Mazda Sustainability Report 2016

I am in charge of promoting the Mazda Drive for Good campaign, which contributes to communities by making a customer-directed donation to charities for every new Mazda sold or leased during the event. In addition to the donation, MNAO makes the campaign unique by pledging one hour of charitable service for every test drive of a new Mazda. MNAO employees and dealers across the nation have participated in the volunteer activities. I will continue to promote the Mazda Drive for Good campaign and volunteerism to get to a point where every employee is volunteering, helping a cause in which they believe and giving back to their local communities in their own way.

Nick Beard
Specialist, Corporate & Internal Communications
Mazda North American Operations (MNAO)
### Basic Policy on Initiatives

#### Basic Principles

As a company engaged in global business, Mazda is fulfilling its responsibilities as a good corporate citizen through ongoing involvement in socially beneficial activities tailored to the needs of local communities, in order to ensure that its business activities contribute to the building of a sustainable society.

#### Plans for Future Activities

- Proactive, ongoing responses to social needs through the core business activities of the Mazda Group in Japan and overseas
- In collaboration with local communities, contribute to the development of a sustainable society through activities tailored to the needs of communities
- Emphasize and provide support for self-motivated volunteer activities by employees, and incorporate diverse values to foster a flexible and vibrant corporate climate
- Proactively disclose the details of activities and engage in a dialogue with society

### Three Pillars

Mazda promotes activities that are strongly rooted in local communities. Its social contribution activities are underpinned by the three pillars of environmental and safety performance, human resources development, and community contributions. [See p. 99]

### Promotion Framework

In May 2010, Mazda established the Social Contribution Committee. The role of this committee, which meets regularly (twice a year), is to discuss issues facing the entire Mazda Group and share information, in line with the social contribution policy and the CSR targets [See pp. 7/19] decided by the CSR Management Strategy Committee [See p. 16]. The details of the actual activities are considered by a Working Group comprised of related divisions. Through the activities of the committee undertaken since 2010, Mazda continues to enhance information collection and utilization from a global and Group standpoint. Individual activities are carried out based on the budget plan in each region or department. [*1*]

**FY March 2016 Major Results:**

- Set the CSR targets and the Mazda Green Plan 2020 (social contribution) [See pp. 49-52] and took actions
- Carried out over 400 activities*2 in Japan and overseas. Around 100 activities are summarized in Mazda Sustainability Report 2016 [Social Contribution Version].
- Established the Mazda Social Contribution Prize, selected based on evaluation indexes for social contribution programs, and continued implementing the PDCA (plan-do-check-act) cycle process [See p. 100].

### Evaluation Indexes for Social Contribution Programs

In FY 2015, Mazda established the evaluation indexes for social contribution programs. These indexes are used to evaluate and promote programs which resolve social issues and improve corporate values and created the PDCA (plan-do-check-act) process. They are designed to evaluate these social contribution programs from the three perspectives: effect on the society; effect on the Company; and Mazda uniqueness. (To be more specific, the indexes comprised of eight categories such as “the number of beneficiaries,” “the number of participation employees,” “conformity with the Three Pillars in Basic Policy on Social Contribution Initiatives,” etc.)

Some programs in FY March 2016 were evaluated in terms of social return on investment (SROI), aiming at the effective use of resources.

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*1* In Japan, the United States, Australia, and New Zealand, the Mazda Foundation in each country separately undertakes various activities.

*2* Social contribution activities: Monetary donation, goods donation, facility sharing, employee participation and dispatch, voluntary programs, and support for disaster stricken areas.
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Initiatives Based on the Three Pillars

Mazda promotes activities that are strongly rooted in local communities. Its social contribution activities are underpinned by the three pillars of environmental and safety performance, human resources development, and community contributions.

Environmental and Safety Performance

Mazda’s business activities have a relationship with, and impact social issues, such as global warming, energy and resource shortages, and traffic accidents. To resolve these issues, the Company attaches importance to the environmental and safety perspectives, not only in conducting its main business, but also when making social contributions.

- Hosting environmental awareness-raising programs at various events, dispatching lecturers to environmental education programs, and carrying out volunteer activities for biodiversity conservation and various other environmental protection initiatives
- Offering lectures on traffic accident issues at various events, and holding safe-driving seminars

Human Resource Development

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.

- Holding seminars and lectures by employees with specialized knowledge and skilled techniques such as manufacturing.
- Accepting students for internship programs, supporting to learn about vehicles using facilities in the Company, etc.

Community Contributions

Mazda promotes community contribution activities to cope with specific issues of each local community, in the countries/regions where the Company conducts its business operations.

- Making monetary/vehicle donations to charities and participating in various charitable activities
- Promoting sports and culture

Volunteering by Employees

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

- Providing volunteer opportunities (Specialist Bank, Volunteer Center, etc.)
- 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.)
- Providing volunteer training opportunities

Support for Disaster-Affected Areas

The Mazda Group provides various supports for the early recovery and restoration of areas affected by natural disasters. Mazda Head Office coordinates with its production/business sites in the affected area to provide appropriate support in case of natural disasters such as an earthquake and abnormal weather.

