



ESG

Achieving Mazda's Vision of a Sustainable Society

■ External Evaluations

As of August 31, 2022

[Inclusion in key indices]

Dow Jones Sustainability Index (DJSI) Asia Pacific Index
(Selected since September 2017)

FTSE4Good
(Selected since March 2011)

MSCI ESG Leaders Indexes
(Selected since June 2020)

FTSE Blossom Japan Index
(Selected since the index was established in July 2017)

MSCI Japan ESG Select Leaders Index
(Selected since June 2022)

MSCI Japan Empowering Women Index (WIN)
(Selected since December 2019)

S&P/JPX Carbon Efficient Index
(Selected since the index was established in September 2018)

[Key evaluations]

CDP Climate Change: A-
(FY March 2022)

EcoVadis Supply Chain Assessment: Gold
(FY March 2022)

CONTENTS

- 43 Interview with an Executive Officer | Mazda's Sustainability Initiatives
- 46 Basic Policy on Sustainability
- 47 Key Issues (Materiality)
- 49 Initiatives for Achieving Carbon Neutrality by 2050
- 51 TCFD Response
- 53 Initiatives for Strengthening Human Capital
- 55 Initiatives to Realize an Automotive Society that Offers Safety and Peace of Mind
- 57 Corporate Governance
- 63 Interview with Outside Directors
- 67 ESG Data

Interview with an Executive Officer | Mazda's Sustainability Initiatives



Masahiro Moro

Director and Senior Managing Executive Officer
(Oversight of Communication, Corporate Communications, Corporate Liaison, Sustainability and Administrative Domain)

Mazda's Sustainability Initiatives

Year after year, business management has become more strongly impacted not only by the economic climate but also by the global and social environment. To address these increasing impacts, it is urgently necessary for companies to take sustainability initiatives mainly regarding the environment and society. Here is an interview with Masahiro Moro, Director and Senior Managing Executive Officer, about what Mazda thinks of the environmental and social impact on business management, and what kind of sustainability initiatives are being implemented by the Company.

Strengthening the Sustainability Management Promotion System

— In June 2022, you were appointed as the executive officer who oversees the sustainability domain.

Please tell us about Mazda's sustainability management review and how you perceive the current situation in sustainability initiatives.

For the past 20 years or so, I have accumulated experience working in the practical fields in Europe and the United States, witnessing diverse cultures and values in various countries and regions, which have differences in the degree of social maturation, behavior and implicit knowledge. In recent years, much attention has been paid to the worsening climate change crisis and human rights issues, as well as diversity. I feel that this is primarily because social media has enabled instantaneous sharing of information among people around the world, thereby inspiring them to be interested in universal social issues. Accordingly, companies must be more responsive to these social issues.

Since as early as the 1970s, Mazda has been committed to solving global environmental and social issues by

enhancing emission performance to meet exhaust gas regulations and improving safety to eliminate traffic accidents. In the mid-2000s, we began examining what would be the most rational and correct approach to addressing the issue of curbing global warming. In 2007, we announced "Sustainable Zoom-Zoom," our long-term vision for technology development through which we have been striving to achieve both "Joy of Driving" and "outstanding environmental and safety performance." This is also an initiative that incorporates the concept of life cycle assessments, which Mazda adopted ahead of other companies. Focusing on every aspect of the car-making process from resource extraction and refining to logistics, manufacturing, and sales, we scrutinized our vehicle production from scratch with a view to streamlining processes and at the same time dramatically improving the thermal efficiency of internal combustion engines to maximize the value of mobility.

At Mazda, we are now taking on the challenge of achieving carbon neutrality (hereinafter, CN) by 2050 with a view to realizing a decarbonized society. Today, as the need to address climate change becomes more imperative, we believe that not only financial performance indicators such as sales volume and revenue but also non-financial performance indicators such as improvement in CO₂ emission reduction as our social responsibility as a carmaker are core issues that will affect our corporate value.

Two other officers and I established a business framework for realizing CN, with each assigned for decarbonization in the phase of product planning and design and for decarbonization of business site (fields of production, logistics, etc.), thereby striving to proceed with planning, implementation, and improvement. Mazda has also strengthened a structure to promote sustainability management.

I hope that it is understood that this review of the framework has been intended to consolidate the foundation for implementing our plans steadily, with our commitment to social issues, including climate change, reset as the core management initiative.

About Sustainability Initiatives

— Please explain Mazda's sustainability policy and initiatives.

At Mazda, we established a Basic Policy on Sustainability which identifies issues that we need to solve as an automobile manufacturer. In addition, we undertook a review of the 31 items which we previously earmarked as key issues. Last year, we identified eight items based on the three themes of "earth," "people," and "society," and also on "management" as the foundation for us to serve as a good corporate citizen. These key issues are related to the SDGs which are highly relevant to automobile manufacturers. Through these efforts, we believe that we can now communicate more clearly to stakeholders how we will contribute to society through our business.

In 2020, Mazda celebrated its 100th anniversary. Looking back on its long history, the Company has attached importance to forging favorable relationships with the local communities here in Hiroshima for 100 years. I believe that these attitudes are also well reflected in the Basic Policy. Important information regarding each of the eight themes is disclosed via the Sustainability Report etc. I am sure that we have now established a foundation for disseminating Mazda's initiatives to all stakeholders, including employees, in an easy-to-understand manner.



— What are Mazda's approach and initiatives regarding the "E," or environmental component of ESG?

Achieving CN to curb global warming is the automobile industry's most ambitious target. At Mazda, we are also taking on the challenge of realizing CN by 2050. Today we are striving to achieve CN at our factories around the globe by 2035 as a milestone in achieving this target.

Mazda conducts business in more than 130 countries and regions around the world. As mentioned earlier, these countries and regions are differ from one another not only in regional features and commercial practices, but also in the quality of social infrastructure and the composition of energy use. In this regard, we have adopted a multiple solution strategy for reducing CO₂ emissions effectively and steadily. A feature of this strategy is the bundled-development of technology for presenting multipaths and the provision of options appropriate for the respective regions, rather than the deployment of individual solutions. For our commitment to the global environment, while engaging in in-depth dialogue with stakeholders, we intend to improve our information disclosure and other initiatives under our Task Force on Climate-related Financial Disclosures (TCFD) as common standards. We would like to continue to demonstrate ingenuity so that we can visualize how our output is being achieved through our medium and long term decarbonization strategies.

— What are Mazda's approach and initiatives regarding the "S," or social aspect of ESG?

At companies of our size, autonomy and performance of all employees are directly connected with the companies' growth. Therefore, at Mazda, we see our employees as fundamental management resources. We will continue to invest in human resources through, for example, training programs, and enhancing the environment in a way that will encourage the growth of employees. During the novel

Interview with an Executive Officer | Mazda's Sustainability Initiatives



coronavirus (COVID-19) pandemic, we expanded our remote work program, raised the retirement age, and presented diverse work styles for diverse human resources. We feel that it is necessary to provide further support, especially for women, for employees to fully demonstrate their potential. At Mazda, we have a target to increase the number of female managers to 80 by FY March 2026, but we recognize that this is a modest target, and there is much that we need to do. We will identify and address factors hindering female employees from displaying their potential to the fullest extent possible and we will accelerate our commitment not only to the issue of gender but also to other aspects of diversity.

As for the perspective of establishing relationships with society, here in Japan industry-academia-government collaboration is actively underway aiming to achieve carbon neutrality in the Chugoku region through concerted efforts across the region. Mazda promotes community contribution activities that are strongly rooted in local communities, not only in Japan but also other countries. In the United States, for instance, the Essential Car Care program was carried out in partnership with Mazda's U.S. dealer network. Although at the time of its implementation, Mazda had no plant in the United States, many dealers joined the program in the hope of supporting healthcare workers, who worked so hard for many people during the COVID-19 pandemic, in their own way. Specifically, participating dealers provided free oil changes, inspections, vehicle deep cleaning and other sterilization services for these healthcare heroes, regardless of their car models and manufacturers. More than 90% of Mazda dealers joined the program. At a peak period, approximately 55,000 vehicles used the above services at Mazda dealerships throughout the United States during one and a half months. Our employees were proud of this program, in addition to their daily social contribution activities. I, myself was very encouraged when I heard many employees saying that they were glad to be working for Mazda. Receiving appreciations from people in the local communities helps boost motivation of employees. We would like to continue such voluntary work around the world.

Keeping on Refining Mazda Uniqueness Sustainably

— How do you plan to enhance sustainability of the Company and society in the future?

The purchasing behavior of consumers is changing significantly. When selecting and purchasing goods, experiences, and services, consumers make decisions based on their own particular identity and beliefs. In other words, a company's attitude toward global warming, human rights, diversity and other issues is also an important reference point in determining a consumer's purchasing behavior. This applies not only to consumers. When a company recruits and secures new employees, those employees carefully consider the company from the same perspective.

Issues related to the earth and society can no longer be separated from corporate sustainability. It is now taken for granted that companies are required to commit to CN, which is needed for social sustainability, by developing technology related to electrification and alternative fuels as effective means for achieving CN, and by fulfilling responsibility related to safety and security as ever through dedication to technology.

Then, what should Mazda do to be a company that is needed by society and continually chosen by stakeholders? I believe that the key to our uniqueness lies in our human-centered engineering, design, and development philosophy based on our interest in human beings. In the future, even if we see the main power sources shifting to electric cells and motors, we will continue embracing the challenge of enhancing "Joy of Driving" that represents the value of mobility experience. When driving a vehicle, a driver repeats the process of recognizing potential hazards, exercising good judgment, and operating the vehicle. We will work with external organizations to engage in joint research and establish a model regarding the mechanisms of human body and brain. In doing so, we hope to contribute to realizing a society in which drivers and passengers alike can always maintain a broad range of activities and where all people can experience the joy of life through the Joy of Driving and the excitement and joy of mobility.

Basic Policy on Sustainability

While striving to sincerely meet the needs and expectations of all stakeholders under our corporate vision, 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 driving pleasure 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 peace of mind 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.



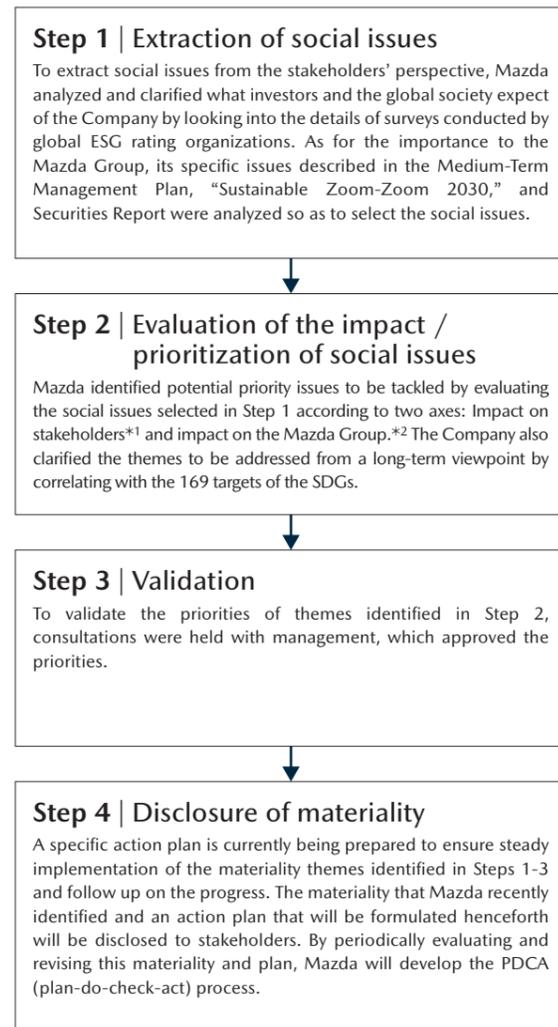
Key Issues (Materiality)

Reviewing and Identifying Materiality

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, 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 the relationship between these issues and the Sustainable Development Goals (SDGs) and targets adopted by the United Nations.

