

STAKEHOLDER ENGAGEMENT

Basic Approach

Mazda clarifies key responsibilities and issues that the Mazda Group should accomplish, through dialogue with stakeholders which are important for a company's sustainable development,^{*1} and carries out daily business activities while making efforts for improvement. To ensure effective communications with customers and other respective stakeholders, Mazda has defined its key stakeholders, and determined the frequencies of providing opportunities for dialogue and information disclosure. The information obtained is reported to the relevant departments or committee meetings attended by the Company's management, and used for planning and improving Mazda's daily business activities. In the brand value management which the Company has been promoting in earnest since 2013, Mazda is pushing ahead with various initiatives, aiming to continue to grow as a corporate group that earns the trust of all its stakeholders. By establishing indicators for its relationships with its stakeholders, Mazda implements the PDCA (plan-do-check-act) cycle.

Dialogue with Shareholders and Investors

For continued growth and enhancement of corporate value over the medium and long terms, Mazda engages in a variety of investor relations initiatives in keeping with its policy of timely and appropriate disclosure of information and with constructive dialogue. In addition to general shareholders' meetings, the Company holds frequent meetings with its shareholders and investors, providing quarterly announcements to explain its business results and other activities. The Company is working to increase opportunities for dialogue in such ways as holding business briefings for securities analysts, institutional investors, and individual investors.

Mazda's official website provides information such as the schedule for general shareholders' meetings and financial results announcements, performance/financial data, notices of the general meetings of shareholders, summary of financial results, briefing materials for the financial results, Securities Report (Japanese only), Integrity Report, Corporate Governance Report. Mazda strives for highly transparent and fair disclosure.

 [Investors](#)

Information Exchange and Dialogues with Suppliers

Mazda proactively offers opportunities for communication with suppliers, to ensure that the Company can work in close concert with them. Seeing all the suppliers as its important business partners, the Company takes steps to promptly brief suppliers on medium- to long-term business strategies and on matters related to sales and production, and arranges opportunities for information exchange and dialogues on a regular basis. As part of such efforts, Mazda organizes an annual seminar with the aim of enhancing awareness of environmental and other sustainability initiatives. The Company also maintains close liaisons with supplier-managed purchasing cooperative organizations.^{*2} In FY March 2022, amid the COVID-19 pandemic, the Company held a total of 68 remote sessions of theme discussions and meetings for opinion exchange with 117 suppliers, instead of visiting them in person.

Major Channels of Communication with Supplier

| Target participants | | Frequency | Aims / content |
|--|--|--------------|--|
| Roundtable Conference with Supplier Management | Executive-level management at major suppliers | Once a year | <ul style="list-style-type: none"> Mazda's president and CEO explains Mazda's current status, the problems the Company faces and its policies, after which the general manager of the Purchasing Division explains Mazda's purchasing policies in order to heighten participants' understanding of Mazda and gain their cooperation. This conference also deepens friendly ties between Mazda and its suppliers. |
| Supplier Meeting | Representatives of frontline business divisions and departments at major suppliers | Once a year | <ul style="list-style-type: none"> Mazda's specific purchasing policies are explained to representatives of frontline business divisions at suppliers, based on the explanation given at the roundtable conference by the general manager of the Purchasing Division. This helps to promote a better understanding of Mazda and provides useful input for the work that suppliers do. |
| Supplier Communication Meeting | Representatives of frontline business divisions and departments at major suppliers | Once a month | <ul style="list-style-type: none"> To facilitate smoother collaboration with its suppliers, Mazda provides them with information, such as topics concerning daily operations between Mazda and its suppliers (including the environment and other sustainability-related topics), production/sales status, quality status of purchased materials, pilot construction schedules for newly developed models, and mass-production implementation schedules for new models. |
| Other | — | As needed | <ul style="list-style-type: none"> Mazda also employs a range of other communication channels, by using the in-house "Mazda Technical Review," highlighting new technologies and research. |

In FY March 2022, during which Mazda was forced to change its production plan due to the spread of COVID-19 and issues with semiconductor procurement, the Company held monthly production adjustment briefing meetings with member companies of Toyukai Affiliated Corporation^{*3} to share its views on production adjustments and to provide related information with the aim of enhancing communication with suppliers. Moreover, the Company conducted monthly cash management checks and surveys throughout the entire supply chain jointly with Tier 1 suppliers of the member companies. Based on the survey results, the Company provides suppliers that have faced difficulties in cash management with required advice. With a strong determination to protect all suppliers from bankruptcy risks, Mazda will continue to support suppliers affected by the COVID-19 pandemic and component supply issues in cooperation with Tier 1 suppliers.

