

CHAPTER

6

MANAGEMENT

Mazda has established management systems to fulfill its social responsibility throughout the Mazda Group and the entire supply chain.

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MANAGEMENT

Corporate Governance

Mazda respects the purport of the Corporate Governance Code formulated by the Tokyo Stock Exchange and works to build a good relationship with its stakeholders, including shareholders, customers, suppliers, the local community, and its employees. By doing so, 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 the Board of Directors, Mazda has adopted a Company with an Audit & Supervisory Committee structure. Furthermore, to raise the transparency of the processes behind the nomination and selection of officers and the remuneration decision-making process, the Company established the Officer Lineup & Remuneration Advisory Committee as an advisory body to the Board of Directors.

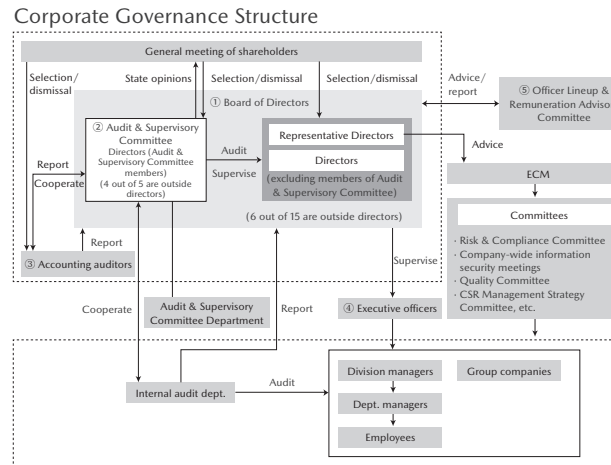
For detailed information, please see the following.

[Corporate Governance Report](#)

① Board of Directors

The Board of Directors deliberates and makes decisions on items related to the execution of important business, such as strategy and basic management policies, and supervises the execution of individual directors' duties. In FY March 2023, the main specific topics considered by the Board of Directors were as follows:

- Updating the Medium-Term Management Plan and Management Policy toward 2030
- Initiatives aimed at achieving CN at Mazda's factories around the globe by 2035, such as through energy-saving measures, shifting to renewable energy, and the introduction of carbon-neutral fuels
- Collaborations to develop and produce electrical power units, and scenario-based analysis of gradual electrification, that considers different market trends
- Operational status of internal control and risk management



② Audit & Supervisory Committee

The Audit & Supervisory Committee audits the Board of Directors' decision-making process, business execution, and development and operation of internal control systems 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 five members, four of whom are highly independent outside directors. To ensure that auditing activities are effective, one person has been appointed as a full-time member of the Audit & Supervisory Committee.

In FY March 2023, the main specific topics considered by the Audit & Supervisory Committee were as follows:

- Auditing methods that ensure auditing policy, auditing plans, task allocation, and auditing activities are effective; and how it should cooperate with internal audit departments and accounting auditors for organizational auditing
- Suitability of auditing by accounting auditors, taking into account their quarterly reviews and reports, and accounting auditor selection, dismissal, and remuneration
- Strengthening mechanisms and methods to enhance opportunities to share information with outside directors, and the nature of that information, and to reflect outside director opinions, based on multifaceted, external perspectives, in auditing
- Questioning business execution (including the formulation

and progress checks for matters of management strategy) by directors (excluding directors who are also members of the Audit & Supervisory Committee), executive officers, general managers of major departments, executives at related companies, etc.

③ Accounting Auditors

Accounting audits are conducted by KPMG AZSA LLC.

