

# MANAGEMENT

## Corporate Governance

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' meetings, Mazda has adopted a Company with an Audit & Supervisory Committees structure.

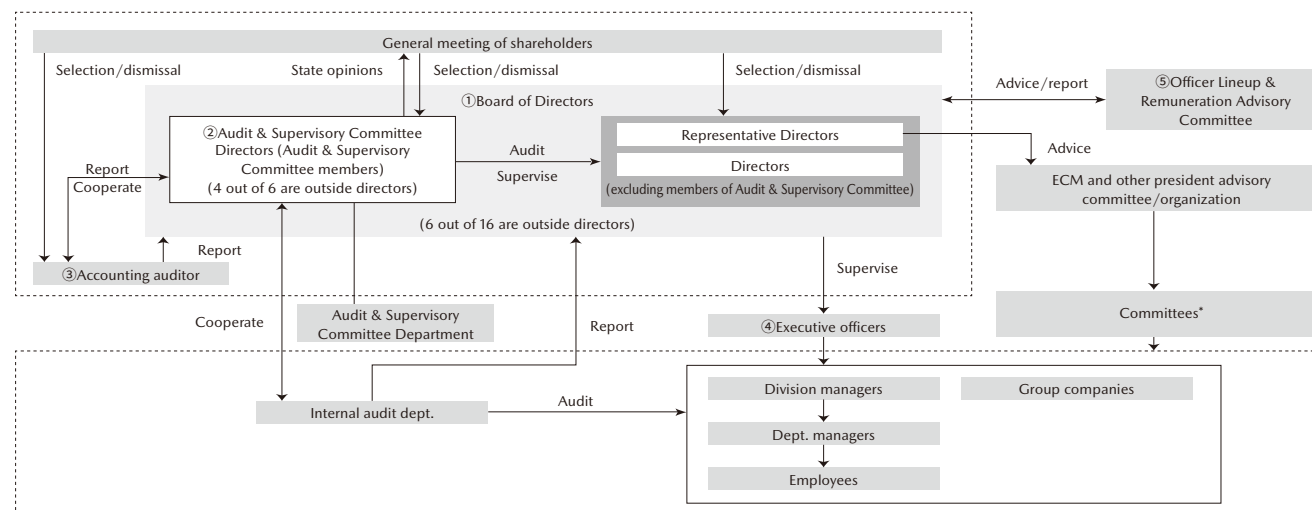
For detailed information, please see the following.

[▶ Corporate Governance Report](#)

### ① Board of Directors

The Company's Board of Directors deliberates and makes decisions on items related to the execution of important business, such as management strategy and basic management policies, and supervises the execution of individual directors' duties. In addition, in order to facilitate quick and flexible decision-making, based on the Articles of Incorporation, a substantial part of decision-making regarding the execution of important business will be delegated to management, and executive directors including and below the president to whom authority has been delegated based on the Company's rules of administrative authority will make decisions regarding these matters. The board is made up of 16 directors, six of whom are highly independent outside directors.

### Corporate Governance Framework



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

### ② Audit & Supervisory Committee

The Company's Audit & Supervisory Committee audits the Board of Directors' decision-making process and business execution through the execution of voting rights at Board of Directors' meetings and the execution of its right to state opinions on the personnel changes and remuneration of directors (excluding directors who are Audit & Supervisory Committee Members) at the general meeting of shareholders. The Audit & Supervisory Committee is made up of six members, four of whom are highly independent outside directors. For smooth auditing, two people have been appointed as full-time members of the Audit & Supervisory Committee.

### ③ Accounting Auditor

Accounting audits are conducted by KPMG AZSA LLC.

### ④ Executive Officer

Mazda has also introduced an executive officer system. By separating execution and management, the effectiveness of the oversight of the Board of Directors is enhanced, and decision-making is speeded up through expanded debate by the Board of Directors and by delegating authority to executive officers. In this way, the Company is working to further managerial efficiency.

