











MAZDA SUSTAINABILITY REPORT 2023



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ABOUT MAZDA/ EDITORIAL POLICY

I About Mazda

The Origin and Meaning of “Mazda”

The Company's name, “Mazda,” derives from Ahura Mazda, a god of the earliest civilizations in western Asia. The Company has interpreted Ahura Mazda, the god of wisdom, intelligence, and harmony, as a symbol of the origin of both Eastern and Western civilizations, and also as a symbol of automotive culture. It incorporates a desire to achieve world peace and the development of the automobile manufacturing industry. It also derives from the name of the Company's founder, Jujiro Matsuda.

Mazda Brand Symbol

The brand symbol expresses Mazda's dedication to continuous growth and improvement. It is a symbolic development of the Mazda “M,” and shows the Company stretching its wings as it soars into the future (Established in June 1997).



Mazda Corporate Mark

Mazda developed its corporate mark as a symbol for Mazda's communications in 1975. It was later positioned as an easy-to-read corporate mark, in line with the establishment of the brand symbol in 1997 (Established in January 1975).



Mazda Brand Slogan, “Zoom-Zoom”

Mazda's creativity and innovation continuously delivers fun and exhilarating driving experiences to customers who remember the emotion of motion first felt as a child (Announced in April 2002).

I Editorial Policy

- As a complement to the non-financial information provided on the Integrated Report, this report presents result data primarily on Mazda's commitment to sustainability and business activities.
- Aiming to satisfy the needs of readers, Mazda studied the editorial policy and content of this report in reference to the stakeholders' ideas and views obtained through the questionnaire survey and engagements with stakeholders.

Disclaimer: This report includes future projections for Mazda Motor Corporation and its Group companies' performance based on plans, forecasts, management plans, and strategies at the time of publication, in addition to actual past and present facts. Such forward-looking statements are predictions based on information or assumptions available at the time of edit, and may differ from future operational results due to changes in circumstances.

I Report Coverage

Referenced Guidelines

This report has referenced the GRI Standards.

Other guidelines referenced: Japanese Ministry of the Environment's Environmental Reporting Guidelines (2018 Edition), Japanese Ministry of the Environment's Environmental Accounting Guidelines (2005 Edition), ISO 26000.

[GRI Content Index](#)

Period Covered:

The report primarily covers the period from April 2022 through March 2023, although some activities after April 2023 are included.

Organizations Covered:

The entire Mazda Group, including Mazda Motor Corporation and its Group companies, is covered in this report. (Where the reporting item is not applicable to the entire Mazda Group, the organizations covered are specified.)

Date of Publication

Japanese version: October 2023 (The previous report was published in December 2022; the next report will be published in the autumn of 2024.)

English version: December 2023 (The previous report was published in January 2023; the next report will be published in the autumn of 2024.)

I Position of the Sustainability Report

Mazda discloses information in the following formats.*

* If any content errors are found after publication, it will be posted on the MAZDA MOTOR CORPORATION GLOBAL WEBSITE.





MESSAGE FROM THE PRESIDENT

At the heart of our 2030 Vision is our aim to be a company that is trusted and continually chosen by people

The environment surrounding society is currently undergoing significant changes and we are facing uncertain and unpredictable times. Amid these major changes, we remain committed to brand value management and our aim to be a company that is essential to the people of the future and consistently chosen by them. To guide our way, we have adopted the 2030 Vision for Mazda, which describes where we want Mazda to be in the year 2030. To achieve this vision together with all of our stakeholders, we will advance value creation by taking on challenges facing the earth, people and society every day.

For the earth, we are mobilizing our resources to achieve carbon neutrality (CN) across the entire supply chain by 2050. In the areas of cars and technology, we have already disclosed our three-phased electrification strategy for 2030 based on a multi-solution approach that will provide robust and diverse solutions to accommodate various regional customer needs and energy conditions. In Phase 1, we are strengthening technology development in the areas of development and production for the coming era of full electrification. In Phase 2, we will transition towards electrification. In Phase 3, we will commence the full-scale introduction of battery electric vehicles (BEVs). Our goal is to achieve carbon neutrality at our global production facilities by 2035. This initiative is underpinned by three pillars: achieving energy saving, transition to renewable energy and using carbon-neutral fuels. As we advance efforts toward realizing CN, we will continue to strengthen our collaboration with partner companies.

In August 2023, we established our Human Rights Policy. Mazda believes that respecting human rights is fundamental to its corporate activities, and is firmly committed to upholding human rights by not tolerating any form of human rights violations in any of our activities, both internally and externally.

At Mazda, people are our most valuable asset, and the development of each person's abilities and the total sum of their growth are also the source of the company's growth. We will focus more on the front lines where we will foster an organizational culture that supports each and every employee, and we will create an

organization where all employees working hard every day on the front lines of our business and operations can demonstrate their creativity and contribute to value creation. In this way, we will further enhance the value that Mazda provides, offer more uplifting experiences to customers, and contribute to the revitalization of regional communities and economies.

For the benefit of society, we continue to develop advanced driving support technologies based on human research. For example, we are expanding the introduction into the market of our Driver Emergency Assistance (DEA), a system which causes a car to decelerate and stop when the driver becomes incapacitated. We believe that contributing to the creation of a safe and secure society without accidents is an important mandate of Mazda. We will strive to achieve this by continuing to improve autonomous driving technology while listening to the views of not only drivers and passengers but also people and society in general concerning cars and by putting people's happiness first. In addition to developing safety technology, we will work together with local communities and society to achieve "zero fatal accidents."

Corporate governance is an important foundation for implementing our initiatives. The Board of Directors, which consists of 15 directors, includes six outside directors with diverse knowledge and experience, two of whom are female. A female executive officer has also been appointed from within the company.

By promoting diversity in gender, skills and other attributes, we aim to facilitate an open and robust exchange of opinions from various viewpoints, which will lead to further enhancement of Mazda's value creation. Furthermore, we are committed to strict compliance and will continuously reinforce governance to ensure fair, transparent, and prompt decision-making in management.

Mazda will continue to evolve the joy of driving concept in line with the times and contribute to each person's joy of living by delivering moving and emotional experiences. United as one with our group employees, partner companies, and people in communities, we will strive to be a company trusted by society and chosen continuously by future generations.

We will remain steadfast in our efforts to achieve this goal.

A handwritten signature in black ink, appearing to read "Masahiro Moro".

Masahiro Moro
Representative Director, President and CEO
Mazda Motor Corporation

CORPORATE PHILOSOPHY/2030 VISION

CORPORATE PHILOSOPHY

PURPOSE: Enrich life-in-motion for those we serve

PROMISE: Uplifting experiences, emotionally and physically

We uplift the human body, mind and spirit


We uplift communities

VALUES: Radically human/Challenger spirit/Omotenashi

2030 VISION

To be a car-loving company that creates moving experiences
through the “joy of driving”

1. Contribute to a future sustainable Earth by providing multi-solution to mitigate climate change
2. Contribute to a society where everyone feels safe to move freely by providing technology that proactively enhances our well-being
3. Contribute to each person’s “joy of living” by delivering moving and emotional experiences

 For more details on the Corporate Philosophy and 2030 Vision, see the Mazda Integrated Report 2023 (P19–20)


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.

CONTENTS

-  P7 Basic Policy on Sustainability
-  P8 Sustainability Initiatives

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.

