CHAPTER 1

SUSTAINABILITY

While striving to meet the requests and expectations of all stakeholders with the aim of realizing its corporate vision, Mazda promotes sustainability initiatives through its business activities in line with the basic policy on sustainability.

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CORPORATE VISION

We love cars and want people to enjoy fulfilling lives through cars. We envision cars existing sustainably with the earth and society, and we will continue to tackle challenges with creative ideas.

1. Brighten people’s lives through car ownership.
2. Offer cars that are sustainable with the earth and society to more people.
3. Embrace challenges and seek to master the Doh (“Way” or “Path”) of creativity.

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.
SUSTAINABILITY INITIATIVES

Reviewing and Identifying Key Issues (Materiality)
Mazda has worked to identify the social issues that the Mazda Group should address while reflecting the external opinions of experts and various other stakeholders and taking into account opinions from both management and the relevant divisions. 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, expectations from stakeholders became more specific and 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.

Materiality Review and Identification Process
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.

STEP 1 Extraction of social issues
To extract social issues from the stakeholders’ perspective, Mazda analyzed and clarified what investors and the global society expect of the Company by looking into the details of surveys conducted by global ESG rating organizations. As for the importance to the Mazda Group, its specific issues described in the Medium-Term Management Plan, “Sustainable Zoom-Zoom 2030,” and Securities Report were analyzed so as to select the social issues.

Step 2 Evaluation of the impact / prioritization of social issues
Mazda identified potential priority issues to be tackled by evaluating the social issues selected in Step 1 according to two axes: Impact on stakeholders*1 and impact on the Mazda Group.*2 The Company also clarified the themes to be addressed from a long-term viewpoint by correlating with the 169 targets of the SDGs.

Step 3 Validation
To validate the priorities of themes identified in Step 2, consultations were held with management, which approved the priorities.

Step 4 Disclosure of materiality
A specific action plan is currently being prepared to ensure steady implementation of the materiality themes identified in Steps 1-3 and follow up on the progress. The materiality that Mazda recently identified and an action plan that will be formulated henceforth will be disclosed to stakeholders. By periodically evaluating and revising this materiality and plan, Mazda will develop the PDCA (plan-do-check-act) process.

From now on, Mazda will carry out initiatives to address the eight themes of materiality that the Company has identified.

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<th>Initiatives to address the issues regarding “Earth”</th>
<th>Initiatives to address the issues regarding “People”</th>
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<td>Endeavor for carbon neutrality by 2050</td>
<td>Contribution to people’s mental wellness</td>
<td>Realizing a motorized society free from traffic accidents</td>
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<tr>
<td>Resource circulation</td>
<td>Improving employee job satisfaction</td>
<td>Creating a system that enriches people’s lives</td>
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Common initiatives to address the issues regarding “Earth,” “People,” and “Society”

| Quality improvement                               |
| Exploring partnerships for “co-creation with others” |

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

Each department carries out its operations based on goals and plans formulated with an understanding of the policies and guidelines determined by the CSR Management Strategy Committee, which the president chairs, and in cooperation with other Group companies. From FY March 2016, the Board of Directors holds discussions on issues concerning sustainability.

CSR Management Strategy Committee

Deliberate the sustainability activities that are expected of Mazda from a global perspective, in consideration of changes in social environment.

- Reviewing and identifying key issues (materiality)(P10)
- Discuss social needs and trends, external evaluation analysis results, etc.

Sustainability Promotion throughout the Entire Value Chain

In cooperation with suppliers and dealerships, Mazda has established a sustainability initiative promotion system throughout the entire value chain. The Company places emphasis on dialogues with stakeholders, to ensure that its sustainability initiatives not only comply with international rules as well as the laws and regulations of each country/region, but also respect local history, culture, and customs.

Research and Development

Implementation of a broad range of initiatives, in tandem with 1,072 our suppliers in Japan and overseas, aiming for harmonious and co-prosperity

Purchasing

Pursuit of high-level manufacturing in a total of 7 countries, including Japan, Thailand, China and Mexico

Manufacturing

Pursuit of high-quality, safe and environmentally conscious transportation on a global basis

Logistics

Provision of vehicles and services to customers in more than 130 countries and regions

Sales and services

Pursuit of end-of-life vehicle recycling and waste reduction

Recycling end-of-life vehicles

History of the Sustainability Structure

| FY March 2005 | Begun company-wide CSR initiatives
| CSR Committee established |
| FY March 2008 | Mazda evaluates its CSR initiatives in the six areas referencing the Charter of Corporate Behavior issued by the Japan Business Federation (Keidanren), etc. |
| CSR Promotion Department established as a permanent structure |
| FY March 2009 | Integrated CSR initiatives and management |
| Reinforced global perspective |
| CSR Committee reorganized as the CSR Management Strategy Committee |
| FY March 2010 | Promoted initiatives both globally and across departments |
| CSR & Environment Department established as a permanent structure |
| Former CSR Promotion Department reorganized as a supervising compliance body and renamed as the Compliance Administration Department |
| FY March 2013 | Started to implement the PDCA cycle to promote CSR initiatives based on ISO 26000 |
| Compliance supervision functions transferred to the Office of General & Legal Affairs |
| FY March 2014 | Started study to review and identify key CSR issues (materiality) |
| FY March 2015 - FY March 2016 | Disclosed the process of reviewing and identifying materiality |
| Continued to conduct interviews with interested parties in the Company and with external experts and specialists |
| FY March 2017 | Disclosed the results of the materiality review, and the items that were identified |
| Reviewed the areas of CSR initiatives |
| FY March 2018 - FY March 2021 | Continued the process of reviewing and identifying materiality |
| Discussions under way to clarify the relationship between the Company's initiatives based on the Medium-Term Management Plan and the SDGs |
| FY March 2022 | Completed the process of reviewing and identifying materiality |
| Identified the social issues that the Mazda Group should resolve through its business and clarified the relationship between these issues and the SDGs and targets adopted by the United Nations |
Long-Term Vision for Technology Development “Sustainable Zoom-Zoom 2030”

In 2007, Mazda announced the “Sustainable Zoom-Zoom” long-term vision for technology development. Based on that vision, Mazda has worked to provide both driving pleasure and outstanding environmental and safety performance.

In August 2017, Mazda announced “Sustainable Zoom-Zoom 2030,” its long-term vision for technology development that looks ahead to the year 2030. In light of the significant changes in the global automobile industry, the new vision takes a longer-term perspective and sets out how Mazda will make use of driving pleasure—the fundamental appeal of the automobile—to help resolve issues facing the earth, society, and people.

**Sustainable Zoom-Zoom 2030**

At Mazda, we see it as our mission to bring about a beautiful earth and to enrich people’s lives as well as society. We will continue to seek ways to inspire people through the value found in cars.

- **People**
  
  Enhance customers’ mental well-being with the satisfaction that comes from protecting the earth and contributing to society with a car that offers true driving pleasure.

- **Earth**
  
  Through conservation initiatives, create a sustainable future in which people and cars coexist with a bountiful, beautiful earth.

- **Society**
  
  Realize cars and a society that offer safety and peace of mind, and create a system that enriches lives by offering unrestricted mobility to people everywhere.