

ENVIRONMENT

Mazda views environmental protection as an urgent issue for humanity, and the highest priority issue facing automakers. The Company is making efforts to reduce environmental impact throughout the entire product life cycle.

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CSR Targets for FY March 2020

(Self-assessment key ○ : Accomplished, △ : Nearly accomplished, × : Not accomplished)

Items	FY March 2019 targets	FY March 2019 results	Self-assessment	FY March 2020 targets	ISO 26000 core subjects
Energy- and global-warming-related issues					
Promoting resource recycling		(See Mazda Green Plan 2020)			6.5 The environment
Cleaner emissions					
Environmental management					

BASIC APPROACH ON ENVIRONMENTAL PROTECTION, AND ENVIRONMENTAL PROMOTION FRAMEWORK AND PLAN

The Mazda Global Environmental Charter

Environmental Principles

The Mazda Group aims to promote environmental protection and contribute to a better society while maintaining harmony with nature in its business activities worldwide.

- We will contribute to society by creating environmentally friendly technologies and products.
- We will use the Earth's resources and energy sparingly and never overlook environmental considerations when conducting our business.
- We will do our part to improve the environment by working with local communities and society.

Action Guidelines

1. Creation of Environmentally Sound Technologies and Products

We are committed to the task of creating clean technologies, including methods to achieve cleaner exhaust emissions and reductions in CO₂ emissions, and the development of clean-energy vehicles.

We will promote the creation of products that are environmentally friendly from planning and development to manufacturing, use and recycling/disposal.

2. Corporate Activities in Consideration of Conserving Resources and Energy

We will actively promote resource-saving and recycling activities to conserve the Earth's limited resources.

We will strive to diversify energy sources and use them efficiently.

We will promote the appropriate disposal and recycling of end-of-life vehicles.

3. Corporate Activities in Pursuit of a Cleaner Environment

We will comply with environmental laws and regulations, and will also impose voluntary controls for higher standards and implement self-regulated controls.

We will promote the development of new technologies and the introduction of new systems in our pursuit of a cleaner environment.

4. Working with Business Partners to Create a Better Environment

We will actively provide our employees with education and information about environmental protection to enhance their awareness of the global environment.

We will work in close cooperation with each other to achieve better environmental protection.

5. Creating a Better Environment in Cooperation with Local Communities and Society

We will work actively to understand and appreciate society's requirements for the environment and reflect them in our business activities.

We will disclose and publicize environment-related technologies, systems and information.

We will not only conduct our own environmental activities, but will also actively participate in social activities for the conservation of the environment.

(Established in 1992; revised in April 2005)

Mazda's Approach to the Environment

Environmental problems, including global warming, are issues of critical importance for the human race. Mazda actively adopts initiatives to promote a low-carbon, recycling-oriented society in harmony with nature, in cooperation with local governments, industrial organizations, and non-profit organizations. These efforts are reflected in all of Mazda's corporate activities with the aim of achieving a sustainable society.

Philosophy and Policies

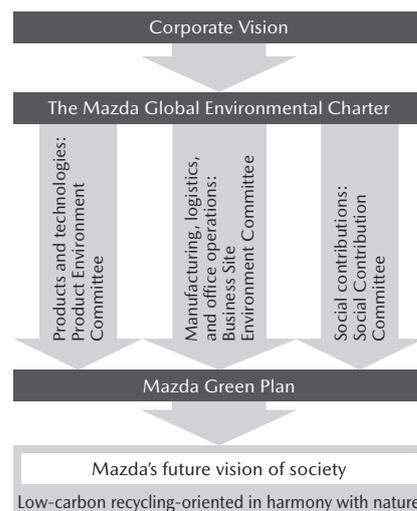
Mazda carries out its corporate activities with the aim of fulfilling its corporate vision (see p. 3). To this end, Mazda established the Mazda Global Environmental Charter as the basic policy for environmental matters in the Mazda Group. The Charter, which states "The Mazda Group aims to promote environmental protection and contributes to a better society while maintaining harmony with nature in its business activities worldwide," along with the five Action Guidelines from the basis of Mazda's approach to the environment. The Company carries out corporate activities related to products and technologies; manufacturing, logistics, and office operations; social contributions, respectively in consideration of the environment.

