI 414: Supplier Social Assess- ment 2016	414-1	New suppliers that were screened using social criteria	• Confidential information
	414-2	Negative social impacts in the supply chain and actions taken	• Supply Chain Management
GRI 415: Public Policy 2016	415-1	Political contributions	• Compliance (Anti-Corruption Initiatives)
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	• Realization of an Automotive Society that Offers Safety and Peace of Mind (External Evaluations for Mazda's Safety Technologies) • Improving Quality (Customer Safety and Security as Highest Priority for Corporate Activities)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	• Improving Quality (Early detection and early solution of market problems) • Integrated Report 2024 (P2) >
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	• Web Catalog >
	417-2	Incidents of non-compliance concerning product and service information and labeling	—
	417-3	Incidents of non-compliance concerning marketing communications	• N/A
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	• N/A
GRI 419: Socio- economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	• N/A