### ⑤ Officer Lineup & Remuneration Advisory Committee

The Company established the Officer Lineup & Remuneration Advisory Committee, made up of two representative directors and six outside directors and chaired by a representative director, as an advisory body to the Board of Directors. 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.

The policies and procedures for the nomination, appointment and dismissal of officers and for determining their remuneration are disclosed in the Corporate Governance Report.

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### Skills Matrix of the Board of Directors

As the business environment surrounding the Company rapidly changes, Mazda believes that the Board of Directors must have an appropriate balance 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 to 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
	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%

Name and attribute <sup>1</sup>		Kiyotaka Shobuda 63; male	Akira Marumoto 64; male	Mitsuru Ono 63; male	Akira Koga 60; male	Masahiro Moro 61; male	Yasuhiro Aoyama 56; male	Ichiro Hirose 61; male	Takeshi Mukai 60; male	Kiyoshi Sato 66; male <small>Independent Director Outside Director</small>	Michiko Ogawa 59; female <small>Independent Director Outside Director</small>	Masatoshi Maruyama 65; male	Nobuhiko Watabe 63; male	Ichiro Sakai 80; male <small>Independent Director Outside Director</small>	Akira Kitamura 71; male <small>Independent Director Outside Director</small>	Hiroko Shibasaki 68; female <small>Independent Director Outside Director</small>	Masato Sugimori 65; male <small>Independent Director Outside Director</small>	
Job title		Representative Director and Chairman of the Board	Representative Director, President and Chief Executive Officer (CEO)	Director and Senior Managing Executive Officer	Director and Senior Managing Executive Officer	Director and Senior Managing Executive Officer	Director and Senior Managing Executive Officer	Director and Senior Managing Executive Officer	Director and Senior Managing Executive Officer	Director	Director	Director Audit & Supervisory Committee Member (full-time)	Director Audit & Supervisory Committee Member (full-time)	Director Audit & Supervisory Committee Member	Director Audit & Supervisory Committee Member	Director Audit & Supervisory Committee Member	Director Audit & Supervisory Committee Member	
Organizational Affiliation <sup>2</sup>	Board of Directors	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
	Audit & Supervisory Committee											●	●	●	●	●	●	
	Officer Lineup & Remuneration Advisory Committee	●	●							●	●			●	●	●	●	
	Management (executive experience)	●	●			●	●				●		●		●			
Fields of experience and expertise <sup>3</sup>	Global business	●	●	●	●	●	●	●	●	●		●	●				●	
	Product planning/R&D		●	●			●	●			●							
	Manufacturing/Purchasing/Quality	●	●						●			●						
	Brand/Marketing/Sales	●	●			●	●			●	●		●			●		
	ESG	●	●	●		●		●	●	●	●	●		●	●		●	
	IT/DX				●					●								●
	HR management/Personnel development			●		●								●		●		
	Legal/Risk management			●		●								●				●
	Finance/Accounting			●	●								●		●			●

<sup>1</sup>The age is as of June 24, 2022.

<sup>2</sup>● in the "Organizational affiliation" column shows the person's status as chairperson.

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

### Support System for Outside Directors

Mazda provides explanations of matters to be brought before the Board of Directors as necessary so that outside directors can freely state their opinions at board meetings and so that outside directors can easily participate in decision-making. The Company also arranges for outside officers to interview executive officers and provides opportunities for them to inspect facilities and participate in events both inside and outside the Company.

Audit & Supervisory Committee Members (full-time) offer observations based on information they have acquired or opinions they have formed through their attendance at important internal meetings or through their audit activities. The departments concerned work together to provide information based on the opinions of the outside directors and to support them.

### 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 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 improvement to raise corporate value in the medium to long term.

### Cooperation among Parties Responsible for Auditing

Audit & Supervisory Board members, the auditing company, and Mazda's auditing department hold meetings on a regular basis to deepen their mutual understanding and improve the quality of auditing by exchanging information and opinions on audit plans and results.