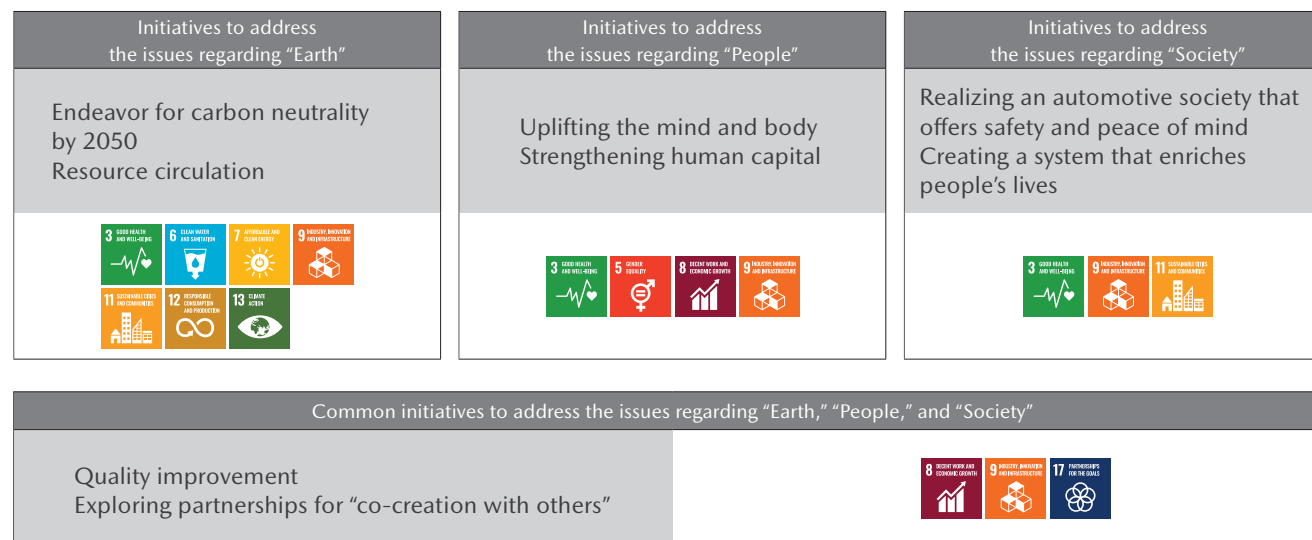
Step 3 Validation

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

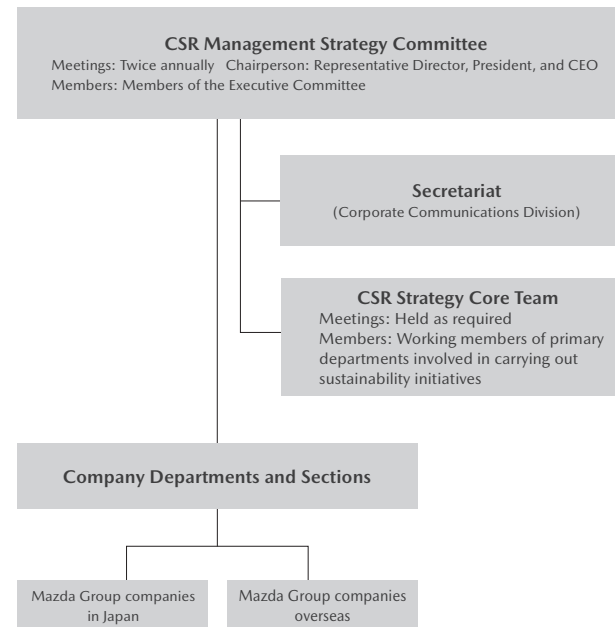
Deliberates the sustainability initiatives that are expected of Mazda from a global perspective, in consideration of changes in social environment.

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

Sustainability Promotion 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.

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

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

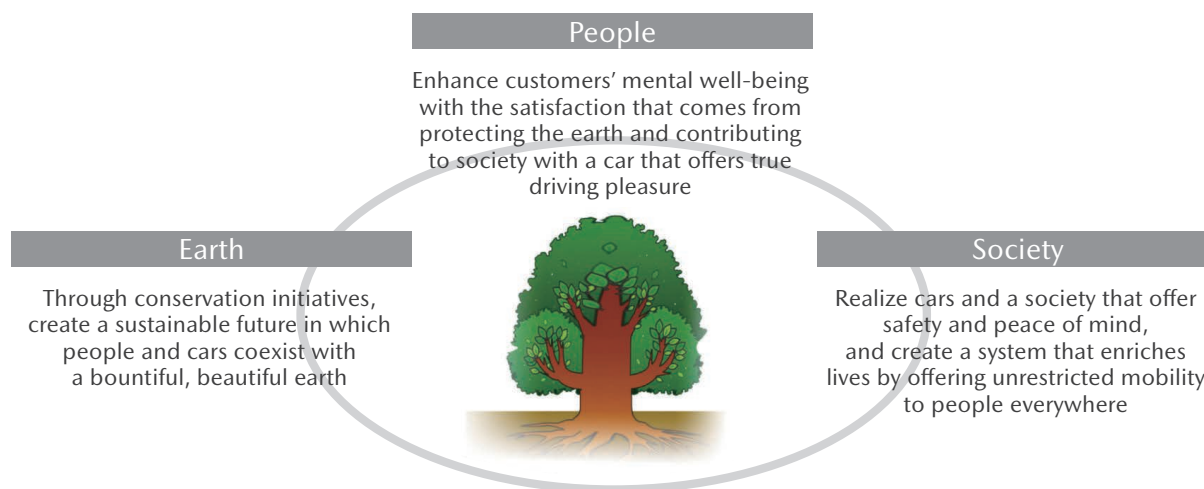
Long-Term Vision for Technology Development “Sustainable Zoom-Zoom 2030”

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.



CHAPTER

2

EARTH

Environmental problems, including global warming, are issues of critical importance for the human race.

Mazda actively adopts initiatives to promote a decarbonized/low-carbon and recycling-oriented society in harmony with nature, in cooperation with local governments, industrial organizations, and non-profit organizations. These efforts are reflected in all of Mazda's corporate activities with the aim of achieving a sustainable society.



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BASIC APPROACH TO ENVIRONMENTAL PROTECTION, AND ENVIRONMENTAL PROMOTION FRAMEWORK

The Mazda Global Environmental Charter

Environmental Principles

The Mazda Group aims to promote environmental protection and contribute to a better society while maintaining harmony with nature in its business activities worldwide.

- We will contribute to society by creating environmentally friendly technologies and products.
- We will use the Earth's resources and energy sparingly and never overlook environmental considerations when conducting our business.
- We will do our part to improve the environment by working with local communities and society.

Action Guidelines

1. Creation of Environmentally Sound Technologies and Products

We are committed to the task of creating clean technologies, including methods to achieve cleaner exhaust emissions and reductions in CO₂ emissions, and the development of clean energy vehicles. We will promote the creation of products that are environmentally friendly from planning and development to manufacturing, use and recycling/disposal.

2. Corporate Activities in Consideration of Conserving Resources and Energy

We will actively promote resource-saving and recycling activities to conserve the Earth's limited resources.
We will strive to diversify energy sources and use them efficiently.
We will promote the appropriate disposal and recycling of end-of-life vehicles.

3. Corporate Activities in Pursuit of a Cleaner Environment

We will comply with environmental laws and regulations, and will also impose voluntary controls for higher standards and implement self-regulated controls.
We will promote the development of new technologies and the introduction of new systems in our pursuit of a cleaner environment.

4. Working with Business Partners to Create a Better Environment

We will actively provide our employees with education and information about environmental protection to enhance their awareness of the global environment.
We will work in close cooperation with each other to achieve better environmental protection.

5. Creating a Better Environment in Cooperation with Local Communities and Society

We will work actively to understand and appreciate society's requirements for the environment and reflect them in our business activities.
We will disclose and publicize environment-related technologies, systems and information.
We will not only conduct our own environmental activities, but will also actively participate in social activities for the conservation of the environment.

(Established in 1992; revised in April 2005)

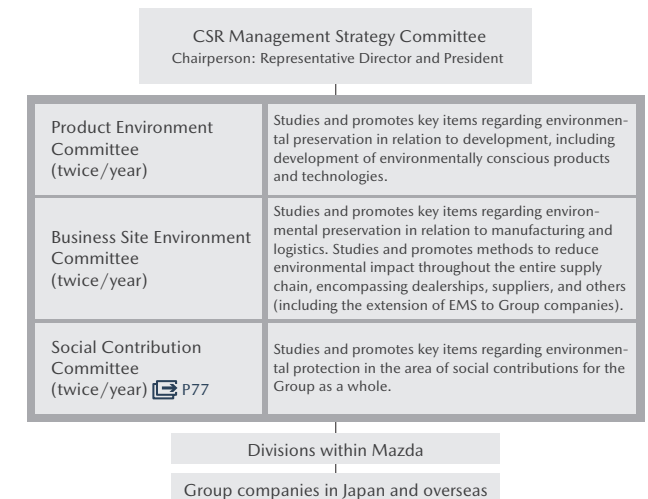
I Philosophy and Policies

Mazda carries out its corporate activities with the aim of fulfilling its Corporate Vision.*1 To this end, Mazda established the Mazda Global Environmental Charter as the basic policy for environmental matters in the Mazda Group. The Charter, which states "The Mazda Group aims to promote environmental protection and contributes to a better society while maintaining harmony with nature in its business activities worldwide," along with the five Action Guidelines forms the basis of Mazda's approach to the environment. The Company carries out corporate activities related to products and technologies; manufacturing, logistics, and office operations; social contributions, respectively in consideration of the environment. The Company also strives to address various social issues, including climate change and resource recycling, while placing emphasis on collaboration with external organizations/international initiatives.*2

I Mazda Environmental Promotion Framework

Mazda has established three committees under the CSR Management Strategy Committee, chaired by the president of the Company, to promote environmental management throughout the Group. These are the Product Environment Committee, the Business Site Environment Committee, and the Social Contribution Committee. Moreover, Mazda is reviewing this promotion framework in order to further strengthen its initiatives.

Mazda Environmental Promotion Framework
(as of March 31, 2023)



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

*2 External organizations/international initiatives in which Mazda participates: subcommittees of the Japan Automobile Manufacturers Association, workshops of Global Compact Network Japan (GCNJ), etc.