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 Medium-Term Management Plan.

Materiality Review and Identification Process



Initiatives / guidelines related to the eight themes of materiality

Eight themes of materiality	Social issues (Relevant keywords)	Mazda's initiatives / KPIs	SASB code*	SDGs Goals	SDGs Targets	
"Earth"	Endeavor for 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 their utilization for highly efficient manufacturing Initiatives toward making Mazda factories globally go carbon neutral (hereinafter, "CN") by 2035 <p>[KPIs]</p> <ul style="list-style-type: none"> Achieve CN across the entire supply chain by 2050 Achieve CN at Mazda's factory globally by 2035 100% of Mazda's products will have some level of electrification in 2030 	Fuel efficiency and use-phase emissions TR-AU-410a.3	 	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.	
	Resource circulation	Increase in demand for resources and rising amount of waste Water resources issues (Circular economy)	<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 the global efforts for zero emissions and the expansion of resource recycling <p>[KPIs]</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 	Materials efficiency and recycling TR-AU-440b.1 TR-AU-440b.2 TR-AU-440b.3	 	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.
"People"	Contribution to people's mental wellness	Changes in values regarding mental and social health	<ul style="list-style-type: none"> Enrich the lives of customers by offering new forms of car ownership and automobile culture through Mazda's unique human-centered approach 	—	 	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.
	Improving employee job satisfaction	Decline in the labor force Globalization of the market and diversification of customer needs (Diversity and inclusion)	<ul style="list-style-type: none"> While respecting the diversity of its employees, Mazda fosters a corporate climate in which every employee can express his/her individuality while working alongside others to contribute to the Company and society Work on a variety of programs to enable its 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>[KPIs]</p> <ul style="list-style-type: none"> Increase the number of female managers to 80 by FY March 2026 (approximately four times the number in FY March 2015) Increase the number of male employees who take childrearing leave to 80 annually by FY March 2026 (approximately two times the number in FY March 2021) 	Labor practices TR-AU-310a.1 TR-AU-310a.2	 	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.
"Society"	Realizing a motorized society free from traffic accidents	Fatal road traffic accidents	<ul style="list-style-type: none"> Building Block concept toward the realization of an automotive society that offers safety and peace of mind 	Product safety TR-AU-250a.1		3.6 Halve the number of global deaths and injuries from road traffic accidents.
	Creating a system that enriches people's lives	Declining population, falling birthrate and aging society, and concentration of population in urban centers Traffic jams and congestion in urban areas and expansion of rural areas where no public transportation is available (MaaS)	<ul style="list-style-type: none"> Building a model of social contribution that will enrich lives by offering safe, secure and unrestricted mobility to people everywhere Testing a shared mobility service leveraging connectivity technologies 	—	 	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.
Common to "Earth," "People" and "Society"	Quality improvement	Quality issues	<ul style="list-style-type: none"> Establishing consistent quality, from planning to production Early detection and early solution of market problems Building special bonds with customers—cultivating human resources capable of considering and acting toward the happiness of customers 	Product safety TR-AU-250a.2 TR-AU-250a.3		9.1 Develop sustainable and resilient infrastructure to support economic development and human well-being.
	Exploring partnerships for "Co-Creation with Others"	Once-in-a-century transformation (CASE)	<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 	—	 	8.2 Achieve higher levels of economic productivity. 8.10 Strengthen and expand access to banking, insurance, and financial services. 17.16 Enhance the global partnership for sustainable development. 17.17 Encourage and promote effective public, public-private, and civil society partnerships.

*1 Expectations for the Mazda Group and the automotive industry *2 Risks and opportunities for the Mazda Group

*For more details, please refer to the following URL (SASB Standards Index): <https://www.mazda.com/en/sustainability/guideline>

Initiatives for Achieving Carbon Neutrality by 2050

Recognizing Social Issues

The average global temperature has already risen by about 1.0°C from pre-industrial 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 human activities. The Special Report therefore 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, 144 countries* (including Japan) have declared their intention to achieve carbon neutrality by 2050, with nations around the globe stepping up their measures to design carbon pricing and other mechanisms and invest in the development of energy technologies. In the industrial world, initiatives have been accelerated to change the energy and industrial structures, promote decarbonization throughout the supply chain based on a life cycle assessment (LCA), and encourage the effective use of decarbonization/low-carbonization technologies to reduce greenhouse gas emissions.

Mazda's Approach to Resolving Issues

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 through the combination of highly efficient combustion engines, electric device technologies, highly efficient transmission systems and reduced body weight. Mazda also foresees technological innovation accelerating in accordance with fuel diversification. In addition, electric

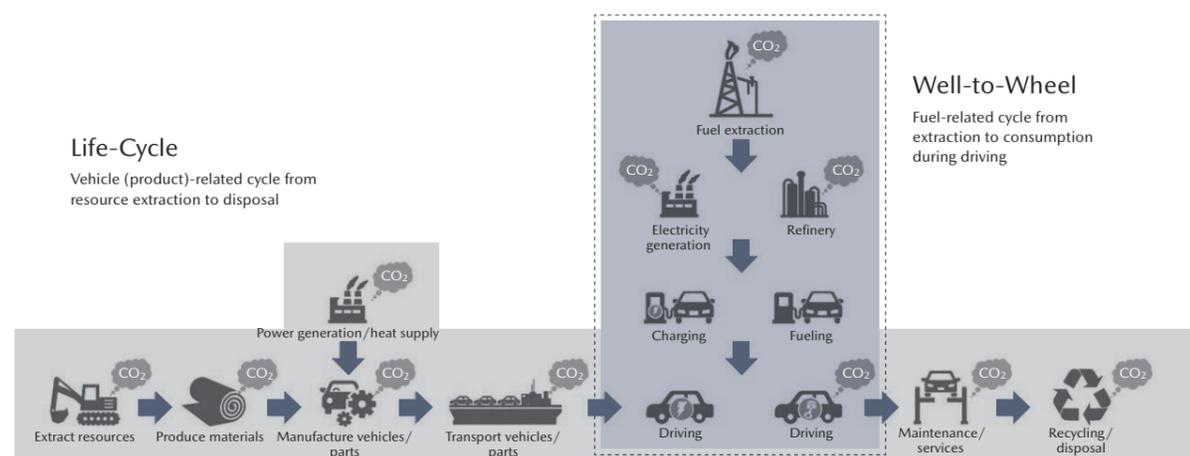
vehicles will be selected more often in regions where electricity can be generated with renewable energy or other cleaner sources. Energy decarbonization/low-carbonization and related technologies will be further promoted, which will intensify society-wide efforts to reduce environmental impact toward the achievement of carbon neutrality by 2050.

As a proportion of Japan's total CO₂ emissions, the entire transport sector contributes approximately 20%, with the automotive industry accounting for about 90% of CO₂ emissions from the sector. Mazda 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 planet for future generations, the Company will advance its initiatives toward the realization of a sustainable mobility society.

Perspective of Well-to-Wheel and Perspective of LCA

Mazda announced that it will endeavor to achieve carbon neutrality by 2050. To accomplish this objective, the Company recognizes the importance of reducing CO₂ emissions throughout a vehicle's life cycle. For this reason, Mazda considers it necessary to provide multiple solutions that enable the Company to offer various power unit choices that adapt to each region's energy sources and power generation methods, from both the perspective of well-to-wheel and the perspective of life cycle assessment (LCA). In manufacturing and logistics, the Mazda Group strives for energy value maximization and energy diversification, aiming to achieve reductions in the global total CO₂ emissions from plants/offices and logistics operations. The Group will continue these efforts, which must be made throughout the entire supply chain, with the cooperation of local governments and other industries.

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



*Compiled at the Ministry of Economy, Trade and Industry by counting countries participating in the Climate Ambition Alliance, countries that have expressed their commitment to achieving CN by 2050 by submitting long-term strategies to the United Nations, and countries that expressed their commitment to achieving CN by 2050 at the Climate Summit in April 2021, COP 26, and other events. (As of November 9, 2021).

Example of Specific Initiatives

Highly efficient manufacturing based on Mazda's Building Block concept

Mazda has consistently followed its Building Block concept to efficiently deliver more superior technologies by building up electrification technologies in stages while refining fundamental technologies, including engines, transmissions and vehicle bodies. Mazda is continuously enhancing its internal combustion engines and electrification technologies as part of the "Skyactiv Multi-Solution Scalable Architecture." Based on this architecture, the Company will deliver multiple electrification solutions to meet various customers' needs, environmental regulations and the electric power generating infrastructure in each market. In addition, the Company plans to introduce its unique EV platform, "Skyactiv EV Scalable Architecture," from around 2025 for EVs of various sizes and body types. Based on these concepts, Mazda will refine its highly efficient development methods, namely Common Architecture, Bundled Planning and Model Based Development, to enrich its technological assets for the full-scale electrification era in collaboration with other companies. (As of June 2021 announcement)

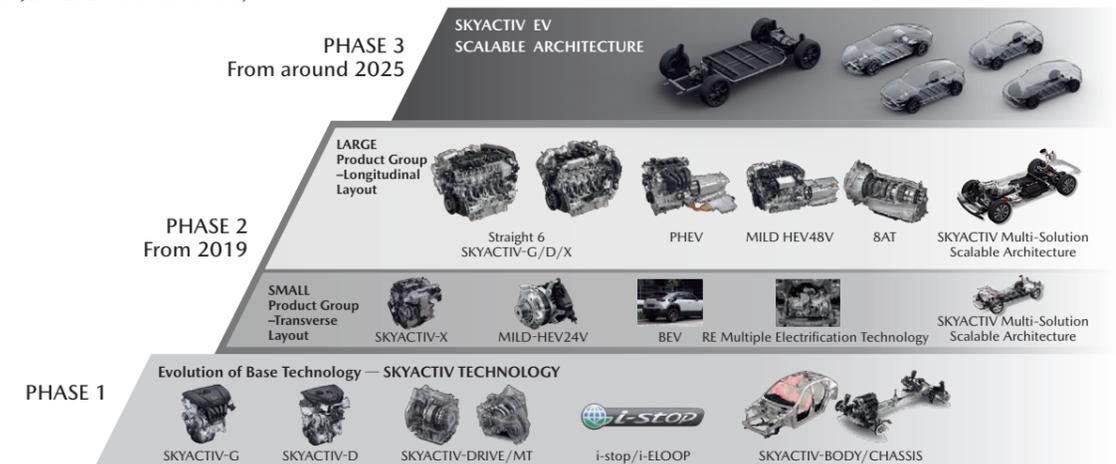
Continuous Evolution of Skyactiv Technology

The term Skyactiv Technology covers all Mazda's innovative technologies. Mazda redesigned these technologies from scratch, enhancing the efficiency of powertrain components, such as the engine and transmission, reducing vehicle body weight, and improving aerodynamics.