### Group Governance

To achieve comprehensive development of business, sustainable and stable growth, and proper governance as a group, Mazda has established and disseminated the Group Company Management Regulations to all its Group companies.

In the Mazda Group, each Group company has established a corporate governance framework in accordance with the Regulations as well as the laws and regulations of the relevant country, with the aim of enhancing cooperation between Mazda and the Group companies.

#### Group companies in Japan

Group companies in Japan set the corporate auditors who audit directors' execution of their duties. Through the Group Audit & Supervisory Board Members' Meetings attended by Mazda's Audit & Supervisory Committee members, the Audit & Supervisory Board members of the Group's large companies and by having staff from Mazda's internal auditing-related department concurrently serve as auditors of the Group companies, Mazda aims not only to reinforce each Group company's governance framework but also to strengthen ties between Mazda and its Group companies.

#### Overseas Group companies

Many overseas Group companies hold meetings of the Audit Committee.\*<sup>1</sup> Members participating in these meetings are executives and internal auditing-related departments of each overseas Group company, Mazda's executives and internal auditing-related department, and the department in charge of each Group company. They enhance each Group company's internal control by discussing and exchanging opinions on activities related to internal control.

Mazda further provides appropriate guidance and support to other overseas Group companies, to improve their internal control-related initiatives.

### Internal Auditing

The internal auditing departments of Mazda and its Group companies collaboratively conduct internal audits for the purpose of ensuring sound and efficient management. In June 2020, the Mazda Group Basic Internal Audit Regulations were established, which define basic and common matters concerning internal auditing, such as the role, mission, organizational position, and scope of activities. In accordance with the Regulations, Mazda's internal auditing department holds regular meetings with and training sessions online for the internal auditing departments of Group companies in Japan and overseas. In addition, the department also conducts various tasks, such as approval of the internal audit plans of Group companies, receipt of their internal audit reports and follow-up of their improvement activities, thereby ensuring consistency of auditing policies across the Group and gathering audit-related information.

Also, Mazda's internal auditing department evaluates the functions of auditing departments of Group companies and supports their activities with the aim of strengthening internal auditing departments of respective Group companies.

The Mazda's internal auditing department is staffed with those qualified as Certified Internal Auditor (CIA), Certified Information System Auditor (CISA), etc. Members of the department are continuously encouraged to improve their auditing skills, acquire specialized qualifications, and participate in outside training programs and internal workshops.

#### Internal auditing in Group companies

- Major Group companies (North America, Europe, China, Thailand, Australia, etc.):  
The internal auditing department of each company conducts audits and reports the results to Mazda. To ensure high auditing quality, Mazda's auditing department conducts audits advises on annual audit plans and audit results, and provides information related to auditing, and various other supports.
- Other Group companies in Japan and overseas, and Mazda:  
Mazda's auditing department conducts audits.

\*1 Committees are set and operated independently for each overseas group company for the purpose of gathering information and exchanging opinions on internal control.