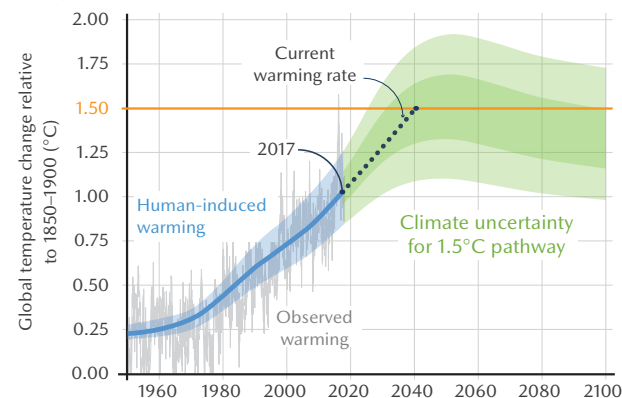
Earth

ENDEAVOR FOR CARBON NEUTRALITY BY 2050

Recognizing Social Issues

The average global temperature has already risen by about 1.0°C from pre-industrial levels. The Special Report on Global Warming of 1.5°C published by the Intergovernmental Panel on Climate Change (IPCC) states that if global warming continues to increase at the current rate and the rise in temperature far exceeds 1.5°C, there will be a significant impact on nature and human activities. The Special Report therefore points out the need to achieve net zero global carbon emissions by around 2050 in order to limit the temperature rise to 1.5°C. In response to the above forecast, 145 countries (including Japan)*1 have declared their intention to achieve carbon neutrality by 2050, with nations around the globe stepping up their measures to design carbon pricing and other mechanisms and invest in the development of energy technologies. In the industrial world, initiatives have been accelerated to change the energy and industrial structures, promote decarbonization throughout the supply chain based on a life cycle assessment (LCA), and encourage the effective use of decarbonization/low-carbonization technologies to reduce greenhouse gas emissions.

Average anthropogenic temperature increase since the industrialization



IPCC "Frequently Asked Questions (P8)", Coordinating Editors: Sarah Connors, Ros Pidcock

Mazda's Approach to Resolving Issues

Reasons for Addressing Social Issues

As for the trends regarding vehicles around 2030, Mazda predicts that the fuel economy of vehicles as a whole will be further improved through the combination of highly efficient combustion engines, electric device technologies, highly efficient transmission systems and reduced body weight. Mazda also foresees technological innovation accelerating in accordance with fuel diversification. In addition, electric vehicles will be selected more often in regions where electricity can be generated with renewable energy or other cleaner sources. Energy decarbonization/low-carbonization and related technologies will be further promoted, which will intensify society-wide efforts to reduce environmental impact toward the achievement of carbon neutrality by 2050. As a proportion of Japan's total CO₂ emissions, the entire transport sector contributes approximately 20%, with the automotive industry accounting for about 90% of CO₂ emissions from the sector. Mazda understands that, as a company belonging to the automotive industry, it has a duty to reduce CO₂ emissions with

the aim of curbing global warming. In order to preserve our beautiful earth for future generations, the Company will advance its initiatives toward the realization of a sustainable mobility society.

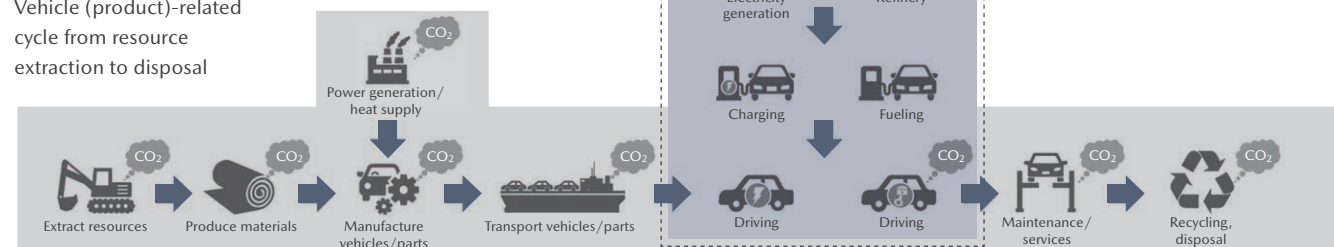
Approach to Resolving Social Issues

Mazda announced that it will endeavor to achieve carbon neutrality for its entire supply chain by 2050. To accomplish this objective, the Company recognizes the importance of reducing CO₂ emissions throughout a vehicle's life cycle. For this reason, Mazda considers it necessary to provide its multi-solution, which enables the Company to offer various power unit choices that adapt to each region's energy sources and power generation methods, from both the perspective of well-to-wheel and the perspective of life cycle assessment (LCA). In manufacturing and logistics, the Mazda Group strives for energy value maximization and energy diversification, aiming to achieve reductions in the global total CO₂ emissions from plants/offices and logistics operations. The Group will continue these efforts, which must be made throughout the entire supply chain, with the cooperation of local governments and other industries.

Mazda's perspective: "Well-to-Wheel" and "LCA"

Life-Cycle

Vehicle (product)-related cycle from resource extraction to disposal



*1 Compiled at the Ministry of Economy, Trade and Industry by counting countries participating in the Climate Ambition Alliance, countries that have expressed their commitment to achieving carbon neutrality by 2050 by submitting long-term strategies to the United Nations, and countries that expressed their commitment to achieving carbon neutrality by 2050 at the Climate Summit in April 2021, COP 26, and other events. (As of October 2022)

Efforts Regarding Product and Technology Development

Approach to Product Environmental Performance

As vehicle ownership continues to expand around the world, automobile manufacturers must redouble their efforts to achieve cleaner exhaust emissions, and improve fuel economy in order to cut CO₂ emissions and help reduce the world's dependence on increasingly scarce fossil fuels. Mazda considers it necessary to develop a multiple-solution approach to automobile-related environmental issues that takes into account various factors such as regional characteristics, vehicle characteristics and types of fuel.

Addressing Global Warming

Mazda sees reducing emissions of CO₂ and other greenhouse gases over the vehicle's entire lifecycle—including manufacturing, use and disposal—as one of its top priorities and a duty of automotive industry. The Company wants to maximize its contribution by considering not only “tank-to-wheel” emissions that occur while driving but also “well-to-wheel” emissions, including fuel extraction, refining and power generation (well-to-tank). Offering a number of powertrain options in consideration of each region's energy sources and power generation methods will allow Mazda to make the optimum contribution to CO₂ emissions reductions by region.

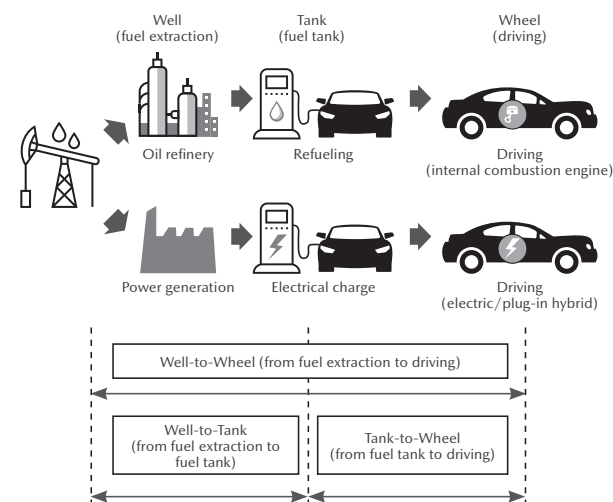
Life Cycle Assessment (LCA)

Life Cycle Assessment (LCA) is a method for calculating and evaluating the environmental influence of vehicles across their entire life cycle through the purchase of materials, manufacture, use, recycling, and final disposal. Since 2009, Mazda has adopted LCA as a means of determining the time required to reduce the environmental impact of vehicles in their life cycle, and has been actively working to reduce the environmental impact at each stage of the life cycle. The Company is also promoting evaluation of the practicability and reliability of new technologies for environmental performance in compliance with the methods specified in the international standards (ISO 14040 and ISO 14044).

The “Well-to-Wheel” Perspective

Make efforts to reduce CO₂ emissions from the perspective of “well-to-wheel,” with the aim of reducing emissions over a vehicle's entire lifecycle.

Conceptual diagram of Well-to-Wheel*

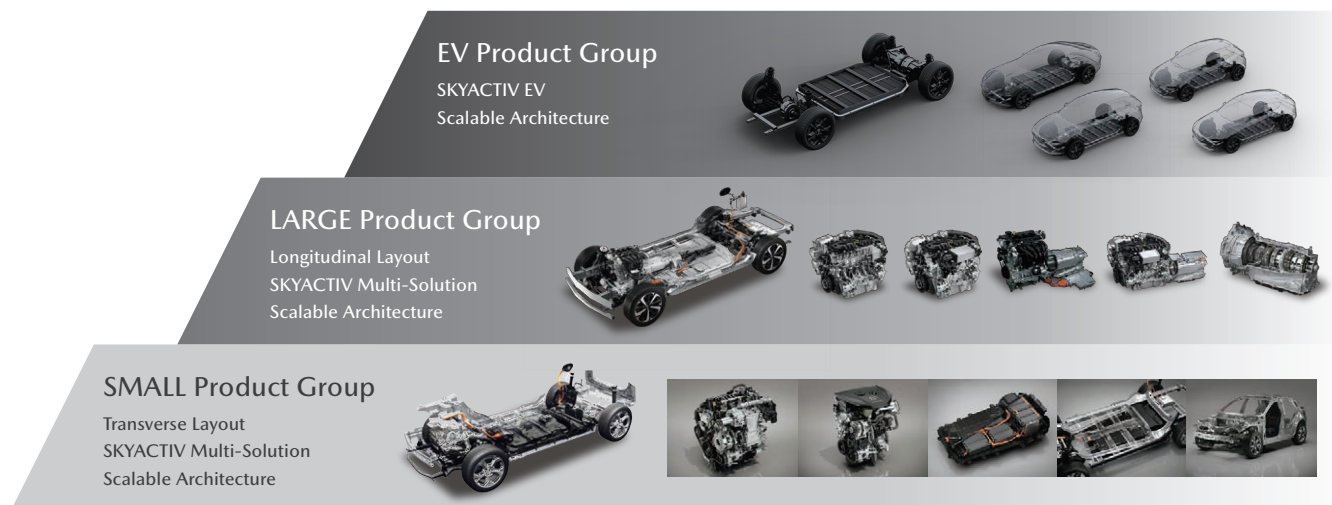


* Where fossil fuel is extracted and used to drive a vehicle.

