

CHAPTER

1

SUSTAINABILITY

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

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BASIC POLICY ON SUSTAINABILITY

While striving to sincerely meet the requests and expectations of all stakeholders under our corporate vision,^{*1} 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.



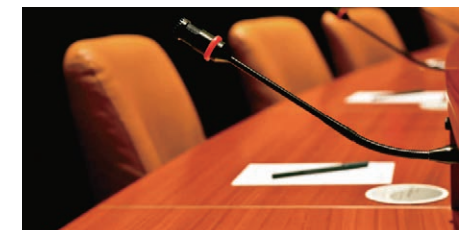
People

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 Joy of Driving 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 security 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.

(Established in December 2021)

*1 https://www.mazda.com/globalassets/en/assets/sustainability/policy/corporate_vision_e.pdf

SUSTAINABILITY INITIATIVES

I 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 re-view materiality. In 2021, Mazda identified the social issues that the Mazda Group should resolve through its business and clarified and disclosed the relationship between these issues and the Sustainable Development Goals (SDGs) and targets adopted by the United Nations. Then, given the update to the Medium-Term Management Plan and Management Policy up to 2030, announced in November 2022, Mazda once again reviewed its materiality.

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 Management Policy up to 2030.

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 from the details of surveys conducted by global ESG rating organizations. As for the importance to the Mazda Group, its specific issues described in the Management Policy up to 2030, "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.



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

Sustainability Promotion Organization

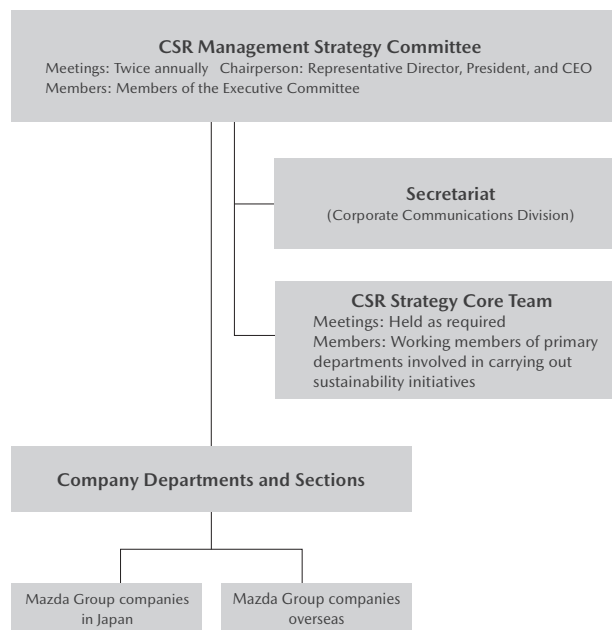
Each department carries out its operations based on goals and plans formulated with an understanding of the policies and guidelines determined by the CSR Management Strategy Committee, which the president chairs, and in cooperation with other Group companies. From FY March 2016, the Board of Directors holds discussions on issues concerning sustainability. In addition, Mazda is exploring revisions to its sustainability promotion organization in the understanding that a more effective organization is necessary given recently growing interests over ESG.

CSR Management Strategy Committee

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

- Reviewing and identifying key issues (materiality) (E P8)
- Discuss social needs and trends, external evaluation analysis results, etc.

Sustainability Promotion Organization (as of March 31, 2023)



History of the Sustainability Structure

FY March 2005	<ul style="list-style-type: none"> • Began company-wide CSR initiatives • CSR Committee established
FY March 2008	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Integrated CSR initiatives and management • Reinforced global perspective • CSR Committee reorganized as the CSR Management Strategy Committee
FY March 2010	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • CSR Targets established • 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	<ul style="list-style-type: none"> • Started study to review and identify key CSR issues (materiality)
FY March 2015 – FY March 2016	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 • Formulated the Basic Policy on Sustainability
FY March 2023	<ul style="list-style-type: none"> • Reviewed materiality • Currently clarifying KPIs for materiality

Sustainability Promotion throughout the Entire Value Chain

In cooperation with suppliers and dealerships, Mazda has established a sustainability initiative promotion organization 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



Research and development in Japan, North America, Europe and China for providing innovative products tailored to the markets

Purchasing



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

Manufacturing



Pursuit of high-level manufacturing in countries such as Japan, Thailand, China and Mexico

Logistics



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

Sales and services



Provision of vehicles and services to customers in a range of countries and regions

Recycling end-of-life vehicles



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

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, people, and society.

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.