④ Executive Officers

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 Officer Lineup & Remuneration Advisory 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. In FY March 2023, the main specific topics considered by the Officer Lineup & Remuneration Advisory Committee were as follows:

- Suitability of the composition of the Board of Directors and executive officers (ensuring the diversity and skills needed to accomplish management policy, etc.) (executive personnel changes on April 1 and June 27, 2023.)
- Suitability of remuneration for directors and executive officers (checking whether remuneration of directors is in line with the Company's decision-making policy which is decided by the Board of Directors), and comparing remuneration with standards at benchmark companies that resemble Mazda in scale and industry
- Revision proposals for remuneration amounts for directors (excluding directors who are also members of the Audit & Supervisory Committee)
















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 its 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 2023

| | | |
|----------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------|
| Board of Directors (including members of Audit & Supervisory Committee) | Number | 15 (Inside Directors: 9, Outside Directors: 6), including 2 female directors and 1 foreign-national director |
| | Ratio of Outside Directors | 40.0% |
| | Ratio of Female Directors | 13.3% |
| Audit & Supervisory Committee | Number | 5 (Inside Directors: 1, Outside Directors: 4), including 1 female director |
| Officer Lineup & Remuneration Advisory Committee | Number | 9 (Inside Directors: 3, Outside Directors: 6), including 2 female directors and 1 foreign-national director |
| | Ratio of Outside Directors | 66.7% |

| | | | | | | | | | | | | | | | | |
|--------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Name and attributes ^{*1} | | Kiyotaka Shobuda 64; male | Masahiro Moro 62; male | Jeffrey H. Guyton 56; male | Mitsuru Ono 64; male | Yasuhiro Aoyama 57; male | Ichiro Hirose 62; male | Takeshi Mukai 61; male | Takeji Kojima 57; male | Kiyoshi Sato 67; male <div>Independent Director Outside Director</div> | Michiko Ogawa 60; female <div>Independent Director Outside Director</div> | Nobuhiko Watabe 64; male | Akira Kitamura 72; male <div>Independent Director Outside Director</div> | Hiroko Shibasaki 69; female <div>Independent Director Outside Director</div> | Masato Sugimori 66; male <div>Independent Director Outside Director</div> | Hiroshi Inoue 66; male <div>Independent Director Outside Director</div> |
| Job title | | Representative Director and Chairman of the Board | Representative Director, President and Chief Executive Officer (CEO) | Representative Director, Senior Managing Executive Officer and Chief Financial Officer (CFO) | Director and Senior Managing Executive Officer | Director and Senior Managing Executive Officer | Director, Senior Managing Executive Officer and Chief Technology Officer (CTO) | Director and Senior Managing Executive Officer | Director, Senior Managing Executive Officer and Chief Strategy Officer (CSO) | Director | Director | Director and Audit & Supervisory Committee Member (full-time) | Director and Audit & Supervisory Committee Member | Director and Audit & Supervisory Committee Member | Director and Audit & Supervisory Committee Member | Director and Audit & Supervisory Committee Member |
| Organizational affiliation ^{*2} | Board of Directors | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| | Audit & Supervisory Committee | | | | | | | | | | | ● | ● | ● | ● | ● |
| | Officer Lineup & Remuneration Advisory Committee | ● | ● | ● | | | | | | ● | ● | | ● | ● | ● | ● |
| | | | | | | | | | | | | | | | | |
| Fields of experience and expertise ^{*3} | Management (executive experience) | ● | ● | ● | | ● | | | | ● | | ● | ● | | | |
| | Global business | ● | ● | ● | ● | ● | ● | ● | ● | ● | | ● | | | ● | |
| | Product planning/R&D | | | | | ● | ● | | ● | | ● | | | | | |
| | Manufacturing/Purchasing/Quality | ● | | | | | | ● | | | | | | | | |
| | Brand/Marketing/Sales | ● | ● | ● | | ● | | | | ● | ● | ● | | ● | | |
| | ESG | ● | ● | ● | ● | | ● | ● | ● | ● | ● | | ● | | ● | ● |
| | IT/DX | | | | | | | ● | ● | | | | | | ● | |
| | HR management/Personnel development | | ● | | ● | | | | | | | | | ● | | ● |
| | Legal/Risk management | | ● | | ● | | | | | | | | | | ● | ● |
| | Finance/Accounting | | | ● | ● | | | | | | | ● | ● | | ● | |

^{*1} The age is as of June 27, 2023.

^{*2} ● shows the person's status as chairperson.

