

## Message from an Executive Officer (Oversight of Sustainability Domain)



### Contributing to Solving Social Issues and Striving to Realize a Society in Which People Can Experience the Joy of Life

Many environmental and social issues are having a significant impact on our daily lives.

There are disasters precipitated by global warming and food shortages caused by drought, and these are not only driving the spread of poverty but also triggering a host of other problems.

It is essential for companies to play a key role in solving these problems.

While contributing to solving social issues through corporate activities, Mazda is striving to realize a society in which people can experience the joy of living.

### Reinforcing the Promotion Framework for Sustainability Management

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. Since the mid-2000s, we have also been considering the most reasonable, correct approach to 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 (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 CO<sub>2</sub> 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 at business sites (in the fields of production, logistics, etc.) thereby striving to proceed with planning, implementation, and improvement. We 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 challenges, including climate change, reset as the core management initiative.

## Contribution to Society through Business

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.

## Achievement of Carbon Neutrality at Our Factories around the Globe by 2035

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.

We operate in more than 130 countries and regions around the world, and these countries and regions 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 CO<sub>2</sub> 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 mid- and long-term decarbonization strategies.

## Commitment to Diversity

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 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.

## Social Challenges and Corporate Sustainability

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, however. 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.

Under these circumstances, we will take on the challenge of continuing to enhance Mazda’s uniqueness. 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. 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.

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