

Support and Response to TCFD

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.

	TCFD recommendations	Major initiatives
Governance	Disclose the organization's governance around climate-related risks and opportunities.	<ul style="list-style-type: none"> • The Executive Vice President and COO oversees Mazda's carbon neutrality strategy and assigns an Executive Officer in charge of carbon neutrality. • Under the supervision of the Executive Officer in charge of carbon neutrality, the Corporate Strategy Office leads a team specializing in carbon neutrality and formulates and promotes the strategy. • The strategy proposals studied are reported to and discussed at the Board of Directors.
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	<ul style="list-style-type: none"> • The strategy is studied based on the scenarios from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), policies, regulatory trends, and industry trends. <Major risks> Stricter regulations on fuel economy and exhaust gas, introduction of carbon tax, increased investment and cost burden due to intensified competition in the development of technologies including electrification, etc. <Major opportunities> Expansion of sales opportunities and enhancement of corporate value through the promotion of a carbon neutrality focused manufacturing process, a Building-Block Strategy, a multi-solution strategy, etc.
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	<ul style="list-style-type: none"> • Risks and opportunities are identified and assessed in developing and implementing the strategy. • The strategy proposals studied are reported to and discussed at the Executive Committee Meetings and Board of Directors.
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<ul style="list-style-type: none"> • It is assumed that 100% of Mazda's products will have some level of electrification, and its EV ratio will be 25% by 2030. • All emission results of Scopes 1, 2 and 3 are managed.

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

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

*2 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://tcfcd-consortium.jp/en/about>