## System Auditing

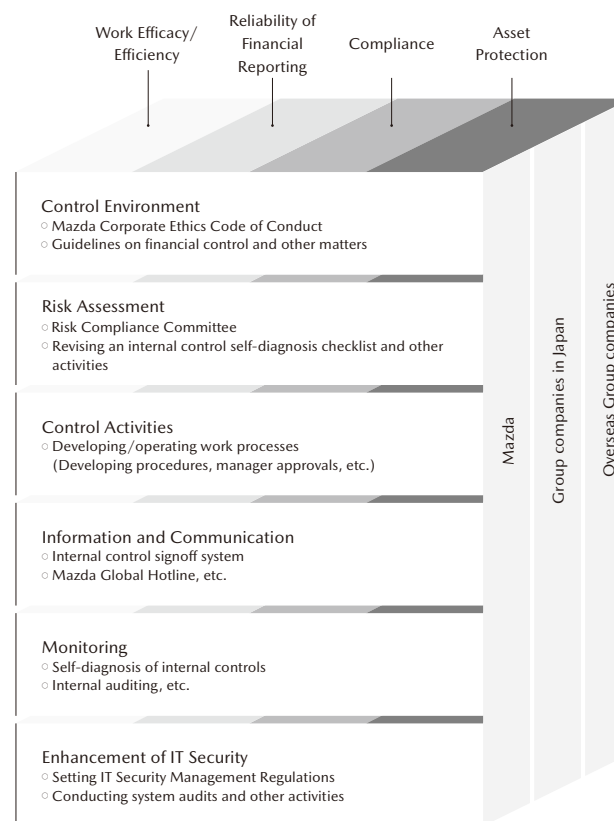
The Mazda's auditing department and the internal auditing departments of overseas Group companies conduct audits on overall IT control concerning financial reports and IT security for individual operations and systems, with the aim of reducing IT-related risks.

## Internal Controls

Mazda has established the Mazda Corporate Ethics Code of Conduct (☒ P104), which states action guidelines for employees, and other guidelines on financial control and other matters. Based on these guidelines, each department develops rules, procedures, manuals, etc. to promote the establishment of internal control.

In the Mazda Group, in line with the affiliates' administration rules, each Group company is supported in employee education and system construction by Mazda's related department. All Group companies thus collaborate with each other in facilitating the establishment of Group-wide internal control.

### Mazda Internal Controls



### Internal Control Self-Diagnosis

In 1998 Mazda initiated a system of self-diagnosis of internal controls for the purpose of disseminating awareness concerning internal controls. Currently, self-diagnosis is carried out at almost all Mazda Group companies in Japan and overseas. This system enables the supervisors and persons in charge of actually developing and operating the processes and mechanisms, not third parties such as internal auditing departments or auditing companies, to evaluate internal controls using the checklist. Through this system, Mazda's departments and Mazda Group companies find inadequacies in internal controls and take actions to improve them.

Mazda's relevant department reviews the checklist and makes necessary revisions while ensuring that any newly found risks will be reflected in the checklist so as to always ensure proper and effective diagnosis.

### Implementation of Internal Controls Signoff System

From FY March 2007 Mazda has introduced the signoff system, in which top management of each department and each Group company of Mazda ensures internal controls by "signing off" after confirming the status and issues of its organization's internal controls through auditing and self-diagnosis. The Mazda Internal Controls Report is prepared based on the contents of these signoffs. From FY March 2010, for the purpose of early discovery of inadequacies at each department or Group company, a new system of quarterly reporting has been implemented whereby inadequacies found are reported to the Mazda's auditing department on a quarterly basis. For each inadequacy reported, the deadline and responsible person for improvement are specified to facilitate speedy improvement.

## 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.

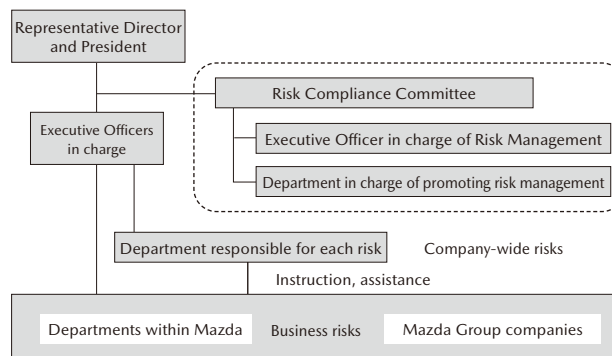
In the event of an emergency, such as a natural disaster or situation that creates serious managerial consequences, Mazda takes appropriate measures in reference to its internal regulations, including establishing an emergency response taskforce when necessary.