^{*3} Only shows each person's major fields of experience and expertise, instead of providing complete information.

I Support 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.

I 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.

<Analysis and evaluation method>

In this initiative, all of the directors evaluated the board's effectiveness based on a survey. After the results were compiled by the secretariat, an analysis of the current situation was shared at a board meeting, and the ideals to be pursued and improvements were discussed.

In FY March 2023, 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.

<Results overview>

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 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 and the future increasingly unclear, all directors confirmed their commitment to continue strengthening the monitoring of key management strategy matters, to quickly discover irregularities, and to discuss risks and profitability from a wide range of viewpoints.

I Cooperation among Parties Responsible for Auditing

The Audit & Supervisory Committee regularly meets with the accounting auditors and hears explanations of their audit plans, audit issues, and results. The Audit & Supervisory Committee also provides necessary information on its audit plans and the status and result of audits. In this way, information is exchanged in both directions, and the Company is working to strengthen this close cooperation. Also, some audits, such as physical inspections of inventories and securities, are conducted jointly by the Audit & Supervisory Committee and the accounting auditors. In addition, cooperation takes place at periodic meetings between the three parties of the Audit & Supervisory Committee, accounting auditors, and internal audit departments. The Audit & Supervisory Committee regularly meets with the internal audit department and the departments in charge of promoting internal and financial control. The Audit & Supervisory Committee receives reports from the internal audit department on the plans for and results of internal audits of the Company and its Group companies. It also receives reports from the departments in charge of promoting internal and financial control on plans for efforts to enhance internal and financial control in the Company and its Group companies and the status of these efforts. In addition, the Audit & Supervisory Committee provides information acquired in the process of conducting its audits or conveys requests from its perspective as the Audit & Supervisory Committee, making for two-way exchange of information. The internal audit department also attends meetings attended by the full-time Audit & Supervisory Committee members and full-time auditors from large Mazda Group companies.

I 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 each country and region, 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.*¹ 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.

I 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. 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.

I 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.

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

Internal Controls

Mazda has established the Mazda Corporate Ethics Code of Conduct (P103), 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 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 companywide 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, where necessary Mazda takes appropriate measures in reference to its internal regulations, including establishing an emergency response taskforce to respond to the situation.

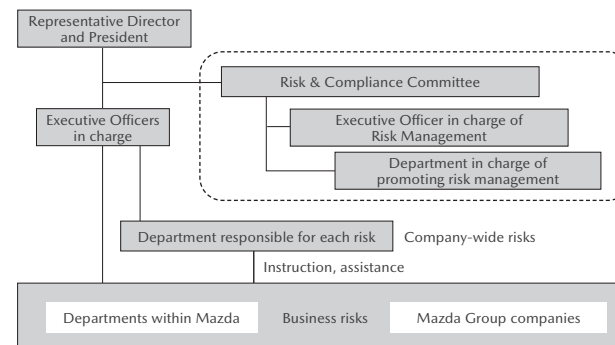
Moreover, to further enhance and strengthen risk management at the Company and related companies, Mazda has created the Risk & Compliance Committee. The committee selects risks that the whole Company should be tackling, based on major risks identified by individual departments and information on risk trends. Then, every six months, it checks progress is being made on risk countermeasures.

In FY March 2023, to reinforce risk management activities at Group companies, the committee formulated rules to be shared by Group companies, and based on these it evaluates the situation at each company and implements initiatives needed to make improvements. The committee reports to the Board of Directors on its activities every six months.

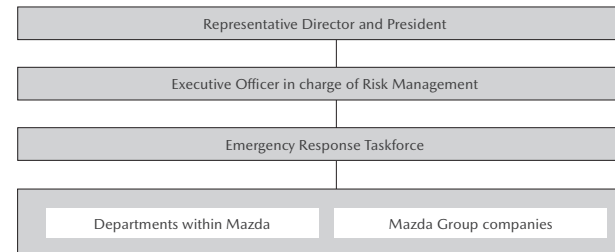
Also, to ensure that society would not be severely impacted by a halt to operations, Mazda is working to enhance its business continuity plan (BCP).