^{*1} Parties who are directly or indirectly related to the business of the Mazda Group

^{*2} An autonomous management organization, comprising suppliers that have a certain degree of transaction with Mazda, with the purpose of strengthening relationships between Mazda and its suppliers as well as promoting mutual growth and prosperity. The procurement amount from member companies of Yokokai and Yoshinkai accounts for about 90% of the whole.

^{*3} Established in 1952 as a voluntary organization by 20 collaborating companies having trading relationships with Mazda (then Toyo Kogyo). Currently its membership consists of 62 companies. While sharing information with one another and with Mazda and deepening cross-industrial exchange primarily through various committee activities, these member companies continue constant efforts to hone their skills.

Management | Implementing Social Responsibility
in the Supply Chain | Stakeholder Engagement

Key Stakeholder*¹ Relationships and Opportunities for Key Dialogue and Information Disclosure

Examples of Indicators

| | |
|--------------------------------------|--|
| Customers | Degree of customer satisfaction, brand likeability, loyalty (retention), net promoter score, (unaided) awareness level, brand recommendation level |
| Shareholders and investors | Evaluations by external research organizations |
| Business partners | Stakeholder Survey |
| Employees | Global Employee Engagement Survey |
| Global society and local communities | Stakeholder Survey |
| Next-generation people | Evaluations by external research organizations |

| Key Stakeholder | Mazda Group's Key Responsibilities and Issues | Opportunities for Key Dialogue and Information Disclosure (Frequency) |
|--|--|---|
| Customers | <ul style="list-style-type: none"> ● Improving customer satisfaction ● Providing safe, reliable and attractive products and services ● Appropriate disclosure and explanation of information regarding products, services and technical terms ● Providing customer support in a timely and appropriate manner ● Appropriate management of customer information | <ul style="list-style-type: none"> ● Establishment of call centers (always) ● Mazda Official Website and social media (always) ● Day-to-day sales activities (always) ● Customer satisfaction surveys (as needed) ● Holding events (as needed) ● Interviews with customers (as needed) ● Meetings with Mazda vehicle owners (as needed) |
| Shareholders and investors ▶ Investors | <ul style="list-style-type: none"> ● Timely and appropriate information disclosure ● Maximizing corporate value ● Strict exercise of voting rights (at the general meeting of shareholders) ● Active investor relations activities | <ul style="list-style-type: none"> ● Website for shareholders and investors (always) ● Publication of the asset securities report and the quarterly financial reports (four times a year) ● Publication of the summary of financial results (four times a year) ● Quarterly presentation of financial results (four times a year) ● Holding ordinary general meetings of shareholders (once a year) ● Publication of the Integrated Report (once a year) ● Publication of the Corporate Governance Report (as needed) ● Presentations and plant tours for investors (as needed) |
| Business partners ● Suppliers ● Domestic dealerships ● Overseas distributors | <ul style="list-style-type: none"> ● Fair and equitable trading ● Open and transparent business opportunities ● Support for requests for collaboration on sustainability implementation ● Appropriate disclosure and sharing of information | <ul style="list-style-type: none"> ● Hotlines linking Mazda with dealerships (always) ● Day-to-day purchasing activities (always) ● Supplier communication meetings (once a month) ● Conferences with representatives of dealerships (once a year) ● Conferences with supplier executives (once a year) ● Commendation of outstanding suppliers and dealerships (once a year, respectively) |
| Employees | <ul style="list-style-type: none"> ● Respect for human rights ● Choice and self-accomplishment ● Promoting a healthy work-life balance ● Optimum matching of people, work and placement ● Promotion and improvement of employee health and safety ● Promotion of diversity ● Mutual understanding and trust between labor and management | <ul style="list-style-type: none"> ● Labor-Management Council (as needed) ● Direct communication with senior management (MBLD) (as needed) ● Global Employee Engagement Survey (as needed) ● Career meetings (four times a year) ● Career Challenge System (in-house recruitment and "Free Agent") (as needed) ● Group and optional training (as needed) ● Lectures (as needed) |
| Global society and local communities ● Community people ● Government and administrative agencies ● NGOs/NPOs ● Experts and specialists ● Educational institutions | <ul style="list-style-type: none"> ● Respect for local cultures and customers ● Prevention of workplace accidents and disasters ● Activities contributing to local communities (including cooperative work) ● Disaster-relief activities in regions in which Mazda does business ● Compliance with laws and regulations ● Payment of taxes ● Cooperation with government policies ● Cooperative work and support in search of solutions to global social issues ● Foundation activities | <ul style="list-style-type: none"> ● Opening to the public of the Mazda Museum and plant tours (always) ● Execution of social contribution activities and participation in and promotion of volunteer activities (as needed) ● Dialogue through economic and industry organizations (as needed) ● Interaction/exchange of views with the local community (as needed) ● Response to hearings, information disclosure, etc. (as needed) ● Dialogue, cooperation and support through collaboration of industry, academia and government (as needed) |
| Next generation people (environment) | <ul style="list-style-type: none"> ● Consideration for the environment ● Energy-/global-warming-related issues ● Promoting resource recycling ● Cleaner emissions ● Environmental management | <ul style="list-style-type: none"> ● Holding and participating in environmental events (as needed) ● Conducting onsite lectures on environment (as needed) |