I Building Block Concept

To realize its goal of reducing CO₂ emissions and raising the average fuel economy of Mazda vehicles, Mazda is rolling out multi-solutions through effective development and production via measures such as bundled planning and common architecture, based on the Building Block concept that enables the Company to efficiently deliver superior technologies by layering fundamental technologies atop one another in stages. Through this Building Block concept and advances in process innovations, such as Model Based Development (P84), and Monotsukuri Innovation (P83), Mazda will, despite limited management resources, offer products and technologies that exceed customers' expectations.

Building Block Concept for Product Technologies



I Continuous Evolution of Skyactiv Technology

The term Skyactiv Technology covers all Mazda's innovative technologies. Mazda redesigned these technologies from scratch, enhancing the efficiency of powertrain components and its electrification, such as the engine and transmission, reducing vehicle body weight, and improving aerodynamics. The number of models featuring Skyactiv Technology has steadily increased globally since the Skyactiv-G engine was introduced in 2011 in the Demio (known as Mazda2 overseas). Mazda is continuously evolving Skyactiv Technology by actively introducing new technologies.

The Latest Skyactiv Technology

- 2019: Introduced new-generation technologies, including the Skyactiv-X engine, set to become the world's first commercial gasoline engine to use compression ignition.*1 This engine is a new internal combustion engine unique to Mazda, which combines the advantages of gasoline and diesel engines to achieve outstanding environmental performance and uncompromised power and acceleration performance.
- 2020: Introduced vehicles newly equipped with its electrification technology, e-Skyactiv. Continued development of Skyactiv Multi-Solution Scalable Architecture, a platform that supports electrification technology.
- 2021: Newly developed e-Skyactiv D equipped with a new straight-six-cylinder engine with large displacement and powerful torque characteristics, as well as a small motor for effective environmental performance, and e-Skyactiv PHEV, Mazda's first plug-in hybrid system.
- 2022: Introduced the Mazda MX-30 e-Skyactiv R-EV, a series-type plug-in hybrid model which can also be used as a battery EV, while keeping the basic value provided by the conventional MX-30. The rotary engine is adopted as a generator, and enables further long-distance driving with the electricity it generates.

*1 As of August 2017, according to Mazda data

Energy Transition up to 2030

During a period of transition to EVs up to around 2030, Mazda sees its Multi-Solution approach as an effective one. Mazda offers a variety of solutions, including internal combustion engines, electrification technologies and alternative fuels, so that it can provide appropriate combinations that suit power generation conditions in each region. On the other hand, Mazda estimates that the EV ratio of its global sales in 2030 will be between 25 and 40%, depending on each country's or region's electrification policies or more stringent regulations. Since the end of 2021, various variable factors became apparent, such as regulatory tendencies, energy crises, and power shortages. Furthermore, it is extremely uncertain how each of these will develop in the future. Mazda must be flexible and adaptive to coming changes, such as changes in regulations, consumer needs and acceptance levels, and infrastructure development. To this end, the Company will steadily work on the transition to electrification in three phases, proceeding with electrification step by step with the cooperation of its partner companies.

- Phase 1 (2022–2024): By fully using its technology assets of multiple electrification technology, Mazda will launch attractive products while also meeting market regulations. In this phase, Mazda will improve profitability with the introduction of large products, offering plug-in hybrids (PHEV) and diesel engines with a mild hybrid system (MHEV) that achieve both environmental and driving performance. In addition, Mazda will develop technologies for battery EV (BEV) in a full-fledged manner.
- Phase 2 (2025–2027): In order to reduce CO₂ by improving fuel economy in the phase of transition to EVs, Mazda will introduce new hybrid systems, further refining its multi-electrification technologies. In addition, Mazda will pursue collaborations with partner companies in areas such as developing highly efficient production technologies for electric drive units and joint development of inverters for the progress of electrification.
- Phase 3 (2028–2030): Mazda moves forward in its efforts for the full-fledged launch of battery EV models, it will also consider the possibilities, including investing in battery production based on the extent of changes in the external environment and progress in strengthening our financial foundation.
Through these three phases, Mazda will steadily push forward with its electrification strategies that adapt to regional characteristics and

environmental needs. In this way, the Company will contribute to tackling major problems facing society, such as global warming.

Electric Vehicles Full of the Joy of Driving

Mazda is also committed to developing electric vehicles (EVs) in line with its “Sustainable Zoom-Zoom 2030” vision. Based on the Well-to-Wheel perspective, the Company believes that its electric driving technology for EVs is the optimal solution for a region with sufficient clean energy resources or a region with air pollution control norms. Mazda is promoting the commercialization of EVs full of the joy of driving in these regions. In addition, from the perspective of a vehicle's life cycle, Mazda desires to contribute to substantive reduction of the global environmental impact by installing appropriately sized batteries. In October 2019, the Company unveiled its first mass-production EV, the MX-30, which was launched globally starting in September 2020.

MX-30
EV Model



VPP Demonstration Experiment for EV Drive Battery Reuse Technologies

Mazda has completed a demonstration experiment*¹—jointly conducted with Chugoku Electric Power Co., Inc., and Meidensha Corporation—to ascertain whether EV batteries can be reused as a resource for virtual power plants (VPPs).*² As part of the demonstration experiment, Mazda was able to acquire the underlying technology needed to aggregate and control multiple EV batteries. The Company also gained data on aspects such as battery responsiveness and degradation properties. Going forward, Mazda will utilize these to investigate new services derived from the fusion of vehicle elements and energy, and continue to contribute to the global environment and local communities.

TOPICS

Mazda's development of vehicle motor technologies is recognized with the Chairman's Award at NEDO's Energy Conservation Technology Development Awards

Mazda has been recognized with the Chairman's Award, a prize only given to the most outstanding companies, at the NEDO 2022 Energy Conservation Technology Development Awards—which is organized by the New Energy and Industrial Technology Development Organization (NEDO)*¹—for its development of vehicle motor variable magnetic field technologies. The technology was highly praised for its ability to vary the size of magnetic fields (conventionally fixed) to respond to driving conditions, and to ensure motor performance for different driving conditions so as to increase the power generated by the motor. It is predicted to improve fuel economy for hybrid vehicles that use conventional motors by 15% (fuel economy as measured using WLTC modes)*² by allowing combination with high-efficiency internal combustion engines, as introducing this technology improves efficiency for the motor's practical range and increases the amount of deceleration energy regeneration. In the future, Mazda will apply this technology to its plug-in hybrids and EVs to extend their operational distances via motor drives, while raising energy efficiency to lessen their environmental impact.

 [Being recognized at the NEDO Energy Conservation Technology Development Awards](#)

*¹ In order to promote economic growth as well as sustainable energy conservation, NEDO welcomes applications from private companies and others working on technical development themes that can contribute to energy conservation, and subsidizes some of their research costs through its Strategic Innovation Program for Energy Conservation Technologies, which runs from FY March 2013 to FY March 2025. The Energy Conservation Technology Development Awards are presented to companies whose results have made an excellent contribution to energy conservation.

*² Worldwide Harmonized Light Vehicles Test Cycle: an international testing method for emissions and fuel economy that consists of different running modes (simulating urban, suburban, and highway driving) with average usage times for each.

*¹ <https://newsroom.mazda.com/ja/publicity/release/2019/201910/191017a.pdf> (Japanese only)

*² A VPP gathers the numerous dispersed power sources owned by general households or factories, such as renewable energy, EVs, and batteries, and integrates and controls them as if they were a single generation plant.

| Promoting Technologies for Carbon-neutral Fuels

Toward the achievement of carbon neutrality (hereinafter “CN”) through its products, Mazda addresses environmental issues based on a multiple-solution approach, by endeavoring to spread carbon-neutral fuels (hydrogen, next-generation biofuel, synthetic fuel, etc.) required to vehicles equipped with internal combustion engines, such as hybrids (HEV) and plug-in hybrids (PHEV), in addition to developing electrification technology for HEV, PHEV and battery electric vehicles (BEV). The Company believes that liquid fuel is valued as a useful energy source for automobiles and other movable bodies for its excellent storability and high energy density, contributing to energy security of the entire society promoted by energy diversification. However, the use of petroleum-based fuels mined from underground increases CO₂ in the atmosphere and contributes to global warming. Next-generation biofuels and synthetic fuels can be used to produce gasoline and diesel substitutes with materials that absorb or recover CO₂ from the environment. Therefore, Mazda believes that the use of these fuels is one of the effective and realistic methods to address environmental issues that can significantly contribute to reducing CO₂ emissions from vehicles including those already sold, without requiring additional infrastructure.

Compatibility with Bioethanol and Biodiesel Mixed Fuel

Mixed fuels, which include bioethanol or biodiesel (fatty acid methyl ester [FAME]) made from plant materials, are used in some regions for their effectiveness in reducing CO₂ emissions. Mazda sells vehicles that are compatible with these fuels.