Risk Management Structure

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,"^{*1} 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

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

I 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. 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.

I 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 among the officers, and when cyber security risks are recognized across the entire supply chain, the Information Security Committee*1 under his/her initiative submits improvement plans to the Executive Committee Meeting and continuously implements the plan following deliberations.

In addition, Mazda strives alongside its component suppliers to enhance the quality of cyber security measures for its products by participating in the Japan and U.S. Auto-ISAC*2 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. 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).

I 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 2022, 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, and changes to the way in which personal information is handled through the application of IT.

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.

I 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.

Awareness-Raising Activities

The Mazda Corporate Ethics Code of Conduct (P103) 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. Mazda is prioritizing components related to safety in particular. 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. The Global Employee Engagement Survey, which includes a questionnaire concerning compliance, is conducted to check the employees' degree of understanding of compliance.

Anti-Corruption Initiatives

For 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 naturally complies with international regulations and the laws of each country and region, but also respects local history, culture, and customs. When Mazda makes political contributions,*1 it adheres to the Political Funds Control Act and follows necessary internal procedures. In FY March 2023, there were no fines or other incidents related to bribery and no employees required disciplinary action as a result of corruption (Mazda Motor Corporation).

Outline of the Mazda Corporate Ethics Code of Conduct

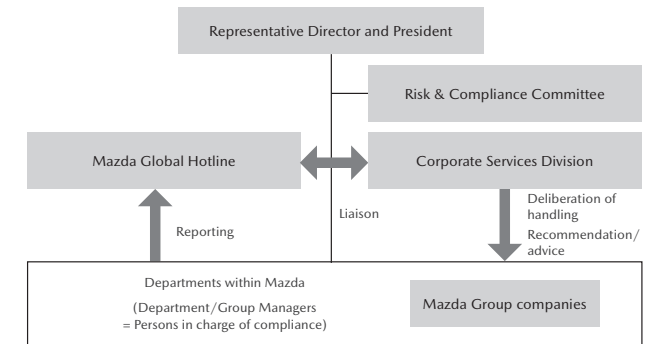
Five principles of "faithful" behavior

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) |

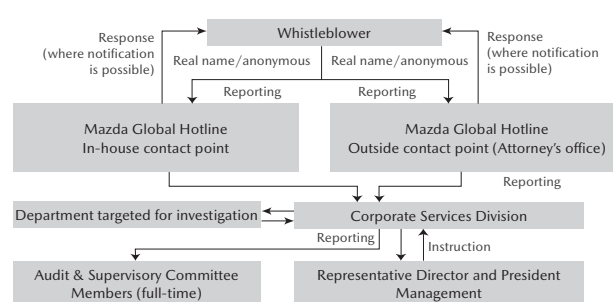
*1 In FY March 2023, the total amount of political donations was one million yen.

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 2023, alongside the revised Whistleblower Protection Act coming into effect, 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 65 reports, including consultations, in FY March 2023. 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, 34 were regarding Mazda, 30 were regarding Group companies, and 1 was unclear.

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.

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 or region's laws and regulations, and the Company's Finance Control Guidelines. With this in mind, Mazda contributes to social development in each country and region, by voluntarily fulfilling its tax obligations. The Mazda Group supports the Base Erosion and Profit Shifting (BEPS) initiatives, which are promoted by the Organisation for Economic Co-operation and Development (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.

IMPLEMENTING SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN

Working with Mazda's Suppliers

Mazda carries out a wide variety of activities in order to achieve mutual growth and prosperity with companies, both in Japan and overseas. In line with its basic purchasing policy, Mazda is making efforts to build open business relationships and ensure fair and even-handed dealings with its companies both in Japan and overseas, while extending opportunities to businesses throughout the world, regardless of nationality, scale or history of transactions with the Company. Upon receiving a request to start business with Mazda, Mazda assesses the company in question in a fair and even-handed manner according to its in-house criteria for evaluation of suppliers, and determines the feasibility of a business partnership.