Recent Examples of Skyactiv Technology

- 2019: Started to sequentially introduce new-generation technologies, including the Skyactiv-X engine, set to become the world's first commercial gasoline engine to use compression ignition.*
- 2020: Introduced vehicles newly equipped with its electrification technology, e-Skyactiv. Continued development of Skyactiv Multi-Solution Scalable Architecture, a platform that supports electrification technology.
- 2021: Newly developed e-Skyactiv D equipped with a new straight-six-cylinder engine with large displacement and powerful torque characteristics, as well as a small motor for effective environmental performance, and e-Skyactiv PHEV, Mazda's first plug-in hybrid system.

Building Block Concept for Product and Technologies (As of June 2021 announcement)



* As of August 2017, according to Mazda data.

TCFD Response (as of June 2022)

Latest information on TCFD <https://www.mazda.com/globalassets/en/assets/sustainability/download/disclosure/tcfid.pdf>

Basic Approach

In May 2019, Mazda declared its support for the recommendations from 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.

Governance

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 leads the team to formulate and promote 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.

Strategies are deliberated over at the Executive Committee Meetings attended by the Representative Director and President.*4 Product and technology development plans for realization are deliberated by the Product Planning and Design Committee, which is composed of executive officers and above.

Strategy

Mazda has identified major risks and opportunities based on scenarios from the IPCC and the IEA, government policies, regulatory and industry trends.

Major Risks and Opportunities

Transition Risks	Policy and Legal	<ul style="list-style-type: none"> Stricter regulations on fuel economy and exhaust gas emissions, 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 of 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 investment decisions considering ESG by investors
Physical Risks	Acute	<ul style="list-style-type: none"> Damage by torrential rain, production halts caused by supply chain disruption
	Chronic	<ul style="list-style-type: none"> Greater impact from frequent and severe natural disasters, flood damage from high tide
Opportunities	Resource Efficiency	<ul style="list-style-type: none"> Efficient use of raw materials through thorough material recycling
	Energy Source	<ul style="list-style-type: none"> Stable reception of carbon neutral electricity by promoting the expansion of demand and supply of electricity Diverse selection of renewable energy sources
	Products and Services, Markets	<ul style="list-style-type: none"> Deployment of products that suit each region through Building Block concept and Multiple-Solution Diversification of products that adapt to 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

*1 TCFD: Task Force on Climate-related Financial Disclosures

A private sector organization set up by the Financial Stability Board (FSB), in response to the request from the G20 Finance Ministers and Central Bank Governors.

*2 An organization established in Japan, aimed at holding discussions regarding climate change 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.

*3 Source: <https://tcfid-consortium.jp/en/about>

*4 As of June 2022, deliberated 2 times at the Executive Committee Meetings.

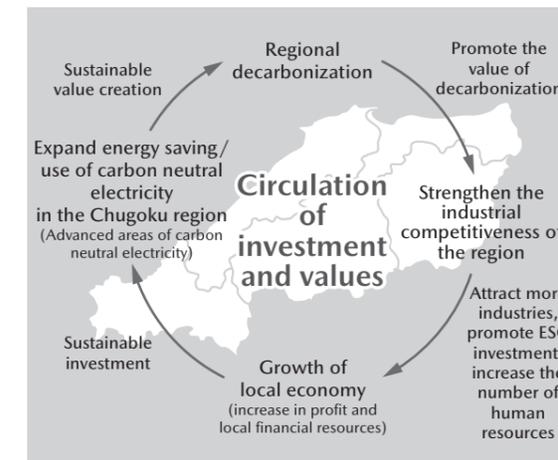
Examples of Specific Initiatives to Address Climate Change

Driving Development of Electrification Technology

As Mazda assumes electrification ratios for Mazda production vehicles to be 100% as of 2030, the Company plans to deploy products based on “Skyactiv Multi-Solution Scalable Architecture” that can accommodate electrification solutions, as well as to introduce from 2025, Mazda’s unique platform exclusive for EVs, which can accommodate EV models in various vehicle sizes and body types.

Carbon Neutral Electricity Promotion Subcommittee’s Initiatives in the Chugoku Region

In November 2021, Mazda participated in as chair company and began activities as 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, the Company will discuss issues such as how to expand the supply of electricity derived from renewable energy.



Risk Management

Mazda has identified major risks and opportunities based on scenarios from the IPCC and the IEA, government policies, regulatory and industry trends. Sharing progress and issues of initiatives in a bi-weekly meeting, the Specialized Team works to identify risks and conduct assessment processes. Strategies discussed during the meeting are deliberated over at the Executive Committee Meetings attended by the Representative Director and President. Physical risks are managed within the emergency risk management system of Business Continuity Plan (BCP).

Development of Vehicles That Use Next-Generation Biodiesel Fuels

Mazda strives to establish an entire biofuel value chain – from the production and supply of raw materials to the use of carbon-neutral next-generation biodiesel fuels – as a “local production for local consumption” model within the Hiroshima area. In August 2020, the Company confirmed that such fuels had the same performance as petroleum-derived diesel oil and began to use them for company-owned vehicles equipped with diesel engines.

With the aim of spreading the use of next-generation diesel automobile fuels, Mazda participated in the Super Taikyu (endurance) race in Okayama, held in November 2021 in the Okayama International Circuit, with a competition car equipped with a diesel engine powered by 100% biomass-derived next-generation biodiesel fuel made from used cooking oil, microalgae oil, etc.*1 In 2022, the Company took part in the Super Taikyu race series in all seasons.



Image of biofuel vehicle



MAZDA SPIRIT RACING Bio concept DEMIO

Metrics and Targets

To take on the challenge of achieving carbon neutrality throughout the entire supply chain by 2050, it will be essential to understand the GHG emissions of Scope 1, 2 and 3.*2 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, Mazda is driving the establishment of an EMS or Environmental Management System, including ISO 14001. Regarding suppliers, we request that partners formulate plans to reduce GHG emissions during our monthly liaison meeting.

*1 Mazda entered the ST-Q class of the race in its MAZDA SPIRIT RACING Bio concept DEMIO vehicle, which run on 100% biomass-derived next-generation biodiesel fuel called “Susteo” supplied by Euglena Co., Ltd., to conduct a demonstration test of the fuel.

*2 Scope 1: Direct emissions from consumption of fuels and industrial processes; Scope 2: Emissions associated with consumption of purchased heat/electricity (indirect emissions from energy consumption); Scope 3: Other indirect emissions

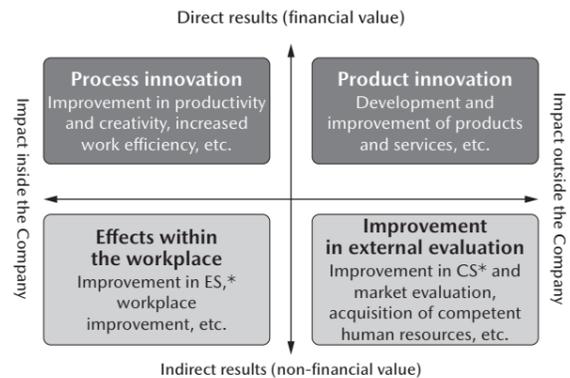
Initiatives for Strengthening Human Capital

Recognizing Social Issues

Securing a labor force is one of the challenges confronting developed countries, where the percentage of working-age population has been on the decline. On top of this, changing market circumstances as exemplified by globalization in recent years have caused numerous new uncertainties for companies and brought changes in their competitive environments. Companies are therefore required to accurately identify diversifying customer needs and innovate to seize new revenue-generating opportunities, while also needing flexibly respond to risks and making them into business opportunities.

In these circumstances, in order for companies to sustain growth, it is essential to secure a diverse range of human resources in accomplishing their management strategies. To this end, companies should pursue diversity management. Cultivating both a work climate and work-style frameworks that can motivate a diverse pool of employees, enables companies to assign the right person to the right position, and thus provide opportunities to individual employees to exercise their potential to the fullest. By doing so, diversity management aims to allow companies to achieve positive management results, including product innovation, process innovation, improvement in external evaluation and effects within the workplace.

Results of Diversity Management



*CS: Customer Satisfaction / ES: Employee Satisfaction

The above figure was created by Mazda, based on "FY March 2017 New Diversity Management Selection 100—Collection of Best Practices" published by the Ministry of Economy, Trade and Industry (<https://www.meti.go.jp/policy/economy/jinzai/diversity/kigyot100sen/practice/pdf/rh28practice.pdf> [Japanese only]).

Mazda's Approach to Resolving Issues

Reasons for Addressing Social Issues

Mazda recognizes that people are its most important resource and aims to be a company staffed by people who enjoy their work. In accordance with Mazda's value of "our unique Co-Creation with Others," Mazda 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 also strives to promote flexible and diverse work styles and improve working conditions and environments, thereby enhancing employees' motivation and increasing work efficiency from the viewpoint of total optimization.

Human resources training based on the Mazda Way principles

The Company aims to foster a corporate climate in which every employee can express his/her individuality while working alongside others to contribute to the Company and society. Mazda promotes human resources training based on the Mazda Way principles that are shared throughout the entire Mazda Group worldwide. Also, the Company has established Group-wide human resources policies and measures along with promotion of various initiatives.

Seven Principles of the Mazda Way

INTEGRITY
We keep acting with integrity toward our customers, society, and our own work.

BASICS/FLAWLESS EXECUTION
We devote ourselves to the basics, and make steady efforts in a step by step fashion.

CONTINUOUS KAIZEN
We continue to improve with wisdom and ingenuity.

CHALLENGER SPIRIT
We set a high goal, and keep challenging to achieve it.

SELF INITIATIVE
We think and act with "self initiative."

TOMOIKU
We learn and teach each other for our mutual growth and success.

ONE MAZDA
We think and act with the view of "Global" and "One Mazda."

Examples of Specific Initiatives

Group-wide Human Resources Policies

With the aim of maximizing employee performance across the Mazda Group, Mazda works together with its Group companies worldwide while engaging in regular communication with them to create an organizational culture based on shared values and promote personnel exchanges within the Group. For overseas Group companies, the Company works to create a comfortable working environment tailored to the culture of each country and region by appointing locally hired personnel as managers and above, thereby establishing a system globally to conduct management strongly rooted in local communities.*1 Mazda also implements Group-wide human resource development measures to enable a diverse range of employees to succeed on the global stage regardless of their country of origin or place of employment.