Specific targets and results are laid out in the Mazda Green Plan (see pp. 54-55), the Company's environmental mid-term plan. By using the PDCA (plan-do-check-act) cycle when executing activities and following up on their results, Mazda can effectively reduce impact on the environment. The Company also strives to address various social issues, including climate change and resource recycling, while placing emphasis on collaboration with external organizations.

External Organizations in Which Mazda Participates

- Subcommittees of Japan Automobile Manufacturers Association
- Working groups of Global Compact Network Japan (GCNJ)
- TCFD Consortium^{*1*2}

a Philosophy and Policies for Environmental Initiatives



^{*1} TCFD: Task Force on Climate-related Financial Disclosures
A private-sector led organization set up by the Financial Stability Board (FSB), in response to the request from the G20 Finance Ministers and Central Bank Governors.

^{*2} The TCFD Consortium is an organization established in Japan, aimed at holding discussions on effective corporate information disclosure and efforts for leading disclosed information to appropriate decision-making on investment by financial institutes 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.

Mazda Environmental Promotion Framework

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Mazda has established three committees under the CSR Management Strategy Committee, chaired by the president of the Company, to promote environmental management throughout the Group. These are the Product Environment Committee, the Business Site Environment Committee, and the Social Contribution Committee.

Each committee sets targets, and monitors results and progress, under the “Mazda Green Plan 2020” mid-term environmental plan.

Mazda Green Plan 2020 Mid-Term Environmental Plan

c

Based on the “Philosophy and Policies” for environmental initiatives, Mazda developed this mid-term plan toward 2020, centering on the following three main perspectives.

I. Themes to Be Resolved in the Future

Mazda considers the following as issues that both customers and society expect automakers to make positive contributions toward:

1. Energy- and Global-Warming-Related Issues
Undertaking measures to reduce CO₂ emissions over the entire life cycle of a vehicle.
2. Promoting Resource Recycling
Reducing waste from vehicles, the vehicle manufacturing and shipping processes, and disposal of end-of-life vehicles, as well as actively promoting the comprehensive recycling of resources.
3. Cleaner Emissions
Reducing various emissions/waste (aside from CO₂) from vehicles and manufacturing processes, especially emissions with highly adverse environmental impacts.
4. Environmental Management
Develop environmental management throughout the entire Group and supply chain.

II. Mazda's Initiatives (two categories)

- a. Vehicles and vehicle technology
Contributing to a reduced environmental impact through products and technology.
- b. Manufacturing, Logistics, Office Operations, Social Contributions, etc.
Contributing to a reduced environmental impact through all activities (excluding those related to products and technology)

III. Consideration of the Entire Vehicle Life Cycle

Mazda is making efforts to reduce environmental impact throughout the entire product life cycle. Around 75% of CO₂ emissions occur over the period from customer use to disposal – an overwhelming percentage of overall emissions (see p. 62).

- Manufacturing and logistics (materials manufacturing, and vehicle manufacturing): accounts for around 25%
- Product use and disposal (use by customer, maintenance, disposal and recycling): accounts for around 75%

Next Medium-and Long-Term Environmental Plan

Mazda is in the process of formulating the next medium-and long-term environmental plan, referencing “Mazda’s Vision for Society’s Relationship with Vehicles in the Future” (see p. 56), aiming at realizing the vision. With “decarbonization” and “resource recycling” selected as the main themes, discussions are under way to finalize the plan.

b Mazda Environmental Promotion Framework (as of March 31, 2019)



c Approach on the Mazda Green Plan 2020

