

## Third-Party Opinion

Sachiko Kishimoto shares her opinion on the CSR activities of Mazda Motor Corporation and its Group companies in Japan and other countries, as well as information disclosure regarding their CSR activities, in view of the Mazda Sustainability Report 2017 and the exchange of opinions with members of Mazda Head Office.

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In the Top Message at the beginning of this Sustainability Report and Feature Story 1, Mazda introduces its new long-term vision for technology development that looks ahead to the year 2030 “Sustainable Zoom-Zoom 2030,” and its specific numerical targets for reducing CO<sub>2</sub> emissions. The Company also describes the improvements in internal combustion engines that represent Mazda’s strength and the development of a next-generation gasoline engine called SKYACTIV-X, as measures to achieve these targets. These statements clearly demonstrate the value of Mazda’s presence in the automotive industry as well as the Company’s social value. In particular, I highly evaluate Feature Story 1, which explains why Mazda is strongly committed to pursuing the ideal internal combustion engine looking ahead to the future of vehicles, despite various other technological options such as electricity and hydrogen. The article reports the way the Company sincerely considers and addresses global environmental challenges to fulfill its social responsibility regarding these problems, taking advantage of its strengths and unique commitment.

Notably, Mazda focuses on the concept of “Well-to-Wheel,” which encompasses CO<sub>2</sub> emissions not only at the driving stage but also from the stages of oil extraction and even power generation. The Company also promotes the Building Block Strategy, which aims to reduce CO<sub>2</sub> emissions, taking into account diverse energy resources as well as power generation and infrastructure development conditions in various parts of the world. It can be said that the Company’s concepts and strategy are realistic and practical based on a global perspective, given increasing demand for vehicles in emerging countries in the future. While highly evaluating this point, I look forward to the next long-term vision that Mazda will adopt.

Regarding CSR management, in 2008 Mazda started to integrate CSR with management and strengthened its initiatives from a global perspective. In FY March 2014, the Company began to review and identify its key CSR issues (materiality), which were approved by the CSR Management Strategy Committee in 2016. This Sustainability Report discloses information in accordance with the G4 guidelines. The Report provides easy-to-understand information on the targets, results and evaluation for each item of the CSR initiatives for the previous year, as well as the targets for the ongoing year. I think that this indicates that the Company is implementing the PDCA (plan-do-check-act) process in a reliable manner. For the items that could not be achieved, the Company gave explanations of the reasons. Regarding the values that Mazda offers to society, it is commendable that the Report provides specific explanations on page 13, taking the new CX-5 as an example from SDGs perspective.

I also have a good impression of Mazda’s approach to human resources, in that the Company advocates respect for people and the realization of

diversity. Both the numbers of employees who take child-rearing leave and those who use the work-at-home system have been on the rise. In addition, Mazda strives to cultivate human resources at Mazda Technical College, and implements a system to enable limited-term employees who have worked at Mazda for one year or more to become full-time employees, and a system under which limited-term employees who have worked for a given term can become members of the Mazda Workers’ Union. These initiatives are highly regarded as a company based in Hiroshima. Although the Company meets the legally required percentage of employees with special needs, I hope that Mazda will further strive to create a working environment that is comfortable for intellectually and mentally challenged people.

To address environmental issues, various activities are under way throughout the value chain. Mazda continues its tireless efforts to reduce energy use through “*Monotsukuri* Innovation,” reduce CO<sub>2</sub> emissions in the field of logistics, and make effective use of water resources. As part of such efforts, the Company has introduced the Aqua-Tech Paint System. Mazda also requires its suppliers to reduce the amount of greenhouse gas emissions generated through their corporate activities by 1% annually, and supports them by providing information and other assistance. I evaluate these initiatives highly. At the same time, I expect that in the future Mazda will further promote the introduction of renewable energies in its manufacturing sites, and reinforce activities to preserve ecosystems at the Miyoshi Plant.

With regard to safety initiatives, based on the human-centered concept, the Company has proposed the ideal driving position, and is working to develop autonomous driving technologies in line with the Mazda Co-Pilot Concept, aiming to make them standard on all models by 2025. While valuing these initiatives, I also hope the Company will intensify its efforts for the development of these technologies, in view of the future possibility that these technologies can be instrumental in resolving social problems such as the disappearance of rural communities due to depopulation and aging.

In terms of social contributions, Mazda is contributing to local communities through its business activities. For example, the Company rolls out its J-ABC (Jiba [“local”] Achieve Best Cost) program under which the Company imparts Mazda production systems to local suppliers, and promotes industry-academia-government collaboration. In addition, Mazda carries out social contribution activities tailored to the needs of communities in various parts of Japan and overseas countries/regions. Mazda has its own evaluation indexes for social contribution programs, in order to implement the PDCA (plan-do-check-act) process. This Report states that the social return on investment (SROI) was evaluated in 2016. I recommend that Mazda should disclose the results of the evaluation.