In addition, Mazda bases its assessments of business dealings with new suppliers on a comprehensive evaluation that covers not only quality, technical strengths, pricing, delivery time and management approach, but also the corporate compliance structure and sustainability initiatives, including environmental protection activities (P106). Mazda has conducted questionnaire surveys of its suppliers on an as-needed basis, aiming to understand and evaluate the status of their implementation of sustainability initiatives in more detail (P106). Also, concerted efforts are under way between Mazda and its suppliers to establish risk management systems that ensure business continuity and stable development, so as to avoid suspension of business that would extensively impact society. (P106)

In addition to proactively offering opportunities for communication, Mazda provides supports in various forms to suppliers to ensure that the Company can promote sustainability initiatives and risk management in close concert with them. (P107)

Basic Purchasing Policy

Mazda will, in the fullest sense of coexistence and mutual prosperity, engage in research and production for improved competitiveness. The Company will build open and fair business relationships to ensure sustainable growth and raise its level of contributions for social and economic development. (1994)

Measures for Supplier Support

- Co-creation and technology exchange with suppliers, aimed at improving their competitiveness
- Cooperating with suppliers in improving their product quality
- Adoption of the Milk-Run system (Mazda has shifted from the conventional system, with delivery of parts by each supplier, to the Milk-Run system^{*1} (MRS), in which Mazda trucks stop at multiple suppliers to collect parts
- Provision of information on third-party exhibitions and conventions to showcase the latest technologies and manufacturing methods

^{*1} A method in which a single truck visits multiple suppliers to collect supplies. Named after truck routes in rural areas, which picked up milk from each farm.

Promoting Sustainability Initiatives in Partnership with Its Suppliers

Promoting Suppliers' Sustainability Initiatives and Deployment of the Mazda Supplier CSR Guidelines

The Company stipulated the Mazda Supplier CSR Guidelines, based on Mazda's basic approach on CSR initiatives and with reference to the CSR Guidelines of the Japan Automobile Manufacturers Association. The Guidelines outline CSR areas and items that are closely related to the purchasing area. In the Guidelines, CSR activities are categorized into six areas: Customer Satisfaction (Safety/Quality), Environment, Social Contribution, Respect for People (Human Rights/Work), Compliance, and Information Disclosure. The Guidelines request that all Mazda suppliers comply with the guidelines in these areas. The Mazda Green Purchasing Guidelines (P32) are separately created to indicate the Company's approach on the environmental protection area in more detail, and Mazda requests that suppliers observe these guidelines. The Company also conducts periodic surveys of suppliers to confirm their compliance status. (P106)

 [Mazda Supplier CSR Guidelines and Mazda Green Purchasing Guidelines](#)

Customer Satisfaction (Safety/Quality)

Suppliers are requested to abide by the guidelines regarding products and services that meet the needs of consumers and customers, sharing appropriate information about products and services, safe products and services, quality products and services, etc.

Environment

Suppliers are requested to abide by the guidelines regarding environmental management/greenhouse gas reduction/air, water and soil pollution prevention/resource conservation and waste reduction/chemical management/ecosystem conservation, etc.

Social Contribution

Suppliers are requested to make social contributions proactively and continuously at home and abroad to meet the needs of each region, thereby fulfilling their responsibilities as a good corporate citizen.

Respect for People (Human Rights/Work)

Suppliers are requested to abide by the guidelines regarding abolition of discrimination/respect for people/prohibition of child labor/prohibition of forced labor/non-use of conflict materials^{*1} (P62)/wages/working hours/dialogue with employees/safe and healthy working environment, etc.

Compliance

Suppliers are requested to abide by the guidelines regarding regulation compliance/competition law compliance/promotion of fair business practices/corruption prevention/confidential information management and protection/export management/intellectual property protection, etc.

Information Disclosure

Suppliers are requested to disclose information to their stakeholders in a timely and appropriate manner, and make efforts to maintain and develop mutual understanding and trustful relationships with stakeholders through open and fair-minded communication.