Global Leader Development Committee*2

Mazda is aiming to provide medium and long term training for employees to become leaders in every field of global business and ensure their optimal positioning and performance. Top managements of Mazda Motor Corporation and its Group companies discuss and decide the development and exchange plan for individual personnel in these companies.

Short-term Personnel Exchange Program

This program is mainly designed for employees in mid-level positions, with the aim of developing human resources who can be immediately effective in global business settings. Suitable employees in the Head Office are exchanged with their counterparts in overseas regions to gain opportunities for overseas business experience for a short term (three to six months).

Regular Meetings with Human Resources Managers of Group Companies

- Online information provision by Mazda
- Bimonthly regular meetings with overseas regions
- Annual global human resource meetings with the managements in charge of human resources of major overseas bases
- Half-yearly meetings with domestic Group companies located on the premises of the Head Office (Hiroshima)

Maintaining Global Employment and Recruitment

The Mazda Group conducts recruitment activities to employ the personnel suited to each country and region. Particularly production sites strive for the maintenance and management of appropriate 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 manufacturing sites in Hiroshima and Yamaguchi Prefectures. Overseas, initiatives are under way to improve the operation rate of plants in Mexico and Thailand.

In addition, amid the commence of operations by Mazda Toyota Manufacturing (MTM) in the United States, each of the Group companies promotes employment maintenance and recruitment activities tailored to the labor practices of each country/region.

Realization of Diversity

Mazda respects the diversity of its employees, and the Company aims to foster a corporate climate in which every employee can express his/her individuality while working alongside others to contribute to the Company and society. Mazda also works on a variety of programs to enable its 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.

Increasing the Employment and Range of Opportunities for Female Employees*5

In 2021, based on the Act of Promotion of Women's Participation and Advancement in the Workplace, and the Act on Advancement of Measures to Support Raising Next-Generation Children, the Company set the following goals:

- Increase the number of female managers to 80 by FY March 2026 (approximately four times the number in FY March 2015)
- Increase the number of male employees who take childrearing leave to 80 annually by FY March 2026 (approximately two times the number in FY March 2021)

Employment and Empowerment of Those with Special Needs*5

Since FY March 2015, the Company has also registered itself with the "special support school employment support unit Hiroshima"*3 to carry out the internship program for intellectually challenged students, as part of its collaboration with the local community to promote employment of people with special needs.

Extending the Retirement Age*5

Mazda has overhauled its retirement system and, beginning in April 2022, raised the retirement age in stages, eventually extending it to 65 in FY March 2031, and has implemented related measures.*4

Through the implementation of these measures, the Company has established a system in which all employees of all generations, regardless of age, can make the most of their potential and continue to play active roles with a sense of motivation.

*1 Countries/regions where Mazda Group companies are located.
 *2 The Personal Development Committee (PDC) comprises four committees: PDC1, which cover personnel in domestic and overseas global companies; PDC2, which covers the personnel in middle management of Mazda Motor Corporation; and PDC3, which covers employees of Mazda Motor Corporation excluding PDC1 and PDC2 level.
 *3 A program to promote the employment of special school students through collaboration between local companies and Hiroshima Prefecture.
 *4 Review of the re-employment system for the employees reaching the retirement age, introduction of retirement age options, etc.
 *5 Non-consolidated activities of Mazda.

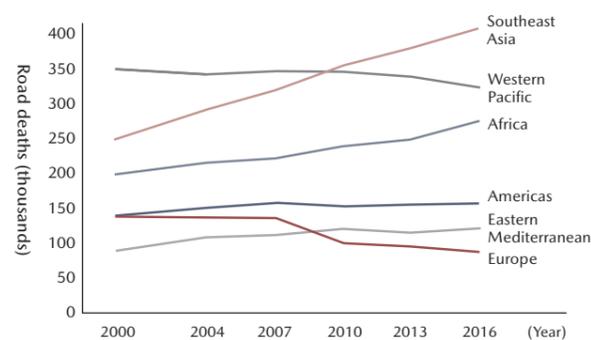
Initiatives to Realize an Automotive Society that Offers Safety and Peace of Mind

Recognizing Social Issues

The number of traffic fatalities has been leveling off or decreasing in developed countries. In emerging countries, however, the number has been on the rise along with the progress of motorization (widespread use of private passenger cars). As of 2016, the annual number of people killed in traffic accidents reached approximately 1.35 million worldwide.

The automotive industry is working 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.

Trends in the number of traffic fatalities worldwide (2000-2016)



The above graph was created by Mazda, based on the graph in the following URL, in accordance with the guidelines of the World Health Organization (WHO): "Death on the Road Based on the WHO Global Status Report on Road Safety 2018," World Health Organization. <https://extranet.who.int/roadsafety/death-on-the-roads/#trends/>

Mazda's Approach to Resolving Issues

Reasons for Addressing Social Issues

Around 2030, Mazda expects that 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 without traffic accidents, Mazda aims to create a system that enriches people's lives by offering unrestricted mobility to people everywhere.

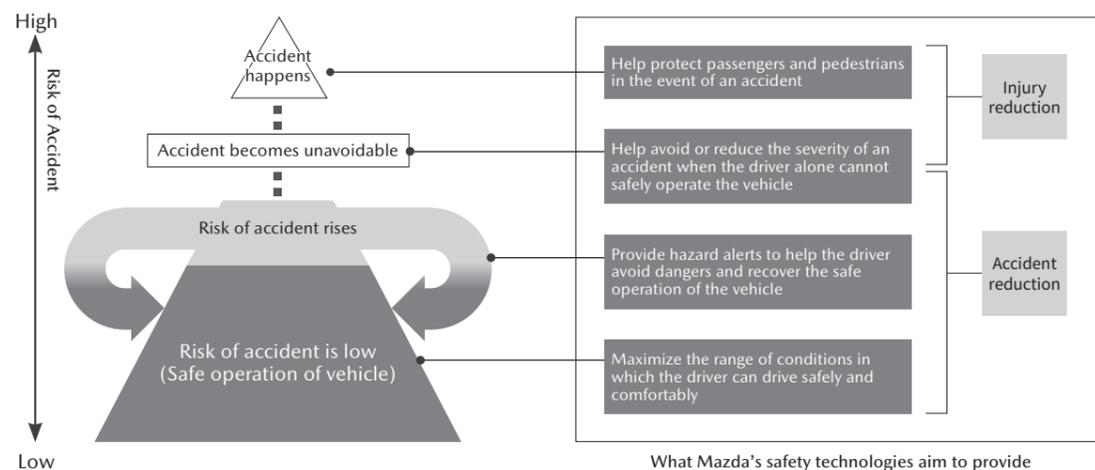
Mazda Proactive Safety

Mazda Proactive Safety is the Company'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.

To drive safely it is essential to recognize potential hazards, exercise good judgment and operate the vehicle in an appropriate fashion. Mazda aims to support these essential functions so that drivers can drive safely and with peace of mind, despite changing driving conditions.

Since drivers are human beings, and human beings are fallible, Mazda offers a range of technologies which help to prevent or reduce the damage resulting from an accident.

Mazda Proactive Safety: Mazda's Safety Philosophy



Examples of Specific Initiatives

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

To realize an automotive society that offers safety and peace of mind, Mazda has strived to develop technologies in accord with the Mazda Proactive Safety Philosophy. The Company adopts its Building Block concept in developing safety technologies, as in the case of environmental technologies. The 1st block at the bottom of the figure below comprises basic safety technologies, such as the ideal driving position and pedal layout, excellent visibility, and human machine interface. Mazda has been committed to continuous evolution of these technologies, as exemplified by the adoption of an organ-type accelerator pedal and efforts to further enhance visibility. The 2nd block constitutes of i-Activsense, a series of Mazda's advanced safety technologies developed to deliver safer, more reliable cars to a greater number of customers, from total beginners all the way to elderly drivers. The features of i-Activsense include active safety technologies, which support safer driving by helping the driver to recognize potential hazards; and pre-crash safety technologies, which help to avert collisions or reduce their severity in situations where they cannot be avoided. Mazda also works to continuously evolve these safety technologies. The 3rd block is the Mazda Co-Pilot Concept, which the Company declared in 2017 as its development concept for advanced driving support technology.

Supporting Drivers to Take the Ideal Driving Position

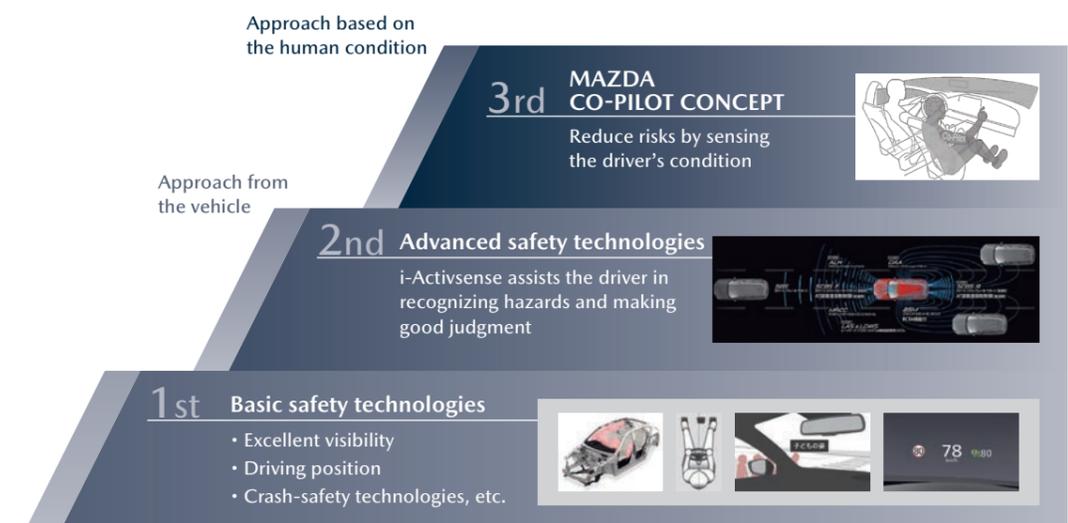
Mazda believes that an ideal driving position not only allows drivers to properly control a vehicle, but also can improve handling in emergency collision avoidance maneuvers and reduce damage to occupants should a collision occur. The CX-60 has incorporated an automatic driving position guide so that many more people can drive the car in the driving position that is Mazda considers ideal.*

Mazda Co-Pilot Concept

The Mazda Co-Pilot Concept is Mazda's unique concept for human-centered advanced driving support technology. 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.

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



*Some grades only.

Corporate Governance

Basic Approach

Mazda respects the purport of the Corporate Governance Code formulated by the Tokyo Stock Exchange and, while working to build a good relationship with its stakeholders, including shareholders, customers, suppliers, the local community and its employees, 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.