Efforts for the Spread of Next-generation Automotive Liquid Fuel

Mazda aims to expand the use of next-generation biofuels made from microalgae oil and used edible oil with excellent sustainability since they do not compete with food production and do not cause deforestation, unlike conventional biofuels made from food crops such as corn. Unlike conventional biofuels such as bioethanol and FAME, the next-generation fuels are hydrocarbon fuels equivalent to gasoline and light oil. For this reason, the Company expects them to be able to completely replace petroleum-based fuels.

R&D for Microalgae

In order to achieve mass production of next-generation biofuels in the future, Mazda considers it necessary to promote the mass cultivation of microalgae with a high production capacity per unit area compared to vegetable resources which are the raw materials for edible oils. Toward this goal, the Company is currently promoting R&D for microalgae through industry-academia-government collaboration. In 2017, Mazda opened a joint research course called the “Next-generation Automotive Technology Joint Research Course—Algae Energy Creation Laboratory” at a graduate school of Hiroshima University. Since 2021, with support from the “Program on open innovation platform for industry academia co-creation (COI NEXT),” sponsored by the Japan Science and Technology Agency (JST), research continues into improving algae performance using genome editing technology in collaboration with Hiroshima University and Tokyo Institute of Technology. Alongside these efforts, in 2020, Mazda became a member of the Institute of Microalgae Technology, Japan (IMAT)—which has a site on Osakikamijima-cho in Hiroshima Prefecture, in 2022 it also joined MATSURI (Microalgae Towards Sustainable & Resilient Industry), a consortium whose projects have been selected by the NEDO Green Innovation Fund for support. Mazda continues to work with researchers and other companies to develop industrial uses for microalgae and related technologies.

Demonstration Tests of Next-generation Biodiesel Fuels

Mazda also aims to expand the use of next-generation biofuels by conducting demonstration tests. In 2018, the Hiroshima Council of Automotive Industry-Academia-Government, in which the Company participates, and Euglena Co., Ltd. jointly launched a “Your Green Fuel” project, which established an entire biofuel value chain – from material manufacture and supply to the use of next-generation biodiesel fuels – as a “local production for local consumption model” within the Hiroshima area. Since 2020, Mazda has continued demonstration tests with its company-owned vehicles running on next-generation biodiesel fuels. The Company is increasing such tests of next-generation biodiesel fuels through various activities, including participation in the Super Endurance Race, one of the motorsports in Japan, since 2021, and operation of buses to transport Sanfrece Hiroshima players in home games since 2022.

In cooperation with our partners throughout the entire biofuel value chain, from material purchasing, fuel manufacture, and supply to the use of next-generation biofuels, Mazda will continue its efforts to expand the use of such fuels and other CN fuels.

TOPICS

Technical research into manufacturing bioethanol fuel for vehicles

In March 2023, Mazda announced that it would be joining the Research Association of Biomass Innovation for Next-Generation Automobile Fuels (raBit), an organization formed by ENEOS Corporation, Suzuki Motor Corporation, Subaru Corporation, Daihatsu Motor Co., Ltd., Toyota Motor Corporation, and Toyota Tsusho Corporation. The research on improving production technology for bioethanol fuel and using CO₂ generated during bioethanol fuel production, which the Research Association has been promoting as part of a range of diverse options for achieving carbon neutrality, coincide with the idea promoted by Mazda of providing more options with its multi-solution strategy, and this synchronicity led Mazda to take the step of joining the Research Association.



[Mazda joins Research Association of Biomass Innovation for Next-Generation Automobile Fuels](#)

Participation in Motor Sports with Carbon-neutral Fuels

Toward the achievement of a carbon-neutral society, Mazda uses 100% biomass-derived, next-generation biodiesel fuel made from used edible oil and microalgae oil for racing vehicles equipped with diesel engines, with the aim of spreading the use of next-generation biodiesel fuels. Since 2022, the Company has entered its MAZDA SPIRIT RACING MAZDA2 Bio concept in Super Taikyu Series and in November 2022 participated in the final race at the Suzuka Circuit with a car based on the Mazda3 for the first time. Unlike conventional biodiesel fuels, next-generation biodiesel fuels, which are made from sustainable materials such as used edible oil and microalgae oil, do not compete with food production. Furthermore, they can be used as fuels replacing light oil for exciting vehicles and equipment, without requiring additional infrastructure related to fuel supply, and are expected to be excellent liquid fuels that contribute to CN.

From the summer of 2023 onward, the MAZDA SPIRIT RACING ROADSTER/MX-5 participated in the ST-Q class, and the Company will continue to take on the challenge of successfully trialing carbon-neutral fuels as a replacement for gasoline. Mazda aims to conduct demonstration tests by participating in races with its vehicles running on carbon-neutral fuels, and to contribute to the maintenance and revitalization of motorsports in Japan in addition to the increased use of such fuels.



MAZDA SPIRIT RACING MAZDA2 Bio concept

Development of Resin Material for Auto Parts for Weight Reduction

In addition to Skyactiv Technology, which is developed with the whole concept of weight reduction, Mazda actively adopt new technologies for reducing weights in detailed parts. Mazda will

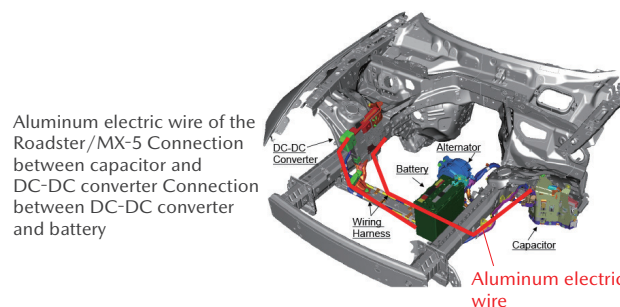
continue to pursue weight reduction by using resin, aluminum, ultra-high-tensile steel and other materials having both lightness and strength.

One of the Lightest Bumpers in Its Class Uses Resin Materials

Mazda has developed a new resin material for auto parts that can maintain the same level of rigidity as conventional materials while trimming vehicle weight. Because the new resin enables the manufacture of thinner parts and thus a significant reduction in the amount of material used, when used for front and rear bumpers, this resulted in the reduction of weight by around 20%. In the manufacturing process, thinner parts have enabled the shortening of cooling time upon shaping and halved the shaping time of bumpers partly due to the utilization of CAE analysis techniques. This resulted in a drastic reduction of the amount of energy used in manufacturing. Mazda further reduced the specific gravity of this new resin bumper by around 4%. The resultant bumper, one of the lightest in its class,*1 has been mounted on a series of new generation models. The new bumper was attached to the CX-30 in FY March 2020, to the MX-30 in FY March 2021, to the CX-5 in FY March 2022, and to the CX-60 and Mazda2 in FY March 2023.

Development of Lightweight Wiring Harness Using Aluminum Electric Wire

Mazda has developed a lightweight wiring harness using aluminum electric wire, which enables the Company to achieve vehicle weight reduction while maintaining connection reliability (quality). Since equipping the Roadster/MX-5, launched in 2015, with this lightweight wiring harness, the Company has been increasing the number of models*2 that incorporate the material. In FY March 2023, the lightweight wiring harness was adopted in the CX-60.



Aluminum electric wire of the Roadster/MX-5 Connection between capacitor and DC-DC converter Connection between DC-DC converter and battery

Taking on the Challenge of Achieving CN at Our Factories around the Globe by 2035

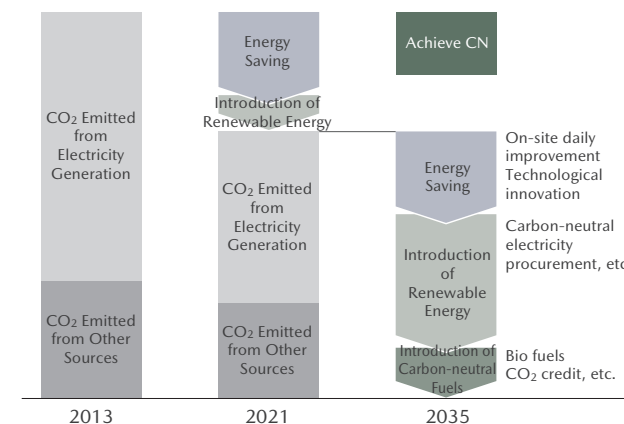
As a milestone on its road to achieving carbon neutrality (hereinafter "CN") throughout the entire supply chain by 2050, Mazda will endeavor to achieve carbon neutrality in its global factories by 2035.

To achieve CN, the Company will promote the following three pillars of its efforts, in collaboration with partner companies. In addition, the Company will promote an optimum approach in overseas factories modeled on initiatives in Japan.

Three Pillars to Achieve CN

- (1) Energy Saving
- (2) Shift to Renewable Energies
- (3) Introduction of Carbon-neutral Fuels for In-house Transportation

Road Map for CO₂ Emissions Reduction



*1 1,500 to 2,000 cc class, as of March 2017, according to Mazda data

*2 Models adopting the lightweight wiring harness (as of September 2023): Roadster/MX-5, Mazda3, CX-30, Mazda6, CX-5, CX-8, CX-9, CX-60, CX-90 and MX-30

Efforts Regarding Manufacturing and Logistics

Mazda promotes the efficient use of energy while aiming to reduce CO₂ emissions in the areas of manufacturing and logistics.