^{*1} Conflict minerals: Minerals and their derivative metals designated by Financial Regulatory Reform Article 1502 that are sourced from and used as financial sources for armed groups in conflict-affected regions in the Democratic Republic of Congo or adjoining countries (Regulated minerals: tantalum, tin, tungsten, gold). Under this act, listed US companies are obliged to report that no conflict materials are used in their products.

Example of Sustainability Initiatives in Cooperation with Suppliers

Compliance: Promotion of Fair Business Practices

Mazda promotes fair business practices to ensure that both the Company and its suppliers have fair dealings under clear standards with a common recognition to strengthen their global competitiveness through mutual collaboration. Based on the Guidelines for Appropriate Transactions in the Automobile Industry, which was formulated at the initiative of the Ministry of Economy, Trade and Industry, Mazda carries out various activities, including the formulation of the Promotion Manual for Appropriate Purchasing, education for those engaged in procurement operations at Mazda, and information provision to suppliers through the website and briefing sessions.

In-House Education to Ensure Fair Transactions

The following educational initiatives are conducted for those engaging in procurement operations in order to realize fair and equal transactions.

- Administering comprehension tests on promotion of fair business practices (including Subcontractors Act)
- Education on financial control
- Posting of guides and process rules regarding fair business practices and compliance on the Purchasing Division website on the Intranet
- Holding a course on promotion of fair business practices for employees who were newly assigned to the relevant sections

The Supplier Evaluation System

When starting business with a new supplier, related departments coordinate together to confirm the supplier's quality control system, research & development system, technological capabilities, financial conditions, and sustainability initiatives, in order to evaluate whether or not the supplier is compliant with the procurement/selection policies of the Mazda Group. For each long-term supplier, Mazda conducts not only an evaluation based on the quality, cost and delivery time of the procured goods or services, but also a comprehensive evaluation of the entire business including the quality control system, research & development system, technological capabilities, and the status of its sustainability initiatives. For the supplier quality control system, Mazda employs a system that enables continuous grasping of issues, evaluation of the situation, and provision of guidance for improvement by receiving daily reports on product quality as well as voluntary audit results, and when a supplier is in need of quality improvement, conducts remote quality auditing in addition to onsite confirmation of actual products at both domestic and overseas sites.

Also, Mazda comprehensively evaluates its suppliers every year (306 suppliers in 2022) from the perspectives of quality, pricing, delivery time, etc., in order to build more positive business relationships with them, and passes the results of these evaluations back to the suppliers. Outstanding suppliers are recognized with awards. The Company has also introduced sustainability-based evaluation, giving special awards to suppliers that have made outstanding proposals on weight trimming, which greatly affects environmental performance such as fuel efficiency.

Evaluation System

Evaluation items when starting business with a new supplier
Quality management system, research & development system, technological capacity, production and delivery capacity, financial conditions, sustainability initiatives, etc.

Evaluation items for long-term suppliers
Quality management system, research & development system, technological capacity, production and delivery capacity, financial conditions; quality, pricing, delivery time of goods or services procured, and other items in the Supplier CSR Guidelines (P105)

Questionnaire Survey for Suppliers

Mazda has conducted questionnaire surveys of its suppliers since FY March 2014, aiming to understand and evaluate the status of their implementation of sustainability initiatives. The survey results confirm that these suppliers have appropriately implemented sustainability initiatives and established their own sustainability promotion systems. In FY March 2023, a questionnaire survey was also carried out about fair business practices, which attracted a lot of social interest, targeting all subcontractors. The survey results showed that progress has been made. After analyzing these results, the Company held individual hearings with companies deemed to be in need of further improvement, in order to offer them cooperation in devising improvement methods. Using these surveys, the Company also checks each supplier's recognition of the Mazda Supplier CSR Guidelines.

Risk Management in Collaboration with Suppliers

Upgrading and Expanding the Business Continuity Plan (BCP)

In the light of risk management, Mazda works together with its suppliers to upgrade and expand its business continuity plan (BCP) in order to avoid suspension of business that would extensively impact society.