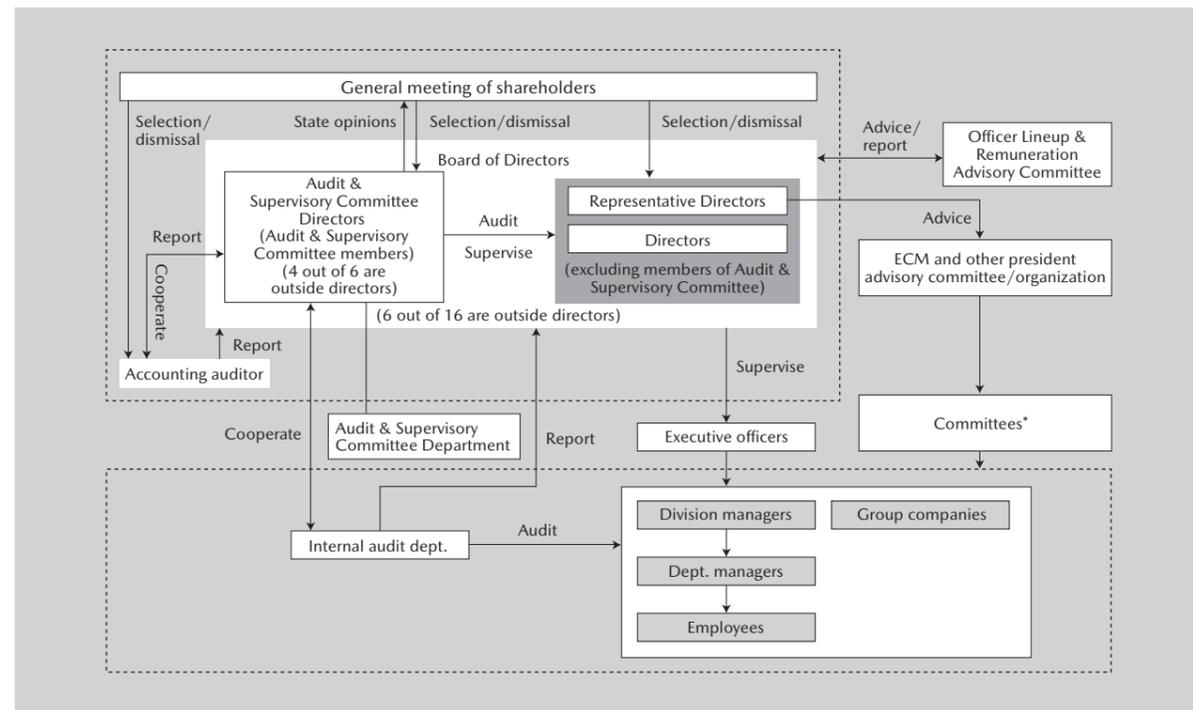
The Company's surrounding business environment is undergoing rapid changes. In order to enable faster business decision-making, further enhance discussion of management strategies and strengthen supervisory functions of Board of Directors, Mazda has adopted a Company with an Audit & Supervisory Committees structure.

Changes in Initiatives to Strengthen Corporate Governance

Years ended March 31	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Organization design, etc. Advisory body related to officer lineup and remuneration	Company with an Audit & Supervisory Committee									June 2019: Adopted a Company with an Audit & Supervisory Committee			
Board of Directors	Officer Lineup & Remuneration Advisory Committee (majority of the members are independent outside directors)												
Number of independent outside directors	Selection of two members									Selection of six members* (one-third or more of the Board of Directors)			
Evaluation of effectiveness and operational improvement	Evaluation of the effectiveness of Board of Directors												
Audit & Supervisory Board	Selection of three members												
Number of Outside Audit & Supervisory Board members	Selection of four members												
Audit & Supervisory Committee	Selection of four members												
Number of outside directors who are Audit & Supervisory Committee members	Remuneration in the form of stock options												
Officers' compensation													

*Including four outside directors who are Audit & Supervisory Committee members

Corporate Governance Framework



*Risk & Compliance Committee, company-wide information security meetings, etc.

Mazda implements all principles of the Corporate Governance Report. Please see the Corporate Governance Report for details. URL: <https://www.mazda.com/en/investors/library/governance/>

Officer Lineup & Remuneration Advisory Committee

The Company has established an Officer Lineup & Remuneration Advisory Committee in order to enhance the transparency of the process for nominating and appointing executive officers and determining their remuneration, as an advisory body to the Board of Directors. The committee is made up of two representative directors and six outside directors and chaired by a representative director. 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 process based on those policies, which contribute to the Company's sustainable growth and raising of corporate value in the medium and long term.

Organizational Affiliation

As of the end of June 2022

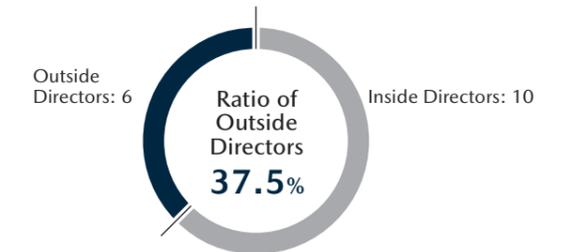
Board of Directors	Number	16 (Inside Directors: 10, Outside Directors: 6), including 2 female directors
(Including members of Audit & Supervisory Committee)	Ratio of Outside Directors	37.5%
	Ratio of Female Directors	12.5%
Audit & Supervisory Committee	Number	6 (Inside Directors: 2, Outside Directors: 4), including 1 female director
Officer Lineup & Remuneration Advisory Committee	Number	8 (Inside Directors: 2, Outside Directors: 6), including 2 female directors
	Ratio of Outside Directors	75.0%

Analysis and Evaluation of the Effectiveness of the Board of Directors

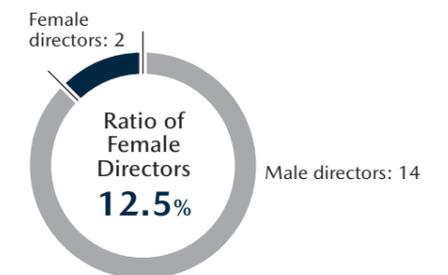
Mazda analyzes and evaluates the effectiveness of the Board of Directors in order to steadily advance measures for the further enhancement of the board's efficiency. In this initiative, based on a survey prepared by the board's secretariat, all of the directors evaluate the board's effectiveness. After the results are compiled by the secretariat, an analysis of the current situation is shared at a board meeting, and the ideal to be pursued and improvements are discussed.

In FY March 2022, the survey primarily covered the constitution of the Board of Directors, debate on the business strategy, debate on compliance and internal control, the provision of information (the amount of information, materials, explanations, and support for outside directors), and involvement in the debate. Additionally, results were inspected regarding the objectives of the transition to a Company with an Audit & Supervisory Committee, namely improved management decision-making speed, enhanced deliberation among the Board of Directors, and the strengthened supervisory function of the Board of Directors. Consequently, it was found that members of the Board of Directors were properly involved in determining the

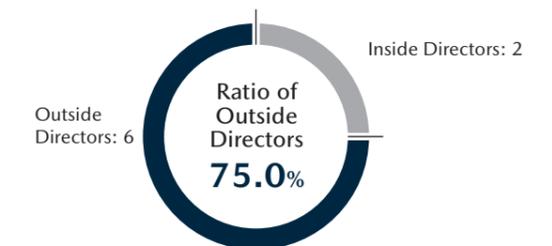
Independence of Board of Directors



Diversity of Board of Directors



Independence of Officer Lineup & Remuneration Advisory Committee



Company's business strategy and share an understanding of its content, that outside directors and corporate auditors expressed their opinions from an independent perspective after gaining an understanding of the Company's situation by receiving explanations of resolutions in advance and other forms of support, and that the oversight function of the execution of operations was ensured.

Additionally, it was confirmed that the matters were thoroughly discussed by securing ample time, that decision-making speed had been improved by delegating the Board of Directors' authorities to representative directors within an appropriate scope based on the Company's Articles of Incorporation. On the other hand, to achieve full-scale growth steadily in the future as the surrounding business environment grows more severe, it is necessary to further enhance the deliberation at the Board of Directors and strengthen the supervisory function. With this understanding, all directors confirmed their commitment to continue strengthening the monitoring of key business areas including the management strategy and enhancing deliberations on risks and profitability. The Company will analyze and evaluate the effectiveness of the Board of Directors every year and continue initiatives for constant improvements to raise corporate value in the medium to long term.

Corporate Governance

Skills Matrix of the Board of Directors

When nominating and appointing candidates for director or executive officers under the basic premise that they are healthy both physically and mentally, the Company will consider their professional and personal achievements, whether they have an appropriate attitude in regard to fulfilling the mandate of shareholders, customers and other stakeholders, high ethical standards, leadership qualities, the

ability to take action, and the experience and ability to carry out their duties.

In addition, as the business environment surrounding the Company rapidly changes, Mazda believes that the Board of Directors must have an appropriate balanced in knowledge, experience and competence and also be diverse in composition to effectively fulfill their roles and responsibilities for the sustainable growth and improvement in corporate value over the medium and long term.

Name and attribute*1	Job title	Organizational affiliation*2			Fields of experience and expertise*3											
		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		
 Kiyotaka Shobuda 63; male	Representative Director and Chairman of the Board	●		●	●			●	●	●						
 Akira Marumoto 64; male	Representative Director, President and Chief Executive Officer (CEO)	●		●	●	●	●	●	●	●						
 Mitsuru Ono 63; male	Director and Senior Managing Executive Officer	●			●				●		●	●	●			
 Akira Koga 60; male	Director and Senior Managing Executive Officer	●			●	●	●			●						●
 Masahiro Moro 61; male	Director and Senior Managing Executive Officer	●			●	●		●	●		●	●				
 Yasuhiro Aoyama 56; male	Director and Senior Managing Executive Officer	●			●	●	●	●								
 Ichiro Hirose 61; male	Director and Senior Managing Executive Officer	●			●	●	●		●							
 Takeshi Mukai 60; male	Director and Senior Managing Executive Officer	●			●	●	●		●							
 Kiyoshi Sato 66; male Independent Director Outside Director	Director	●		●	●	●			●	●	●					
 Michiko Ogawa 59; female Independent Director Outside Director	Director	●		●			●		●	●						
 Masatoshi Maruyama 65; male	Director Audit & Supervisory Committee Member (full-time)	●	●		●		●		●							
 Nobuhiko Watabe 63; male	Director Audit & Supervisory Committee Member (full-time)	●	●		●	●		●								●
 Ichiro Sakai 80; male Independent Director Outside Director	Director Audit & Supervisory Committee Member	●	●	●					●		●	●				
 Akira Kitamura 71; male Independent Director Outside Director	Director Audit & Supervisory Committee Member	●	●	●	●				●							●
 Hiroko Shibasaki 68; female Independent Director Outside Director	Director Audit & Supervisory Committee Member	●	●	●					●		●					
 Masato Sugimori 65; male Independent Director Outside Director	Director Audit & Supervisory Committee Member	●	●	●	●				●	●		●				●

*1 The age is as of June 24, 2022.

*2 ● in the "Organizational affiliation" column shows the person's status as chairperson.

*3 The "Fields of experience and expertise" column only shows each person's major fields of experience and expertise, instead of providing complete information.