The Risk Compliance Committee reviewed the activities implemented under the medium-term action plan up to FY March 2020 and established a new medium-term action plan (2020-2024) in FY March 2021. In line with the new action plan, the committee has worked to further clarify the risks in the Company and its Group companies and to strengthen risk management. The committee has also ascertained the progress of these activities on a half-yearly basis. Its initiatives are periodically reported to the Board of Directors.

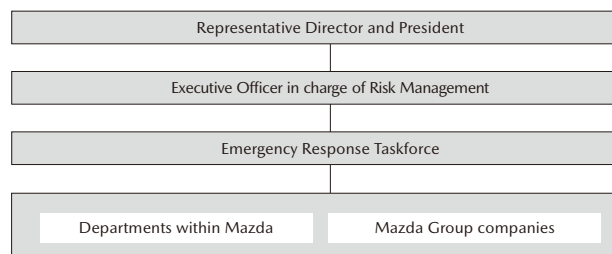
The Risk Compliance Committee's activities in FY March 2022 included confirming the risks identified by each division and the progress of measures taken to address those risks, and it selected the common key issues to be addressed across the Mazda Group. Then, the committee took measures to deal with these key issues. In addition, to enhance each Group company's risk management activities, the committee checked the actual status of each company's activities in light of the rules established in the previous year and planned necessary improvements, which are currently under way.

Mazda is presently upgrading and expanding its business continuity plan (BCP) to avoid suspension of business that would extensively impact society. In response to the spread of COVID-19, Mazda holds regular meetings under the direct control of top management to discuss and address various issues, including infection prevention and production continuity.

### Risk Management Structure in Normal Times



### Emergency 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.

### Basic Policies of Risk Management

#### Concept

With the advance of IT and globalization and the growing awareness of environmental issues and compliance with the law, the environment surrounding the company's activities is rapidly changing, and it can be expected to change even further in the future. In order to realize this "Corporate Vision," it is necessary to specifically address these changes in the environment and minimize the potential risks that threaten to interfere with the continuous, safe furtherance of our business activities. The company must also create a system that will allow a rapid recovery when abnormal or emergency circumstances occur and gain the strong trust from our customers, shareholders and the community. The entire Mazda Group shall address risk management and work toward becoming a company that can truly be trusted.

#### Goals

In the following ways, Mazda shall strive for Enhancement of Corporate Value and Harmony with the Community thereby realizing the company's "Corporate Vision."

1. Ensure the health and safety of all those who make up the Mazda Group as well as local citizens
2. Maintain and increase the trust from the community
3. Make appropriate use of the tangible and intangible corporate assets of the Mazda Group
4. Secure interests of the stakeholders, earn their trust and meet their expectations
5. Support the functions of the organization and seek a rapid restoration of business activities at the time of abnormal circumstances or emergencies

#### Action Plan

All corporate officers and all employees shall have responsibility for carrying out risk management based on the awareness that risk exists in every facet of business activities. Risk management shall be addressed from all angles at every stage of operations.

#### Methods

Risk management activities shall be divided into two types:

1. Continuous efforts to prevent and mitigate potential risks existing in everyday duties and the promotion of the proactive use of these activities (risk management)
2. Minimization of damage resulting from crisis and rapid recovery (crisis management)

#### Scope of Application

1. Shall include the control of all types of business risk
2. Shall apply to the entire Mazda Group including subsidiaries and related companies

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### 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 when cyber security risks are recognized across the entire supply chain, the Information Security Committee\*<sup>1</sup> under his/her initiative 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\*<sup>2</sup> 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. When newly joining the Company, management of confidential information and personal information protection are covered in the introduction programs, while e-learning is used for IT security training. Other continuous education efforts are also available, including an Intranet site dedicated to information and knowledge on information security. For companies in the Mazda Group, Mazda provides guidelines and educational tools regarding information security, realizing a group-wide effort to ensure information security.

\*1 An organization that manages company-wide information security on a global basis. The committee regularly holds company-wide information security meetings as the decision-making body regarding information security issues on a company-wide level.