Recent support cases: Great East Japan Earthquake/ Kumamoto Earthquake (Japan), Nepal Earthquake (Nepal)

Support by Mazda Foundations

Mazda and its Group companies have established Mazda Foundations in four countries, to promote support activities tailored to each region.

<table>
<thead>
<tr>
<th>Country</th>
<th>Name</th>
<th>Support activities/objectives</th>
<th>Year of establishment</th>
<th>Amount of grants (donations) in FY March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Mazda Foundation</td>
<td>Support activities to promote science and technology and the sound development of youth</td>
<td>1984</td>
<td>¥52 million</td>
</tr>
<tr>
<td>US</td>
<td>Mazda Foundation USA (MFUS)</td>
<td>Provide funds to various initiatives for education, environmental conservation, social welfare, cross-cultural understanding, etc.</td>
<td>1990</td>
<td>Around US$1.5 million</td>
</tr>
<tr>
<td>Australia</td>
<td>Mazda Foundation Australia (MFA)</td>
<td>Provide funds to various initiatives, including education, environmental conservation, technology promotion, and welfare.</td>
<td>1990</td>
<td>Around A$1.2 million</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Mazda Foundation New Zealand (MFNZ)</td>
<td>Provide funds to various initiatives, including education, environmental conservation, and culture.</td>
<td>2005</td>
<td>Around NZ$ 2.30 thousand</td>
</tr>
</tbody>
</table>

[Environment] Carbon offset initiative at night games for forest development

Mazda has offset the CO₂ emitted when generating electricity for illuminating night games at Mazda Zoom-Zoom Stadium Hiroshima (Hiroshima Municipal Baseball Stadium) for four consecutive years, using carbon offset credits created by Hiroshima Prefecture through its prefectoral forest improvement program.

[Safety] Project Yellow Light

A safe driving education project implemented in the United States. Mazda supports the project in calling for public service announcement videos to encourage young people to avoid distracted driving. Also, young racing drivers related to Mazda Motorsports conduct activities to raise young people’s safety awareness.

[Human Resources Development] Promote “Safety at School project”

A project held in Thailand for young people to engage in educational activities on safety and health. AAT is providing school education program aiming at an improvement in the sense of safety, health, environment, and team building.

[Community Contributions] Love Hofu Flea Market

This is one of western Japan’s largest street flea markets. Companies, the local government, and local communities in Hofu City work together to organize this event. Mazda participates in planning and running the flea market as the secretariat. A portion of the proceeds from the flea market is donated to the Hofu City Social Work Council, and also used as a fund for holding the following year’s flea market.
Establishment of the Mazda Social Contribution Prize

In January 2015, Mazda established the Mazda Social Contribution Prize as a commendation system to recognize outstanding social contribution activities. The objective of the prize is to raise in/external recognition of the outstanding social contribution activities and support for increasing excellent social contribution activities.

Based on the evaluation indexes for social contribution programs, members of the Social Contribution Committee Working Group, the Mazda Workers’ Union and the Federation of All Mazda Workers’ Unions collaborate to evaluate candidate activities. The Social Contribution Committee then selects prizewinning activities, each of which will be presented with a certificate of recognition in the name of the Company President on the anniversary of Mazda’s foundation in January every year.

Mazda Social Contribution Prize 2015

The 2015 prizewinning activities were selected from among the social contribution activities introduced in the Mazda Sustainability Report 2015 [Social Contribution Version]*1 (which covered the period April 2014 through March 2015).

<table>
<thead>
<tr>
<th>Activity name</th>
<th>h</th>
<th>i</th>
<th>j</th>
<th>k</th>
<th>l</th>
<th>m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grand Prize (Japan)</strong></td>
<td>Love Hofu Flea Market (Yamaguchi Prefecture, Japan) (see p. 15 of Mazda Sustainability Report 2015 [Social Contribution Version]*1)</td>
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<tr>
<td><strong>Grand Prize (Overseas)</strong></td>
<td>Mazda Drive for Good Campaign (United States of America) (see p. 28 of Mazda Sustainability Report 2015 [Social Contribution Version]*1)</td>
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<tr>
<td><strong>Special Prize</strong></td>
<td>Blood Donations by Employees (Hiroshima Prefecture, Japan) (see p. 11 of Mazda Sustainability Report 2015 [Social Contribution Version]*1)</td>
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<tr>
<td><strong>Special Prize</strong></td>
<td>Hokkaido Kenbuchi Proving Ground Open Facility Event (Hokkaido, Japan) (see p. 19 of Mazda Sustainability Report 2015 [Social Contribution Version]*1)</td>
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<tr>
<td><strong>Special Prize</strong></td>
<td>Port Facility Tour for Elementary and Junior High School Students (Mazda Logistics Co., Ltd., Hiroshima Prefecture, Japan) (see p. 20 of Mazda Sustainability Report 2015 [Social Contribution Version]*1)</td>
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<td><strong>Prize for Encouragement</strong></td>
<td>Donating Toys to Children in Salamanca Community (Mexico) (see p. 32 of Mazda Sustainability Report 2015 [Social Contribution Version]*1)</td>
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