Remuneration System for Directors

At Mazda, remuneration for directors is determined through the following steps: 1) the Officer Lineup & Remuneration Advisory Committee confirms that the proposed calculation method and amount are appropriate in accordance with the determination policy; 2) the calculation method and amount are submitted to the Board of Directors for approval; and 3) the Board of Directors resolves to approve the calculation method and amount.

Remuneration for internal directors (excluding directors who

are concurrently Audit & Supervisory Committee members) consists of basic remuneration, performance-based remuneration, and compensation in the form of stock options. The ratios of these kinds of remuneration are set so that, if the Medium-Term Management Plan is achieved, the amount of basic remuneration will almost equal the sum of the amount of performance-based remuneration and the value of non-monetary remuneration.

Outside directors and directors who are concurrently Audit & Supervisory Committee members are provided only with a fixed amount of basic remuneration in consideration of their status independent from the execution of operations.

The ratio of each type of remuneration for directors

(excluding directors who are Audit & Supervisory Committee members and outside directors)

Monetary remuneration		Non-monetary remuneration (Compensation in the form of stock options)
Basic remuneration	Performance-based remuneration	
10	Approximately 0 to 9	1

Basic remuneration	Remuneration paid in a fixed amount that is commensurate with each director's rank and responsibilities
Performance-based remuneration	Remuneration whose amount is determined at the end of the fiscal year in accordance with how much the initial annual goals set based on the management plan have been achieved
Non-monetary remuneration	Remuneration in the form of stock options, which are annually allocated to each director in a number that is commensurate with their rank and responsibilities based on the fair stock price, aimed at incentivizing contributions toward enhancing corporate value over the medium and long term and enabling the directors to share benefits with shareholders

Performance-based Remuneration calculation method

The indicators used as the bases for remuneration calculation were consolidated net income attributable to owners of the parent and global sales volume for the fiscal year ended March 2021, and consolidated net sales and consolidated net income attributable to owners of the parent for the fiscal year ended March 2022. The amount of remuneration for each director (which is commensurate with their rank and responsibilities) is determined in proportion to the level of achievement of the indicator targets disclosed in the financial forecast for each fiscal year. In addition, remuneration includes a portion based on individual performance, whose amount is determined in proportion to the level of achievement of individual targets set at the beginning of the fiscal year.

Amounts of remuneration for directors

(FY March 2022)

Director category	Total amount of remuneration (million yen)	Amount of each type of remuneration (million yen)			Number of directors in the director category
		Basic remuneration	Performance-based remuneration	Non-monetary and other kinds of remuneration	
Directors (excluding outside directors and directors who are concurrently Audit & Supervisory Committee members)	491	375	45	71	8
Directors who are concurrently Audit & Supervisory Committee members (excluding outside directors)	75	75	—	—	3
Outside directors	96	96	—	—	7

*The above includes one (1) director (excluding directors who are Audit & Supervisory Committee members) and two (2) directors who are Audit & Supervisory Committee members (one (1) of whom is an outside director), who retired at the conclusion of the 155th Ordinary General Meeting of Shareholders held on June 24, 2021.

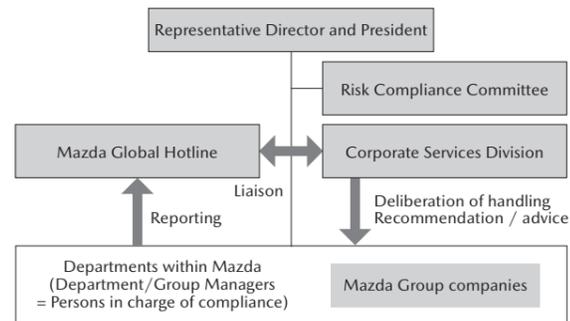
Compliance

Concept of Compliance

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 societal norms and expectations. Business operations are conducted in accordance with the Mazda Corporate Ethics Code of Conduct to ensure fair and honest practice. As part of its efforts to prevent corruption, Mazda presents its basic ideas on anti-corruption in the Guidelines on the Mazda Corporate Ethics Code of Conduct. Also, to promote highly transparent and fair transactions with all partner companies, Mazda has established the Guidelines on Entertainment and Gifts, which lays out the policy for prohibiting bribery. These guidelines are revised as needed to cope with changes in the social environment, social needs, etc. Overseas as well, Mazda not only complies with international regulations and the laws of each country and region, but also respects local history, culture, and customs. There were no fines or other incidents related to bribery in FY March 2022.

The Global Employee Engagement Survey, which includes a questionnaire concerning compliance, is conducted to check the employees' degree of understanding of compliance.

Compliance Promotion System



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 your own duties truthfully.
5. To be honest.

Guidelines

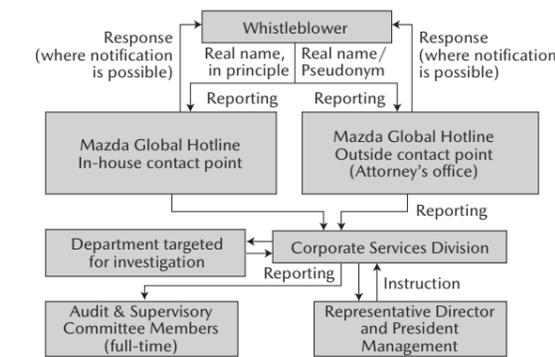
1. Comply with laws and regulations and the company rules. In a situation where such rules are not clearly defined, make a judgment considering their spirit.
2. Treat employees, customers and clients fairly and justly. Do not obtain from or give anybody an unjust benefit and/or favor taking advantage of your business position.
3. Make distinctions between public and private affairs, and never pocket or abuse the 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.

Examples of Specific Initiatives

Mazda Global Hotline

The Company has established the Mazda Global Hotline, as an in-house system to receive reports regarding non-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 has distributed the Compliance Card with the contact information to all employees on the occasion of compliance education. As part of its efforts to make the hotline better known to everyone, Mazda also puts up posters and implements e-learning programs.

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 line with the changes in the social environment and social needs, the Company provides voluntary learning opportunities using e-learning, conducts compliance seminars by internal and external lecturers, and provides information on a timely manner to executives and middle managers of Mazda as well as Group company executives, thus continuing initiatives aimed at increasing awareness on the importance of compliance.

Compliance Education Themes (Example)

- Agreement
- Insider Stock Trading
- Act on Subcontracting
- Act against Unjustifiable Premiums and Misleading Representations
- Anti-Monopoly Act
- Security Export Control
- Non-Disclosure Agreement
- Anti-Corruption (entertainment and gifts)
- Copyright
- Personal Information
- Security Control
- Ordinances on Exclusion of Violence Group
- Unfair Competition Prevention Act (including bribery of national civil servants)
- Outsourcing Agreement
- And others

Risk Management

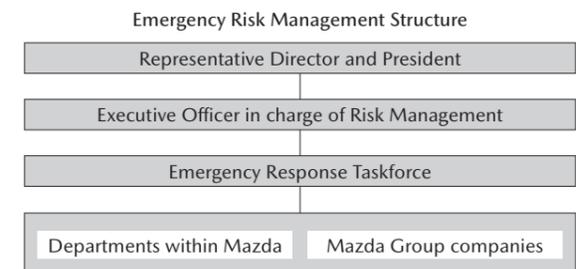
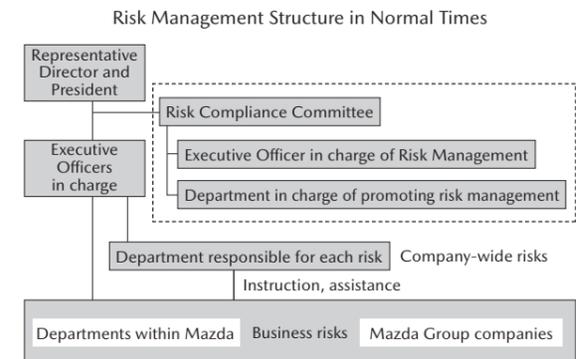
Approach to Risk Management

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 continuous and stable progress of business activities.

Among the risks identified, considering the level of importance, individual business risks are managed by the department in charge of that business area while company-wide risks are handled by departments that carry out business on a company-wide basis. These departments manage the risks appropriately, following the PDCA cycle.

In the event of an emergency, such as a natural disaster or situation that creates serious managerial consequences, Mazda takes appropriate measures in reference to its internal regulations, including establishing an emergency response taskforce when necessary.

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.

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 expected Nankai Trough Earthquake and tsunamis associated with them. Examples of such measures include not only "hardware" measures, such as quake-proofing buildings and facilities and raising embankments, but also the systematic development of "software" measures by introducing an employee

safety confirmation system, organizing self-disaster-defense teams, and conducting training for the operations of these systems.

In addition, in preparation of large-scale disasters, the Company holds disaster drills jointly with fire authorities. Since FY March 2021, 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 training.

Information Security

Mazda manages and protects personal information and other important information appropriately based on the 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 company-wide information security officer is appointed from directors, and under his/her initiative, the Information Security Committee, when recognizing cyber security risks across the entire supply chain, submits improvement plans to the Executive Committee Meeting and continuously implements the plan following deliberations. In addition, Mazda strives to enhance the quality of cyber security measures for its products by participating in the Japan and U.S. Auto-ISAC* and responding to information on security incidents detected within the industry as well as best practices. The Company also complies with the cyber security standards enforced in July 2022.

To raise employees' awareness about information security, Mazda requires its employees to execute training on the management of confidential information, protection of personal information, and IT security.

Protection of Intellectual Property and Intellectual Property Risk Management

Mazda's dedicated Intellectual Property Department leads Company 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 its 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 solve any problems regarding intellectual properties that may obstruct business activities in each domain, such as infringement of other parties' patent rights; trademark rights, design rights and copyrights; and violations of the Unfair Competition Prevention Act.

*Stands for the Automotive Information Sharing & Analysis Center. In addition to participating in the U.S. Auto-ISAC, Mazda has participated in the Auto-ISAC of Japan (J-Auto-ISAC) as an executive member.

Interview with Outside Directors



Kiyoshi Sato
Outside Director

Michiko Ogawa
Outside Director

Expecting Mazda's Sincere Efforts to Achieve Carbon Neutrality While Fully Demonstrating Its Strengths

Kiyoshi Sato Outside Director

Mr. Sato has served as an outside director since June 2019. Mazda seeks his opinion and advice about management based on his experience of managing an electric production equipment manufacturer, where he worked for a long time, his vast knowledge of sales and marketing, and his global perspective, which he developed through his involvement in overseas business.

Michiko Ogawa Outside Director

Ms. Ogawa has served as an outside director since June 2019. Mazda seeks her opinion and advice about management based on her technical expertise, which she developed as an engineer involved in research and development (R&D) at an electric appliance manufacturer, and from the perspectives of ESG and brand marketing.

The Board of Directors of Mazda, which is a company with an audit & supervisory committee, comprises 16 members, six of whom are outside directors, including four outside directors who concurrently serve as Audit & Supervisory Committee members. Below is an interview with Mr. Kiyoshi Sato and Ms. Michiko Ogawa, both of whom are involved in the decision-making of the Board from their statuses independent from the execution of the Company's operations. Here they share how they value Mazda's management and governance, as well as their frank opinions.