[Manufacturing] Energy-Saving / Measures to Reduce CO₂ Emissions

<FY March 2023 Results (compared with FY March 2014)>

- Total CO₂ emissions from Mazda's four principal domestic sites*¹ reduced by 33.4% compared with FY March 2014 (371 thousand t-CO₂)*²
- Emissions per unit of sales revenue reduced by 54.3% (12.3 t-CO₂/100 million yen)
Production sites in Japan and abroad promote activities to improve the facility operation rate and shorten the cycle time, and take measures to cut losses at each step from production to consumption of energy. Under *Monotsukuri* Innovation, Mazda strives to reduce per-unit energy consumption. The *Monotsukuri* Innovation is the initiative to achieve a breakthrough in "sharing a completely new concept beyond the boundaries of models," in order to improve quality and brand value, as well as to increase profit margins, while flexibly responding to the requirements for the manufacture of several models and changes in production volume. (P83)
- Material: Reduced material weight by using thinner casted and forged parts, and reduced energy consumption by shortening the forging cycle time and downsizing the capacity of melting and heat treatment equipment.
- Processing and assembly: Evolved conventional flexible manufacturing lines to realize higher-efficiency, mixed flow production. Also pursued more efficient manufacturing by ensuring a smooth flow of lines and by consolidating and integrating lines.
- Press: Reduced the amount of scraps generated in manufacturing of press parts, and retrieved parts from scraps to reduce the amount of use of steel sheets. Also achieved multi-pressing, which performs molding of several parts using a single die, resulting in both integration of processes and reduction of energy consumption.
- Paint: Completed the introduction of the Aqua-Tech Paint System, a new water-based painting technology realized through the integration of painting functions and highly efficient painting technologies, into the Hofu Plant No. 2. Also introduced the Aqua-Tech Paint System to global production sites, resulting in reduced energy use and a substantial reduction of VOC (volatile organic compound) emissions.

Use of Renewable Energy

Mazda promotes the use of renewable energy*³ for in-house power.

- Solar panels were installed at the Hiroshima Plant, and operation of the solar power generation system was started in July 2021. The system generated 1.86 GWh in FY March 2023. Electricity generated by this system is used to charge the batteries of MX-30 EV models produced at the plant and for other manufacturing processes there.
- At the Hofu Plant, solar-powered units have been introduced in some corridor lighting.
- A solar power system is installed on the roof of the radio wave experiment building of the Miyoshi Office. The amount of electricity generated by this system in FY March 2023 was 28.3 MWh. Electricity generated by this system is used to provide power and lighting for the building, thereby continuously contributing to the reduction of CO₂ emissions.
- Mazda de Mexico Vehicle Operation (MMVO) in Mexico installed outdoor solar lighting, thereby promoting effective use of renewable energy using solar power and LEDs.

 Amount of electricity generated from renewable energy (P112)



Hiroshima Plant (Head Office) building with solar panels installed on the rooftop



MX-30 EV model being charged

 Photovoltaic Generation Report (Japanese only)

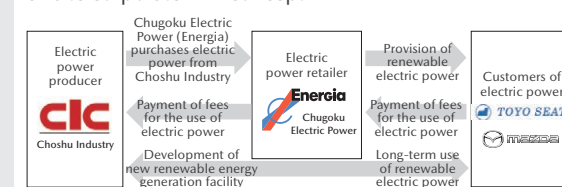
- *1 Head office (Hiroshima); Miyoshi Plant; Hofu Plant, Nishinoura District; Hofu Plant, Nakanoseki District (including non-manufacturing areas such as product development)
- *2 Calculated on a location-based. The emission coefficient used is based on criteria in the Japan Automobile Manufacturers Association's Carbon Neutral Action Plan.
- *3 Refers to natural energy sources that can be used continuously without being depleted, such as electricity generation using solar, wind, geothermal, hydroelectric or biomass power, or direct solar heating. These types of energy generate zero or negligible CO₂ emissions.

TOPICS

Conclusion of offsite corporate PPA on solar power generation with local companies

In March 2023, with an eye to bringing about a carbon-neutral society, Mazda concluded an offsite corporate PPA*¹ to procure electricity from renewable sources with a number of local companies: Toyo Seat Co., Ltd. (hereinafter "Toyo Seat"); Choshu Industry Co., Ltd. (hereinafter "Choshu Industry"); and The Chugoku Electric Power Co., Ltd. (hereinafter "Chugoku Electric Power").*² Under the PPA, Choshu Industry will serve as the electric power producer, with Choshu Industry and Mazda installing new solar power generation facilities on unused land in the Chugoku region, using those facilities to generate electricity, which will then be sold to Chugoku Electric Power. Chugoku Electric Power will then supply this electricity to Toyo Seat and Mazda as a source of renewable energy. This agreement represents the Chugoku region's first offsite corporate PPA involving more than one electric power consumer. From April this year, under the PPA, Chugoku Electric Power will commence, in stages, the supply of approximately 4,900 kW in renewable energy generated by solar panels to plants and other places of business belonging to Toyo Seat and Mazda. These arrangements are expected to reduce annual carbon dioxide emissions by approximately 2,610 tons. The four parties to this agreement, as businesses involved in supplying and consuming electric power, remain committed to encouraging the further use of renewable energy in the Chugoku region, aiming through such activities to make further contributions to the sustainable development of the local economy and the achievement of a carbon-neutral society.

Offsite corporate PPA concept



Conclusion of offsite corporate PPA on solar power generation

- *1. An Offsite Corporate PPA (Power Purchase Agreement) is a long-term contract for the purchase of electric power under which a company producing electric power through solar power generation facilities agrees to provide power generated using those facilities to a designated user or users based in a location separate from the solar power generation facilities, supplying that power to them via an electric power transmission network operated by an electric power retailer.
- *2. In 2022, Japan's Ministry of Economy, Trade and Industry provided subsidies to cover a portion of the expense of installing solar power generation facilities in cases where consumers of electric power coordinated with an electric power producer to establish such facilities. These subsidies are intended to promote such collaborations and encourage wider adoption of independent initiatives to establish renewable energy sources, contributing to a reliable, long-term supply-demand balance in energy use during the period up until 2030, thereby supporting the achievement of ambitious targets for the reduction of greenhouse gas emissions.

TOPICS

Establishment of the Council for Utilizing Namikata Terminal as a Hub for Introducing Fuel Ammonia

In April 2023, Mazda agreed to establish the “Council for Utilizing Namikata Terminal as a Hub for Introducing Fuel Ammonia” (hereinafter referred to as the “Council”) with Shikoku Electric Power Company, Taiyo Oil Company, Taiyo Nippon Sanso Company, Mitsubishi Corporation, Namikata Terminal Company, and Mitsubishi Corporation Clean Energy,^{*1} in order to study the possibility of turning Namikata Terminal,^{*2} located in Imabari City, Ehime Prefecture, into a hub for clean energies. The Council will be served as joint secretariats by Mitsubishi Corporation and Shikoku Electric Power Company. The Council’s agenda will include scheduling, legal and regulatory issues, efficient use of the terminal, measures to grow demand for fuel ammonia in the area and other issues, based on the assumption that the existing LPG tanks owned by Mitsubishi Corporation at the terminal will be converted to ammonia tanks and that the terminal will become a hub handling approximately 1 million tons of ammonia per year by 2030. The Council will work to unite public and private interests to reestablish Namikata Terminal as a clean energy hub, create new clean energy industries in the region, and help the sustainable development of the local economy.



Namikata Terminal

 Establishment of the Council for Utilizing Namikata Terminal as a Hub for Introducing Fuel Ammonia

^{*1} Ehime Prefecture, Imabari City, Saijo City, Niihama City, and Shikokuchuo City also participate as observers.

^{*2} Some petroleum-related facilities of the terminal are owned by Taiyo Oil Company and the others are owned by Mitsubishi Corporation. The terminal is operated by Namikata Terminal Company.

[Logistics] Initiatives for Reducing CO₂ Emissions during Product Shipment

Mazda is working with logistics companies, dealerships, and other automakers throughout Japan to provide customers with the volume they require, with the precise timing they expect, while reducing CO₂ emissions during product shipment through highly efficient logistics across the entire supply chain.