\*2 Stands for the Automotive Information Sharing & Analysis Center. In addition to participating in the U.S Auto-ISAC, Mazda has participated in the establishment and operation of the Auto-ISAC of Japan (J-Auto-ISAC).

### Protection of Personal Information

Mazda rigorously protects personal information in line with its own Personal Information Protection Policy.

Handling rules are set out in order to ensure appropriate management of personal information, regular examination of management records for retained personal data is taken, and management statuses are checked once a year. In cases in which the handling of personal information is entrusted to outside parties, such contractors are carefully selected based on a checklist which determined the necessary items including security management. The Mazda Call Center responds to customers who wish to inquire about the Company's handling of personal information and those who request disclosure regarding privacy issues.

In FY March 2022, as in the previous year, Mazda reviewed the rules and mechanisms to enable more proper management of personal information, in view of the establishment and revision of laws and regulations concerning personal information in each country.

### Personal Information Protection Policy

The Company endeavors to adequately protect the personal information of its customers, business partners, employees and other parties in accordance with laws and regulations on the protection of personal information and the basic guidelines described below.

1. Mazda shall establish Regulations for the Protection of Personal Information, to be adhered to by all parties that handle personal information.
2. Mazda shall put in place a presiding supervisor for the management of personal information, and provide corresponding educational activities for its employees (directors, employees, part-time workers, temporary agency workers, etc.) and other related persons.
3. Mazda shall acquire personal information through appropriate means. When collecting personal information, Mazda shall either inform that person of the purposes of use and its contact address, or announce such information by a well-recognized method or methods (such as through a website).
4. At Mazda, personal information shall only be utilized by those who have been authorized to manage such data, to the extent disclosed to the parties concerned or publicly announced, and within the scope necessary.
5. Mazda shall take all necessary measures required by law, including obtaining consent from the relevant party, for the provision of such personal information to a third party.
6. If Mazda assigns a third party to any business relating to personal information, the Company shall make an appropriate selection of the assignee for such business, and take all necessary measures required by law, such as conducting necessary and adequate supervision.
7. If Mazda receives any claim for disclosure, correction, suspension, or elimination of all or any part of the personal information retained by the Company, Mazda shall react appropriately in accordance with laws after the Company confirms that said claim was made by the relevant party.
8. Mazda shall ensure reasonable security measures, and continuously improve such measures to prevent illegal access, loss, destruction, falsification, and/or leakage of personal information.

### Basic Policy on Intellectual Property

Mazda's overall vision for intellectual property is to use intellectual property as a management resource in support of its business management and enterprise activities, based on respect for its own and others' intellectual property.

Based on this vision, Mazda has established an Intellectual Property Committee to discuss and decide key items regarding intellectual property. The committee is comprised of division general managers from related divisions and chaired by an executive officer responsible for intellectual property issues.

Also, the invention incentive system increases motivation for inventions among employees working at the forefront of research and development.

For its Group companies in Japan and overseas, Mazda supports them in developing/implementing policies and establishing systems for handling intellectual property, with the aim of enhancing the intellectual property management functions of the entire Mazda Group.

### Invention and device awards

Once a year on Mazda's foundation day, certificates of commendation, commemorative medals, prize money, etc. are presented to the selected recipients through the manager of their department. No limit is set for the amount of prize money, so that inventors are fully rewarded for their contribution.



**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.

In May 2020, Mazda Motor Corporation joined the IP Open Access Declaration Against Covid-19 to cooperate in preventing the spread of the novel coronavirus in terms of intellectual property activities. The declaration states that for a fixed period of time, all participating companies and research institutions will not exercise any intellectual property rights, such as patent rights, utility model rights, design rights and/or copyrights, for acts aimed at ending the spread of Covid-19. This is in order to allow for prompt development, manufacturing and provision of therapeutic drugs, vaccines, medical equipment, infection control products, etc. that can prevent the spread of the novel coronavirus pandemic.