Toward more advanced management and governance

— First of all, how do you rate Mazda's governance and Board operation aimed at enhancing the Board's auditing function?

Sato I am now my fourth year of serving as an outside director. I recognize that all Board members are seriously

committed to enhancing the governance system, including the operation of the Board, and that the Board is operated with great care while responding sincerely to the requirements imposed by the capital market on management. I especially highly rate Mazda's positive attitude toward offering necessary information and lectures to us as outside directors. The Company readily spares much time to explain not only proposals submitted to the Board for deliberations but also progress in the Medium-Term Management Plan and various initiatives. A sufficient amount of necessary information we can receive from the Company helps us deeply understand even highly technical matters, discuss them, and share our views on them. In addition, the Mazda executives listen attentively to us. I recognize that both the Board and management have a positive attitude toward listening carefully to outside opinions.

Ogawa I assumed the position of outside director at the same time of Mr. Sato. I have similar recognition to his of the Board's attitude toward its own operation. I am deeply impressed by discussions focusing on brand value management. I recognize that, as shown in the Medium-Term Management Plan, which includes investment for brand value improvement and curbing expenses that depreciate brand value as important measures, real commitment to discussions and action from the perspective of brand value creation permeates the entire Company. The concept of "brand value management" is utilized not only in the activities of each division, such as R&D, manufacturing and sales, but also in the internal activities of cross-functional teams (CFTs), which take action beyond organizational borders while maintaining each division's initiative. I have the impression that, even in the current era of drastic changes in the automotive industry, represented by the term "CASE" (connected technology, autonomous driving technology, shared services, and electrification technology), the Company's consistent vision of enhancing its brand value and corporate value in an integrated manner is reflected in its overall business activities and monitoring by the Board.

Mazda's initiative to provide solutions to "Earth" issues

— Amid an accelerating general trend toward combating climate change and decarbonized society, Mazda has declared that it will achieve the carbon neutrality of all its plants worldwide by 2035. How do you rate Mazda's initiatives to provide solutions to "Earth" issues?

Sato The Board has continued concrete, in-depth discussions about how carbon neutrality can be achieved. Mazda's broad principle on this challenge build on the three pillars of energy conservation, the introduction of renewable energy, and the introduction of electric vehicles (hereinafter, EVs) and next-generation fuels. For the introduction and more widespread use of renewable energy in the manufacturing field in particular, Mazda's Head Office and Hofu Plant

cooperate with local governments and companies in the Chugoku Region in the activities of the Carbon Neutrality Promotion Council. Moreover, at its overseas manufacturing sites in Mexico, Thailand, the U.S., etc., the Company has pursued optimal decarbonization action modeled after the energy transition initiative that it has implemented in collaboration with the local communities in Japan. These specific activities characterize Mazda's initiative for carbon neutrality. That initiative certainly still includes challenges to be solved in terms of its details and speed, but it has made significant progress in some specific measures, including not only installing solar power generation equipment in the Hiroshima Plant, but also using the power generated at the plant to charge lithium-ion batteries for EVs planned to be manufactured at the same plant. I highly rate these activities as evidence for the Company's serious commitment to achieving carbon neutrality. I hope that such activities will further expand.

Ogawa Carbon neutrality is a "must-pursue" agenda item for every company around the world. I would say that Mazda's distinctive feature in product strategy lies in its original perspective of decarbonization throughout its value chain and its resulting overall approach toward that. I highly value Mazda's vision of taking steady steps toward decarbonization by fully leveraging its own strengths and contributory technologies based on a deep understanding of different regulations, needs, energy-related circumstances, etc., in respective countries and regions while capturing the global trend toward decarbonization and electrified mobility.

Sato Mazda has certainly devoted all-out efforts to developing EVs, but country- or region-specific regulations have been imposed one after another at an increasing speed in the U.S., Europe and other regions. Some people say that automotive manufacturers will be allowed to sell EVs alone after all. Meanwhile, there are still uncertainties over battery technologies and standards. Although lithium-ion batteries are currently the mainstream, there is concern about a shortage of raw material resources in light of future global demand for this kind of battery. The prices of EV batteries are now rising sharply. In addition, even developed countries still have only insufficient infrastructure for EV charging, and there is still a wide gap between governmental environmental policies and various actual energy-related issues. A report given to the Board in consideration of the likelihood of a considerable delay in the energy transition and EV shift around the world, excluding some countries and regions, suggests the possibilities of adopting a realistic decarbonization approach of maintaining non-EV choices based on the most advanced existing environmental technology and energy source.

Ogawa Mazda expresses this approach as "Multiple-Solution," which some people may misunderstand as an omnidirectional defensive stance. However, in the current business environment characterized by rapid

Interview with Outside Directors



changes and uncertainties about the future, the flexible strategy of working toward multiple solutions based on Mazda's proprietary technologies may be rather effective for a wide dynamic range of themes, being in a good balance between defense and offense. In addition, the composition of Mazda's product lineup is so logical in terms of size and other factors that it provides an ideal platform for materializing multiple solutions or a favorable architecture for applying the Company's technologies to real products. Therefore, I believe that this approach will not only allow Mazda to return and think again whenever a situational change needs it but also offer concrete solutions to social issues.

Mazda's initiative to provide solutions to "People" issues

— The revised Corporate Governance Code has an additional principle of "Ensuring Diversity in the Appointment of Core Human Resources," with increasingly greater attention to human capital. What advice would you give to Mazda on maximizing the value of its human capital?

Sato Many Japanese companies have been left behind by overseas companies in ensuring diversity in the appointment of core human resources. Seen from my long experience in global business, Western countries-based companies are diverse in nature in the national or racial composition of their employees. Those companies achieve business growth by leveraging the diverse perspectives of their employees, who can speak in English as a common language even if it is not their native language. It is natural for overseas investors familiar with such an environment to recognize Japanese companies as slow in ensuring diversity in their human resources. I don't believe that achieving an adequate level of diversity is an easy challenge that Japanese companies can solve in a short time, and I even recognize that solving this challenge requires

Japanese companies to transform their corporate culture. I hope that, as a company operating globally, Mazda will recruit more heavily from around the world to enhance the racial and national diversity of its employees. Like Senior Managing Executive Officer Jeffrey H. Guyton, who serves as President and CEO of Mazda Motor of America, Inc., many more excellent human resources from various countries and regions should be involved in corporate management and be allowed to share their ideas and views. A favorable organizational environment for that, I believe, will help improve Mazda's brand value globally. I would like to seek Ms. Ogawa's opinion about diversity in gender and other terms.

Ogawa I, myself have experienced various things as one of the few female engineers in Japan. Since Mazda's female employees may be also facing various difficulties, I am allowed to have opportunities for dialogue with them. Meanwhile, the values of customers today—individualized values rather than gendered values—are rapidly diversifying, resulting in drastic changes in the definition of the automobile itself and the requirements for future mobility space. I recognize that the Japanese manufacturing industry used to be a field where higher importance was placed on logical thought than ideas from the female perspectives of sensibility and emotions because it was believed that the logically explicable value of products' functions and performance could appeal to customers. However, the year 2000 or any point around it marked the threshold of a new era where no products or services relying only on their functions or performance could sell well any longer. Since then, the sentimental and emotional value of products and services has come into the focus of public attention, so promoting a technology has now required efforts to not only emphasize its functions but also broaden its appeal through a message that helps develop empathy between its creator and users. I believe that there can be a wider variety of approaches in the current era where digital networks and software are expected to be elastic. Reforms are necessary not only in the field of diversity but also in the mobility of human resources and career paths. Engineers should acquire perspectives necessary for innovation and diversify their own work styles by gaining wider experience in marketing, manufacturing and other fields, rather than building their careers only along an extension of their current work. At Mazda, the number of female executives has been growing though gradually, including the female program manager who leads the development of the Mazda MX-30. Moreover, young employees are strongly interested in the Sustainable Development Goals (SDGs) and full of energy for taking the initiative in achieving transformation toward the creation of social value in view of the future of not only automobiles, but also society and the planet. I believe that it is crucial to foster a more open corporate culture of proactively incorporating the values and ideas of such young employees into business activities.

— Mazda also aims to enhance customers' mental well-being with satisfaction with a car. What do you expect of Mazda in the future concerning its attitude and commitment toward respecting people, including its "human-centered development philosophy"? Would you offer any advice?

Sato Mazda's strong interest in people is represented by the concept of the "human-centered development philosophy," a "jinba-ittai" (sense of oneness between driver and vehicle), and "Zoom-Zoom." The Company has a very serious attitude toward both people and products, working to provide drivers with a wonderful feeling of mobility, expressed in such terms as "Joy of Driving," and to offer passengers a comfortable ride without carsickness and advanced safety functions. I recognize great significance in the Company's commitment to making a meaningful contribution to people and society through its own products and technologies.

Ogawa I recognize that, as represented by the concept of a "jinba-ittai," Mazda engineers have been fiercely committed to living up to the human-centered design philosophy. It seems to me that their commitment is underpinned by their pride in providing drivers and passengers with a time of driving pleasure, which constitutes an important part of pleasure in life. I believe that Mazda and its people will maintain this pride as an automotive manufacturer toward the future. Meanwhile, in view of the world after one to two decades, I am interested in how the human system of feedback between the brain and the body will work on the individual in a car to bring them the pleasure of life against the background of ever-evolving AI and robotics technologies and a digital, virtual world such as the emerging metaverse. Therefore, I often ask Mazda development staff questions in this field. I also expect that Mazda will explore whether Joy of Driving will go beyond the scope of a single product to have an impact on the pleasure of life of a larger number of people and/or become integrated into value for society as a whole.

To enhance corporate value over the medium and long term

— Finally, can you give advice on the medium and long term enhancement of Mazda's corporate value?

Sato Enhancing its corporate value over the medium and long term requires Mazda to tackle two important challenges. One of the challenges is, as you may expect, performing brand value management. The Company has promoted efforts to solve this challenge for several years, making satisfactory progress therein. The value of newly launched cars has been fully recognized by customers around the world, increasing the number of Mazda fans. The other challenge is taking appropriate action on EVs. As I mentioned before, despite a shortage of raw materials for EV batteries, insufficient charging infrastructure, and other various problems, the current



trend toward an EV shift will last long against the backdrop of the urgent social challenge of combating climate change. It will continue to be an important theme how Mazda can develop, provide, commercialize and market a new mode of mobility that can contribute to the achievement of carbon neutrality, regardless of whether it is based on EVs, hydrogen or biofuels. The business environment surrounding the automotive industry, including national and regional regulations, will continue to change around the world. I hope that Mazda will frequently review the Medium-Term Management Plan according to changes in the business environment while implementing it.