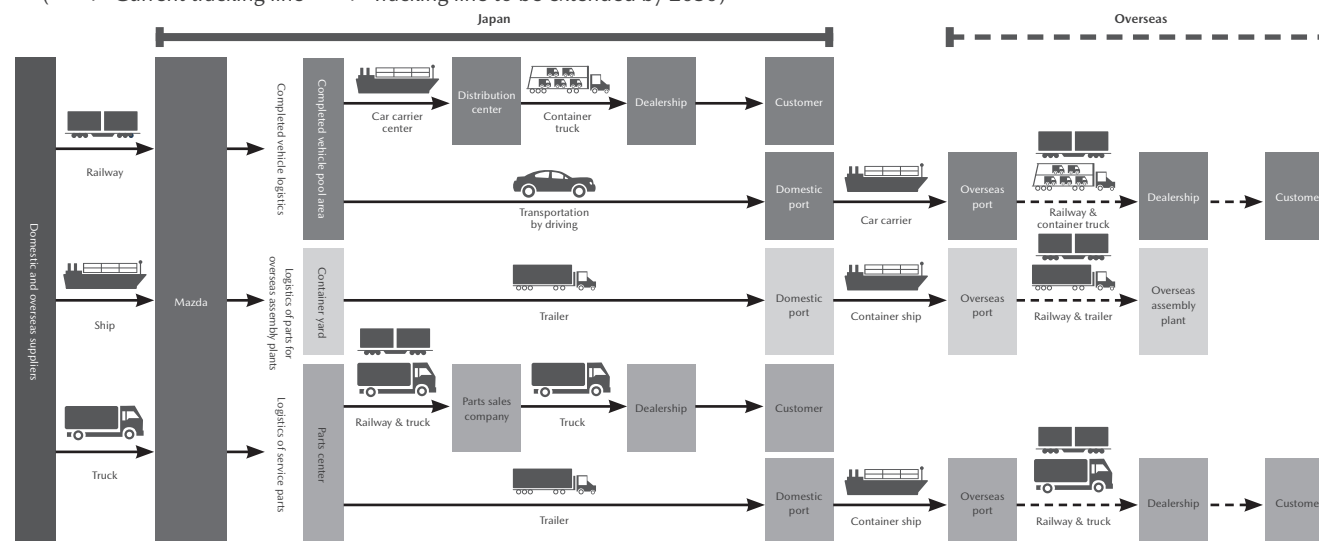
<FY March 2023 Results>

■ Total domestic transportation volume was approximately 460 million ton-kilometers.

In FY March 2023, CO₂ emission per ton-kilometer was reduced by 10.7% compared with FY March 2014 levels.

 CO₂ emissions from logistics (P112)

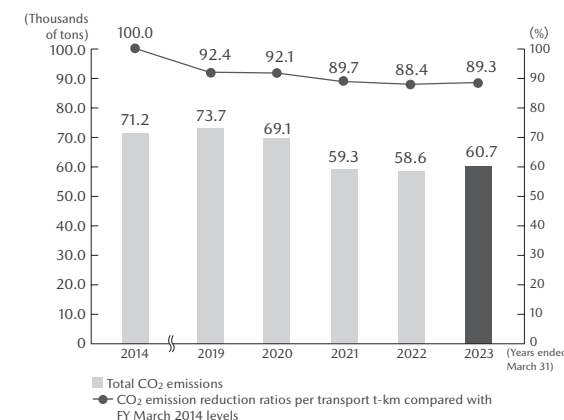
■ Range of the tracking capability for CO₂ emissions in the supply chain
(→ Current tracking line Tracking line to be extended by 2030)



<Specific Initiatives>

In logistics, Mazda continued its efforts to reduce CO₂ emission in the following three fields by visualizing in detail hidden logistics in each process on a global level.

CO₂ Emissions and Reductions for Logistics: Japan



1. Delivering completed vehicles

<Japan/Overseas>

For its domestic marine transport of its vehicles, Mazda is promoting shared transport with other companies to improve transport efficiency and reduce environmental impact. In the case of international marine transport, ensuring ships are fully loaded allows the Company to load more vehicles, but it has also started using new, more environmentally friendly LNG tankers. By actively using these to transport vehicles, Mazda is reducing its CO₂ emissions. Elsewhere, with the aim of further decarbonization going forward, Mazda is moving forward with deliberations and studies with a range of partners—including shipping companies, logistics companies, energy-related companies, and local public organizations—and is continuing in-depth investigations into the technologies, fuels, equipment, and other elements needed to achieve carbon neutrality in the medium or long term.

2. Transport of service parts

<Japan>

Mazda is striving to improve the rate of modal shift regarding the transportation of service parts. The Company has also used large returnable containers, originally introduced to transport parts overseas, for domestic transportation to improve the loading efficiency of JR containers, thereby contributing to the reduction of CO₂ emissions. In FY March 2023, Mazda's railway transportation rate was 25%, reducing CO₂ emissions by around 159 tons. In addition, the Company switched production of replacement bumpers and some sheet metal parts to the Tokai region and eliminated internal transportation, instead sending these directly overseas, without needing to be taken to the Hiroshima Plant first, via Nagoya Port. These measures have reduced CO₂ emissions by around 260 tons.

<Overseas>

The Company shifted the production of replacement bumpers from its Mexican plant to North American plants, where transport volumes are higher, in 2021. This reduced CO₂ emissions by around 150 tons in FY March 2023.

3. Transport of procured parts

<Japan>

For trucks transporting procured parts in Japan, the Company introduced the Cloud-based Transportation/Delivery Progress Management Service for Logistics Operations*¹ in 2016. This has resulted in shorter delivery times during transport, lower costs, and higher quality, but also reduced the burden on drivers, alleviated traffic congestions, and reduced CO₂ emissions due to the more efficient transportation of items. By utilizing this system and reviewing cargo handling operations, Mazda is also working to improve truck turnover rates and reduce truck waiting time in the plants. The Company is working to enlarge the scope of straight logistics—i.e., after the manufacture of parts to be exported to overseas assembly plants is completed, they are packaged and loaded into containers at the same location without the need for shipment between production locations and distribution centers. Now this straight logistics system has been expanded to cover engines, transmissions and auto body parts produced at Hiroshima Plant and the Hofu Plant. In FY March 2023, by applying this system to a broader range of parts destined for the Mexico Plant, the Company reduced CO₂ emissions by around 5 tons. Moreover, using JR cargo transport, introducing full trailer, and by working to investigate the viability of introducing biofuels for delivery trucks, Mazda will aim to achieve carbon neutrality.

<Overseas>

The Company is now introducing new standard containers for parts to be transported in containers from Japan to overseas assembly plants. This makes us possible to eliminate the empty space inside the containers. It also reduces the number of containers and the number of transportation truck services. The Company is also working to reduce the inventory and transportation of unnecessary parts by shipping the parts to overseas plants at the timing they are needed. In addition, for the future, the Company is in discussions with shipping companies to introduce alternative fuels with lower CO₂ emissions to its container carriers. With these steps, the Company expects to reduce CO₂ emissions by around 1,700 tons per year.

TOPICS

Subscription to convertible bonds issued by Euglena Co., Ltd.

Mazda decided to subscribe to unsecured convertible bonds to be issued by Euglena Co., Ltd. ("Euglena"). Mazda will, through the subscription, support Euglena's biofuels business that aims to expand the use of next-generation biofuels. Euglena announced that it had been studying with two leading overseas energy companies the possibility of developing and operating a biorefinery in Malaysia to commercialize its biofuel business as well as increase adoption of next-generation biofuels.

Mazda has set a target of being carbon neutral across its entire supply chain by 2050. The company has been pursuing a multi-solution strategy that will provide a range of available solutions suitable to the specific circumstances of each region. One of these options is the expansion of next-generation biofuels. Mazda has decided to participate in this bond issuance because Mazda believes the project in which Euglena is engaged will promote greater use of next-generation biofuels and significantly contribute to realizing carbon neutrality. Mazda anticipates procuring the next-generation biofuels produced through this project and will give consideration to using the fuel in its internal logistics and other operations.

 [Subscription to Convertible Bonds Issued by Euglena](#)

*¹ The Cloud-based Transportation/Delivery Progress Management Service for Logistics Operators, developed by DOCOMO Systems, Inc.

Response to TCFD

I Basic Approach

In May 2019, Mazda declared its support for the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)*1 and joined the TCFD Consortium,*2 showing its commitment to strengthening its efforts to address climate change. In addition, in January 2021, the Company announced that it would endeavor to achieve carbon neutrality (hereinafter “CN”) throughout the entire supply chain by 2050.

I Governance

Transition Risks

Taking on the challenge of achieving carbon neutrality by 2050, Mazda has assigned a director to oversee its decarbonization strategy and executive officers to be in charge of CN. Under the leadership of a department charged with promoting CN strategy, a specialized team made up of members from multiple departments formulates strategies and implements plans based on the strategies that have been formulated so far. In addition, in order to promote the execution of plans throughout the Company, we have started a management approach that integrates CN initiatives into the existing

ISO 14001 Environmental Management System (EMS). The CN strategies are deliberated*3 at the Executive Committee Meetings and the Board of Directors attended by the representative directors and president. Also, issues concerning sustainability, including the initiative for climate change, are reported to the Board of Directors in a timely and appropriate manner.

Physical Risks

Torrential rain disaster response, which is an acute physical risk associated with climate change, has been managed as part of our Business Continuity Plan (BCP) under our emergency risk management structure. In addition, in response to concerns about storm surges and water depletion, which are chronic physical risks, we are promoting reinforcement of seawall infrastructure and water resources conservation efforts in our operation led by specialized departments.

I Strategy

Based on IPCC and IEA scenarios, policy and regulatory trends, and industry trends, Mazda formulated a scenario based on its own assumptions and recognized the following as the main risks and opportunities.

I Specific Initiatives

Mazda is implementing the following initiatives as part of its efforts to seize opportunities and avoid, or minimize the impact of, the risks it faces.

Acquiring Opportunities and Avoiding Transition Risks

- Enhancing development of electrification technology: Mazda is working toward electrification over three phases that take the Company to 2030 (P16)
- Efforts to expand demand for carbon-neutral electricity in the Chugoku region: At the Carbon Neutral Electricity Promotion Subcommittee, an expert subcommittee of the Chugoku Region Carbon Neutrality Promotion Council that Mazda joined in 2021, the Company has worked with collaboration partners to formulate a roadmap to help spread supply and demand for electricity that comes from renewable energy sources. From 2023 onward, Mazda is carrying out studies to put the roadmap into practice, and is moving toward the implementation stage.