**Awareness-Raising Activities**

The Mazda Corporate Ethics Code of Conduct (☞ P104) stipulates "Protect confidential information. Never infringe on any intellectual property rights, whether belonging to Mazda or another party," so as to clearly convey a relevant code of conduct to all employees and guide their behavior. The Intellectual Property Department is responsible for the overall management of intellectual property, and also regularly conducts awareness-raising activities to instill respect for intellectual property law. Based on periodic review of risks according to changes in the external environment, the Department offers awareness-raising programs tailored to the management level and position of each employee and executive in Mazda and each Mazda Group company at home and overseas. In response to an increase in communication through social media, Mazda has recently provided education with particular focus on intellectual property risks in the internet environment, thereby promoting information sharing and awareness raising to prevent intellectual-property-related problems.

**Examples of awareness-raising activities**

- Offering webinars and e-learning programs on intellectual property risks
- Preparing manuals for creating and publishing materials
- Developing Mazda-Shared Image-Collection, which collects communication materials that involve no risks of intellectual property infringements

**Brand Protection (Measures against Imitation Products)**

To protect customers, Mazda implements activities to eliminate the risk posed to customers by the purchase of imitation products. These activities are aimed at supporting and improving the strength of the Mazda brand and its trustworthiness, as a brand that continues to be relied on by customers.

**[Details of Activities]**

1. Mazda develops and implements its own measures against the sale of imitation products.
2. Mazda actively participates in programs organized by the private and public sectors against imitations.
3. To promote brand protection activities in countries and regions that are major sources of imitation products, Mazda implements constructive and systematic measures through local related companies and in close cooperation with government and other agencies tasked with exposing imitation products.

## 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.

### Outline of the Mazda Corporate Ethics Code of Conduct

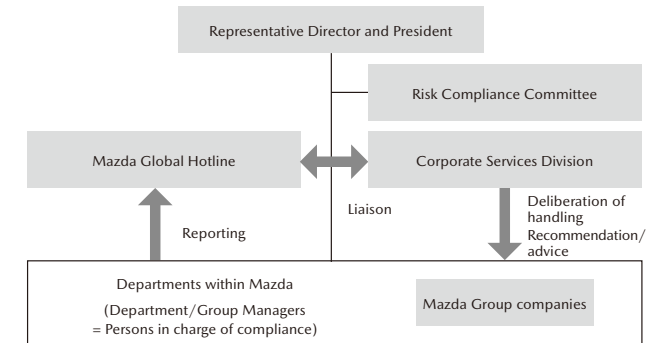
#### Five principles of "faithful" behavior

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.

### Compliance Promotion System



### Overview of Compliance Activities

1997	Ethics Committee established under the direct supervision of the president
1998	Mazda Corporate Ethics Code of Conduct established Guidelines on Entertainment and Gifts established
1999	Ethics Advisory Office established
2002	Compliance Seminar held for executives and middle managers (once a year in principle)
2005	A mandatory e-learning course held for all indirect employees A wallet-size "Compliance Card" distributed to every employee in the Mazda Group
2007	The Mazda Global Hotline established
2008	Distribution of "Learning from Other Companies" and "Compliance Communications" started on the Company Intranet The Ethics Committee reorganized to Risk Compliance Committee
2013	Compliance Card revised
2017	Distribution of "Let's Learn Together about Compliance!" started
2019	The Special Risk Compliance Committee Meeting organized for executive officers and department heads held (once a year in principle)

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### Mazda Global Hotline

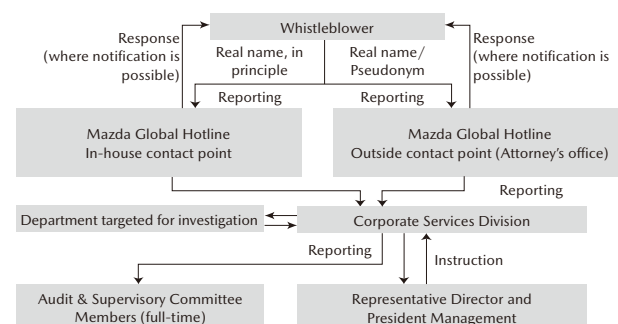
The Company has established the Mazda Global Hotline, as an in-house system to receive reports regarding non-compliance and other issues. With its contact points set up both inside the Company and outside (attorney's office), the hotline enables Mazda Group employees to choose a contact point to submit 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.