Ogawa I also recognize that Mazda has made significant progress in its initiative for brand value management in recent years. To further enhance its corporate value, the Company should place the highest priority on accelerating its initiative to achieve carbon neutrality. There has been a lifestyle shift from owning a car to using it only as necessary, mainly among younger generations. Taking into account such changes in values, I believe that one way to enhance corporate value is exploring how the Company can create new value together with the next generation and what will help foster empathy with the Company in those young people. In this sense, the Company should deliver clear messages on what value it will offer to society and the planet. Many young people quite naturally choose products and services from the companies whose values agree with theirs. Therefore, I believe that Mazda should not only share corporate messages but also devote further efforts to having dialogue with diverse stakeholders to inform them thoroughly of the social value that the Company desires to provide.

— Thank you very much for joining us today.

ESG Data

This section presents the results of major initiatives undertaken by Mazda and the Mazda Group through their business activities. The [SASB TR-AU-code](#) is included in the sections where the SASB Standards apply.

Environment

Greenhouse gas (GHG) emissions (Global) (Thousand t-CO₂e)*1 *2 *3

	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022
Scope 1 (direct emissions)*4	137	135	119	96	95
Scope 2 (indirect emissions)*5	587	537	506	438	438
Scope 3 (other indirect emissions)*6 *7	35,954	37,027	36,336	31,603	29,797
Total	36,678	37,699	36,960	32,137	30,330

Scope of coverage Mazda Motor Corporation, 22 domestic consolidated Group companies and eight domestic equity-method Group companies, and 16 overseas consolidated Group companies*8 and five overseas equity-method Group companies

*1 Energy consumption and greenhouse gas emissions are calculated using the energy conversion factor and carbon emission factor based on the standards of the Japan Automobile Manufacturers Association, Inc. (JAMA) (Carbon Neutrality Action Plan).

*2 CO₂ emissions resulting from power consumption by overseas companies are calculated by applying the factor shown in the IEA Emission Factors 2019 issued by International Energy Agency (IEA).

*3 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

*4 Scope 1: Direct emissions from consumption of fuels and industrial processes.

*5 Scope 2: Emissions associated with consumption of purchased heat/electricity (indirect emissions from energy consumption).

*6 Scope 3: Other indirect emissions excluding Scope 1 and 2.

*7 Calculated using Mazda's own calculation method, based on the Ministry of the Environment's Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain.

*8 FY March 2018 and FY March 2019: 15 companies; FY March 2020: 14 companies; FY March 2021: 15 companies; FY March 2022: 16 companies

Total amount of waste (t) (Global production sites)*1

[SASB TR-AU-440b.1](#)

	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022
In Japan	270,718	265,392	242,108	188,205	180,569
Overseas	47,168	42,868	38,828	32,589	32,259
Total	317,886	308,260	280,936	220,793	212,828

Scope of coverage Mazda Motor Corporation's four domestic production sites and the production sites of four domestic consolidated Group companies and four domestic equity-method Group companies and two overseas consolidated Group companies and four overseas equity-method Group companies

*1 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

Amount of landfill waste, amount of recycled materials (t), recycling ratio (%) (Global production sites)*1

[SASB TR-AU-440b.1](#)

	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022
Amount of landfill waste	1,902	1,422	1,619	1,144	1,073
Amount of recycled materials	298,270	289,019	264,702	208,331	202,006
Recycling ratio	94%	94%	94%	94%	95%

Scope of coverage Mazda Motor Corporation's four domestic production sites and the production sites of four domestic consolidated Group companies and four domestic equity-method Group companies and two overseas consolidated Group companies and four overseas equity-method Group companies

*1 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

Resource Recycling Results (In Japan)

[SASB TR-AU-440b.2](#) [SASB TR-AU-440b.3](#)

	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022
Number of vehicles from which ASR is collected	148,570 units	147,994 units	150,235 units	137,818 units	129,770 units
Number of vehicles from which airbags are collected	128,090 units	131,255 units	131,975 units	125,020 units	118,837 units
Number of vehicles from which fluorocarbon is collected	139,709 units	137,325 units	133,798 units	127,292 units	118,939 units
Recycling ratio					
ASR*1	98.2%	97.8%	95.9%	96.4%	96.5%
Airbags	93.9%	94.2%	94.5%	95.0%	95.2%
Recycling ratio for ELVs*2	More than 99%				
Total contracting deposits received	1,714,599,985 yen	1,736,604,673 yen	1,759,696,038 yen	1,647,855,677 yen	1,556,426,986 yen
Total expenses for recycling	1,472,141,715 yen	1,490,997,562 yen	1,583,175,933 yen	1,559,056,285 yen	1,482,568,896 yen

(Includes separate cost required at Mazda)

*1 Automobile Shredder Residue. It refers to the residue remaining after the crushing/shredding of what is left of the vehicle body following the removal of batteries, tires, fluids, and other parts requiring appropriate processing; the removal of engines, bumpers, and other valuable parts; and the separation and recovery of metals.

*2 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 of the applicable fiscal year.

For details, refer to the following URL (Japanese only): <https://www.mazda.com/ja/sustainability/legal/recycle/situation/>

Amount of recycled parts (In Japan) (Bumpers)

[SASB TR-AU-440b.2](#)

	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022
Damaged bumpers	63,852	62,920	57,126	46,515	47,939

Scope of coverage Dealerships (excluding some) that have concluded a dealership agreement with Mazda Motor Corporation in Japan.

Society

Third Party Safety Evaluations

(As of end of July 2022)

		DEMIO/MAZDA 2	MAZDA 3	ATENZA/MAZDA 6	CX-3	CX-30	CX-5	CX-8	CX-9	MX-30	ROADSTER/MX-5
Japan	J-NCAP*1 (Collision Safety Performance Tests)	5-Star (2014)	—*6	5-Star (2013)	5-Star (2015)	5-Star (2021)	5-Star (2017)	5-Star (2017)	—*5	—*6	—*6
	J-NCAP*1 (Advanced Safety Vehicle (ASV) Technology Assessment)	ASV+ (2014)	—*6	ASV+++ (2018)	ASV+++ (2018)	ASV+++ (2018)	ASV+++ (2018)	ASV+++ (2018)	—*5	—*6	—*6
US	US-NCAP*2	—*5	5-Star (2022MY)	—*5	—*5	5-Star (2022MY)	5-Star (2022MY)	—*5	5-Star (2022MY)	5-Star (2022MY)	—*6
	IIHS*3	—*5	22TSP+	—*5	—*5	22TSP+	22TSP+	—*5	22TSP+	—*6	—*6
Europe	Euro-NCAP*4	5-Star*8 (2020)	5-Star (2019)	5-Star (2018)	—*6	5-Star (2019)	5-Star (2017)	—*5	—*5	5-Star (2020)	—*6

Recent Evaluations*7

[SASB TR-AU-250a.1](#)

		2022	Number of vehicle models receiving the highest possible rating/number of vehicle models evaluated
Japan J-NCAP*1 (Collision Safety Performance Tests)	5-Star	Not evaluated	—
US US-NCAP*2	5-Star	MAZDA 3, CX-30, CX-5, CX-9, MX-30	5/5
Europe Euro-NCAP*4	5-Star	Not evaluated	—

*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-Star 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-Star Safety Ratings program. 5-Star 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-Star is the highest possible rating.

*5 Not yet introduced as of the end of July 2022.

*6 Not evaluated.

*7 As of the end of July 2022. Excluding OEM vehicles

*8 Mazda2 Hybrid

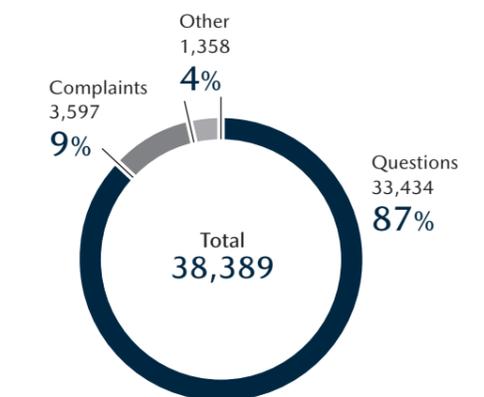
Number of Recalls (In Japan)

[SASB TR-AU-250a.3](#)

Unit	FY March 2022
Cases	5
10,000 vehicles	13.1

FY March 2022 Breakdown of Mazda Call Center Customer Responses by Type (In Japan)

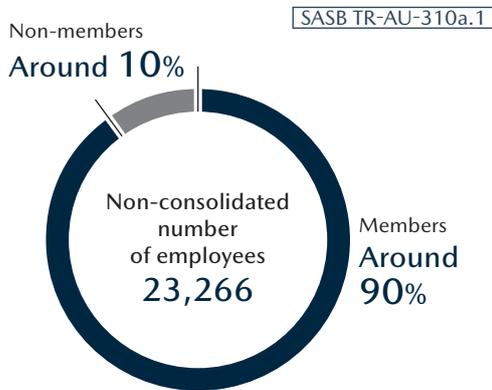
[SASB TR-AU-250a.2](#)



ESG Data

Society

Ratio of Mazda Motor Corporation employees who are the member of Mazda Workers' Union in FY March 2022



Number of collective labor disputes within the Mazda Group in FY March 2022

SASB TR-AU-310a.2

0

Average salary by gender
(Non-consolidated, in April 2022)

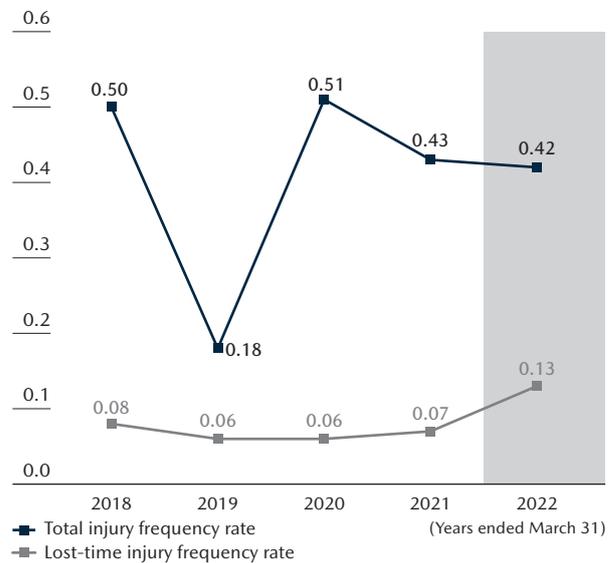
	Male	Female
Middle management and above positions	638,835 yen	599,791 yen
General employees	308,379 yen	295,038 yen

Female managers
(Non-consolidated, results as of the end of each fiscal year)

	FY March 2020	FY March 2021	FY March 2022
Number of female managers (middle management and above)	52	52	55
Percentage of female managers* (middle management and above)	3.6%	3.6%	3.9%

*Number of female managers (middle management and above) / Number of managers (middle management and above)

Injury Frequency Rate (Non-consolidated)



Total injury frequency rate:
The number of lost-time and non-lost-time accidents in Mazda Motor Corporation per million person-hours worked.

Lost-time injury frequency rate:
The number of lost-time accidents in Mazda Motor Corporation per million person-hours worked.

Ratio of employees who took child-rearing leave in FY March 2022 (Ratio by gender)