*1 Parties who are directly or indirectly related to the business of the Mazda Group

Raising Executive and Employee Awareness

Mazda endeavors to deepen awareness and understanding of sustainability among all its executive officers and employees, and to promote the undertaking of sustainability initiatives in the course of their daily business activities. The level of employees' sustainability awareness is confirmed through Global Employee Survey and training programs by level. To ensure constant improvement of the sustainability awareness level, Mazda will continue a range of initiatives.

Examples of Awareness-Raising Activities

- Distribution of the Mazda Sustainability Report to Group companies in Japan and overseas (once a year)
- Implementation of sustainability training programs by level (lecture-type training and group discussions)
Number of training participants in FY March 2022: around 2,150*¹
 - New recruits (once a year), mid-career hires (approximately 20 times a year)
 - Employees who are dealership interns (once a year)
 - Team Leaders, Assistant Foremen, Foremen (twice a year each)
 - New band 6 employees (manager in charge) (six times a year)
 - New band 5 employees (assistant manager level) (twice a year)
 - Newly appointed senior managers (twice a year)
- Conducting seminars on ESG targeting executives (as needed)

Collaboration with Local Governments, Industrial Organizations, etc.

To fulfill its social responsibility, Mazda is actively collaborating with external organizations, including local governments and industrial organizations. The Company has participated in activities conducted by industrial organizations, such as the Japan Business Federation (Keidanren) and the Japan Automobile Manufacturers Association, while also being involved in government-led activities, such as the Strategic Commission for the New Era of Automobiles set up by Japan's Ministry of Economy, Trade and Industry. In addition, Mazda signed the United Nations Global Compact*² and declared its support for the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)*³, as part of its efforts in line with the international social initiatives.

Conducting the Stakeholder Survey

Since FY March 2014, Mazda has conducted a Stakeholder Survey (once a year), inviting opinions from stakeholders outside the Company regarding employee conduct and attitudes toward the promotion of brand value management. The submitted opinions and their analysis results are shared with top management. After clarifying the actual situations and issues to be addressed, the results are announced to Mazda employees and employees of the entire Group in Japan and abroad through MBLD (P121). This provides these employees with opportunities to review their own actions and practices, from the perspective of implementing the corporate vision and strengthening connections with stakeholders. To generate frank opinions and guarantee objectivity of the analysis, Mazda has commissioned a third party organization (research firm) to conduct the survey.

Those Covered by Stakeholder Survey (Only in Japan)

Suppliers, distributors/dealerships, local autonomous entities, academic societies, industrial associations, etc.

Communication through Publication of the Mazda Sustainability Report

The Mazda Sustainability Report has been published with the aim of informing stakeholders of Mazda's sustainability initiatives, in accordance with GRI Reporting Principles for Defining Report Content. To obtain the opinions and evaluations regarding the report's content and editorial method, Mazda has conducted a questionnaire survey and applied for sustainability-related awards. The submitted opinions and evaluations are fed back to executive officers, external directors, and each division's employees in charge of producing the Mazda Sustainability Report, and are utilized for designing the next year's initiatives and for considering the information to be disclosed in the report.

External Evaluations (As of August 31, 2022)

Mazda identifies key external ratings and evaluations both from within Japan and overseas. By analyzing the results, the Company evaluates its own initiatives. Mazda continuously makes active efforts to disclose information by responding to both domestic and global surveys and evaluations, such as those by socially responsible investment (SRI) and environmental, social and governance (ESG) rating organizations.

[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)

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

2022 MSCI ESG Leaders Indexes Constituent



FTSE4Good



FTSE Blossom Japan

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*¹ Unconsolidated activities of Mazda

*² UNGC: United Nations Global Compact

The UNGC is a voluntary effort by corporations and organizations to be good corporate citizens by exercising responsible, creative leadership, and to build a global framework for sustainable growth. More than 13,000 corporations and organizations in approximately 160 countries worldwide are participants or signatories to the compact. Mazda joined the Global Compact Network Japan (GCNJ) comprising Japanese signatory companies and organizations to the UNGC. As a member of GCNJ, the Company participates in workshops and gathers information on such themes as ESG, the environment, supply chains, labor and human rights.

*³ 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