The Company has introduced the "SCR Keeper,"*1 a supply chain risk management system, to accelerate its initial response in the event of a disaster by promptly and thoroughly grasping information on the situation of operation sites. Also, initiatives are under way to promote disaster prevention and mitigation activities, including for damage from earthquakes, landslides or flooding. In the future, Mazda will work with suppliers and expand its BCPs. In addition, Mazda educates suppliers on the threats posed by cyber-attacks, which are becoming more commonplace and more advanced, and asks them to promote further-enhanced security. The Company also imagines a cyber-attack on some of its suppliers to discuss measures to bring everyone together and minimize the impact on the production of its materials and components.

*1 SCR stands for Supply Chain Resiliency. SCR Keeper is a system combining map data with earthquake information from the Japan Meteorological Agency by which the seismic intensity at the registered production sites can be determined quickly in the event of an earthquake.

STAKEHOLDER ENGAGEMENT

I 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.

I 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.

The Mazda Motor Corporation Global Website provides information such as notices of the general meetings of shareholders, financial information, medium-term management plans, securities reports, corporate governance reports, and integrated reports. In this way, the Company works to disclose information in a timely manner. It also strives to enhance its disclosure of the status of its dialogue.

 Corporate Governance

- Dialogue with shareholders and investors

I Information Exchanges and Dialogue 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 also organizes seminars 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 2023, amid the COVID-19 pandemic, the Company held a total of 64 remote sessions of theme discussions and meetings for opinion exchange with 117 suppliers, instead of visiting them in person. In FY March 2023, during which Mazda was forced to change its production plan due to the spread of COVID-19 and issues with semiconductor procurement, just as in the previous fiscal year, the Company held monthly production trend briefing meetings with member companies of Toyukai Affiliated Corporation*³ to share its views on production trends and to provide related information with the aim of enhancing communication with suppliers. In an environment that has continued to change since the outbreak of the pandemic, Mazda will maintain close communications with all suppliers and aim for mutual prosperity.

Major Channels of Communication with Suppliers

| 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 | 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 | 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 | Mazda also employs a range of other communication channels, by using the in-house "Mazda Technical Review," highlighting new technologies and research. |

*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.

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 <ul style="list-style-type: none"> 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) Supplier meetings (once a year) Production trend briefing meetings (once a month) 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) Website for employees (always) |
| Global society and local communities <ul style="list-style-type: none"> 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 and cooperation 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) Communication through donations, public endorsements, and assistance (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

I 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 2023: around 1,680*1
- New recruits, mid-career hires
 - Team Leaders, Assistant Foremen, Foremen
 - New band 6 employees (manager in charge)
 - New band 5 employees (assistant manager level)
 - Newly appointed senior managers
- Conducting seminars on ESG targeting executives (as needed)

II 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.

I 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 (P119). This provides these employees with opportunities to review their own actions and practices, from the perspective of implementing the Corporate Vision*4 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.

III 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 June 30, 2023)

Mazda continuously makes active efforts to disclose information in response to the requirement from investors and rating organizations for greater scrutiny ESG investment, i.e., investment in companies that consider environment, social, and governance (ESG) viewpoints

▶ Latest information on external evaluations

[Inclusion in key indices]

- MSCI ESG Leaders Indexes (Selected since June 2020)
- FTSE4Good (Selected since March 2011)
- FTSE Blossom Japan Index (Selected since the index was established in July 2017)
- S&P/JPX Carbon Efficient Index (Selected since the index was established in September 2018)
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (Selected since the index was established in February 2023)
- SOMPO Sustainability Index (Selected since the index was established in August 2012)

[Key evaluations]

- CDP Climate Change: B, CDP Water Security: A- (FY March 2023)
- EcoVadis Supply Chain Assessment: Total score of 57 (FY March 2024)



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FTSE4Good



FTSE Blossom Japan



Japan ex-REIT Gender Diversity Tilt Index

*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

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