In FY March 2022, in preparation for the revised Whistleblower Protection Act coming into effect in 2022, Mazda reviewed its relevant regulations and operation procedures to be followed by staff in charge of contact points.

The Mazda Global Hotline is also introduced to suppliers so that they can report the questions arising from any transaction.

The hotline received a total of 54 reports, including consultation, in FY March 2022. The major contents of the reports were about harassment and other labor-related problems, working hours management, and suspected violations of the Mazda working regulations. Of all the reports received, 25 were regarding Mazda, 27 were regarding Group companies, and 2 were regarding unknown companies.

### 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 in 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

**Enhancing Global Tax Compliance**

The Mazda Group handles tax affairs with integrity, in keeping with the Mazda Corporate Ethics Code of Conduct and other relevant rules and regulations. It is an important duty as a good corporate citizen to pay taxes in an appropriate and timely manner, in accordance with followings: international rules, each country's laws and regulations, and the Company's Finance Control Guidelines. With this in mind, Mazda contributes to social development in each country, by voluntarily fulfilling its tax obligations. The Mazda Group supports the Base Erosion and Profit Shifting (BEPS) initiatives, which are promoted by the OECD and the G20 countries. The Group will not engage in tax-evasion behaviors through the abuse of tax havens, but will sincerely cooperate in implementing information disclosure in response to requests from the tax authorities of each country, to ensure tax transparency. Particularly in its global business operations, Mazda is well aware of the importance of transfer pricing taxation as a means of determining proper profit sharing among Group companies in the respective countries. By promoting active dialogue with tax authorities through effective use of Advance Pricing Arrangement, the Mazda Group is committed to transparent and fair transfer pricing.

The Group will continue to establish trusted relationships with the tax authorities in each country and enhance tax compliance from a global standpoint, while taking into account changes in the social environment and needs regarding tax affairs.

**Supporting Enhancement of Compliance at Dealerships in Japan**

To support transparent management throughout all Mazda Group companies, Mazda systematically promotes the strengthening of compliance among its dealers in Japan based on the principle as compliance being the base for building the brand.

**Specific initiatives:**

- The Sustainability site has been opened on the intranet used by all dealerships in Japan in order to promote understanding of compliance and internal controls among dealership employees. The site provides the "Standard Operating Procedures," which define the basic business operations to be performed by dealerships, as well as education tools, such as "One-point Lessons on Compliance" concerning near-at-hand case studies, "Learning from Other Companies," which records the true causes of accident cases and recurrence prevention measures, and specialized e-learning programs.
- Questions encompassing risks concerning standard operating procedures and laws particular to dealerships in Japan as well as internal control were added to the Self Diagnosis Checklist on Internal Controls, which is deployed throughout the Mazda Group. It supports the promotion of dealership management in compliance with related laws and improvement of work efficiency. The Self-Diagnosis Checklist reflects examples of dealerships' activities. It is intended to promptly share best practices and risks with related parties and to promote more practical self-diagnosis.
- At training sessions with dealerships in Japan, trainees' awareness is raised to fully implement measures to find inadequacies in compliance and internal controls and prevent recurrence of similar problems. They also share examples of these inadequacies with related parties and carry out relevant investigations.
- For immediate reporting of problems regarding compliance, internal controls, human rights and other Sustainability-related issues, an in-house consultation contact point has been set up at each dealership in Japan, and effective use of the Mazda Global Hotline reporting system has been brought back to attention.