Avoiding or Minimizing Physical Risks

- Development of a system to rapidly respond to damage from torrential rainfall and other disasters:
 - BCP: as part of its BCP, Mazda theorizes natural disasters, and works continuously to improve its response through infrastructure and systems.
 - Supply chain: working with suppliers, Mazda has introduced SCR (Supply Chain Resiliency) Keeper, a supply chain risk management system, and endeavors to quickly gain information on its sites should something occur, and to improve the speed with which it can react.
 - Logistics network: Mazda has developed an emergency communication system with transportation companies, and has ranked the impact posed by typhoons, torrential rains, etc. The Company is putting in place a system that, based on damage-avoidance responses set for each ranking, will maintain cooperation with the production system, while also minimizing the impact on operations.

Major risks and opportunities

Transition Risks	Policy and Legal	• Stricter regulations on fuel economy and exhaust gas emissions, carbon pricing, including introduction of carbon tax
	Technology	• Increase in resources to develop electrification technologies, including electric drive system or batteries
	Market	• Rise in raw material prices for electrification and weight reduction and tight procurement of semiconductor components • Energy price spikes and supply instability due to tight fossil fuel and renewable energy supplies caused by political conditions and market forces
	Reputation	• Implications on investment decisions considering ESG by investors
Physical Risks	Acute	• Damage by torrential rain, production halts caused by supply chain disruptions, health hazards caused by heat waves
	Chronic	• Increasing impact of production halts due to severe and frequent natural disasters, higher frequency of high tide caused by rising sea levels, water resources depletion and rising water prices necessary for operations, spread of tropical diseases
Opportunities	Resource efficiency	• Efficient use of raw materials through thorough material recycling
	Energy Resource	• Stable reception of carbon neutral electricity by promoting the expansion of demand and supply of electricity • Diverse selection of renewable energy sources
	Products and Services, Markets	• Deployment of products that suit each region through Building-Block concept and multi-solution • Diversification of products that adapt to next-generation automobile fuels (alternative fuels such as biofuels, synthetic fuels, etc.) • Expansion of market opportunities through deployment of product that suit each region and diversification of products

*1 TCFD: Task Force on Climate-related Financial Disclosures
A private sector organization set up by the Financial Stability Board (FSB), in response to the request from the G20 Finance Ministers and Central Bank Governors.
*2 An organization established in Japan, aimed at holding discussions regarding climate change on effective corporate information disclosure and efforts for leading disclosed information to appropriate decision-making on investment by financial institutes and other entities. The Ministry of Economy, Trade and Industry, the Financial Services Agency, and the Ministry of the Environment participate in the consortium as observers.
*3 As of June 2023, reported and debated four times at the Board of Directors.

Risk Management

Transition Risks

Major risks and opportunities are identified based on the review of scenarios issued by the International Panel on Climate Change (IPCC) and International Energy Agency (IEA), policies and regulatory trends and industrial trends. A specialist team is implementing the risk identification and assessment process biweekly, sharing the progress of initiatives and toward tackling issues. Strategies reviewed are reported to, and discussed by, the Executive Committee Meeting and Board of Directors, which are attended by the president. Mazda also shares climate-related information with its suppliers periodically through a shared platform.

Physical Risks

Mazda is developing a framework to swiftly respond to damage from exceptionally heavy rainfall and other disasters, and manages such risks within an emergency risk management system that forms part of its Business Continuity Plan (BCP). In addition to these measures, given that the severity and frequency of exceptionally heavy rainfall are increasing in recent years, Mazda strives to improve its ability to gather weather forecast data, and to enable it to make decisions swiftly to respond to disaster, based on preset schedules. The Company also reviews its response to each rainy season, and works to improve its ability to respond.

Metrics and Targets

Global Warming Response

To take on the challenge of achieving carbon neutrality throughout Mazda's entire supply chain by 2050, it will be essential to understand the GHG emissions of Scope 1, 2 and 3. In addition, it is possible that more stringent carbon pricing, including the introduction of carbon taxes, could impact finances. In order to run eco-friendly operations more effectively throughout the Mazda Group and its entire supply chain, the Company has started a management approach that integrates CN initiatives into the existing ISO 14001 Environmental Management System (EMS). In addition, Mazda asks its suppliers to provide it with CO₂ emission data in Scope 1 & 2 as well as logistics at the time of delivery to it (Scope 3 Category 1 for Mazda) every year, and set targets together with them to manage the results.

Conservation of Water Resources

Water is essential in automobile manufacturing processes such as cooling (e.g., cooling furnaces in casting), dilution (diluting the mother liquor used for cutting and cleaning in the machining process), and cleaning (e.g., cleaning car bodies in the painting process). In preparation for potential risks and concerns in future such as water resources depletion and rising water prices, we aim to realize initiatives for the recycling and circulation of water resources at a model plant*1 in Japan by 2030. By 2050, we aim to realize this initiative in our global production processes.

Major Metrics and Targets

Global Warming	
Products	<ul style="list-style-type: none">Target: Achieving carbon neutrality by 2050Medium-term metric in 2030: EV ratio (expecting 100% of Mazda global sales vehicles will be electrified, and the EV ratio will be 25-40%)
Manufacturing	<ul style="list-style-type: none">Target: Achieving carbon neutrality at Mazda's global factories by 2035Metrics: Factory decarbonization progress ratio
Conservation of Water Resources	
Manufacturing	<p>Target: Reducing water intake by the entire Mazda Group companies in Japan by 38% in 2030 compared with 2013</p> <p>Metrics: Water intake reduction ratio</p>

 [Latest information on TCFD](#)

*1 Model plant: A pilot plant where new attempts are made, ahead of other facilities.

Earth

RESOURCE CIRCULATION

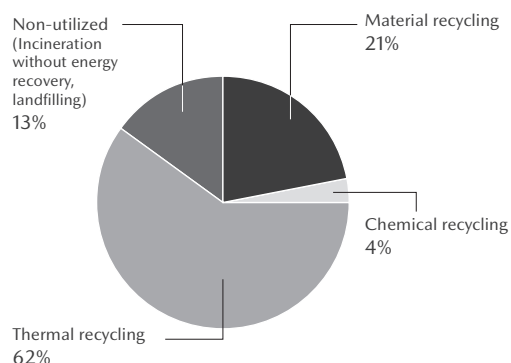
Recognizing Social Issues

Resource Recycling for Materials

In the context of a growing world population, the global community is facing challenges due to an increase in demand for resources and the worsening environmental issues, including the rising amount of waste. To address these challenges, it is necessary to transition to a circular economy that considers medium- and long-term outlooks, but also to promote the conventional 3R (reduce, reuse, and recycle) initiatives in all economic activities.

A circular economy intends to generate new value while reducing resource inputs and consumption and making effective use of social stock. Plastic recycling is indispensable in achieving a circular economy. In Japan, currently an estimated 60% of plastic waste goes through thermal recycling, which means that the waste is combusted in incinerators to produce energy. In Western countries, however, usually combustion is not included in the concept of recycling. Also, a minute amount of dioxin is generated during the process of combustion. For these reasons, companies are required to contribute to the circular use of resources (material recycling/chemical recycling) or the use of biomass plastics.

Breakdown of plastic waste recycling by type (Japan)



The above pie chart was created by Mazda, based on "An Introduction to Plastic Recycling 2023" published by the Plastic Waste Management Institute.

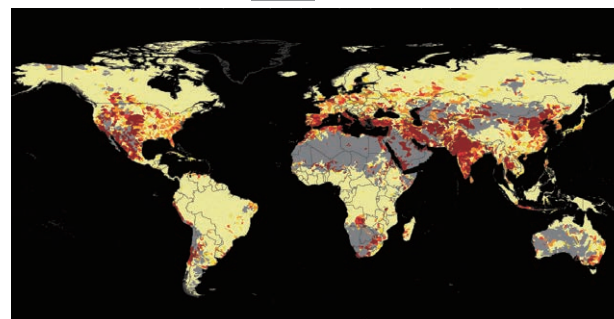
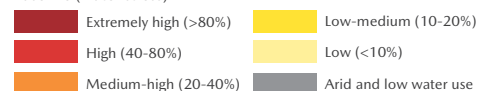
Resource Recycling for Water

Of the total volume of water existing on the earth, only 0.01% is useable by humans. This small amount of water is not distributed around the world, so a number of countries and regions face high water stress.*1

If the earth's temperature continues to increase due to climate change in the future, the sea levels will rise owing to the thermal expansion of the oceans and melting ice caps. This will result in rivers being contaminated with salt water, a rise in groundwater levels and other disasters that will reduce the amount of freshwater available to humans. Meanwhile, the United Nations World Water Development Report 2018 states that by 2050, global demand for water is expected to increase by 20-30% from 2010, driven by population growth, economic development and changing consumption patterns, among other factors. Companies must address the issues regarding global water resources in order to conduct sustainable business activities.

Water stress around the world

Baseline (water stress)



The below figure was created by Mazda under license from the World Resources Institute (WRI).

WRI "25% of the global population faces extremely high water stress each year"

Mazda's Approach to Resolving Issues

Reasons for Addressing Social Issues

Around 2030, Mazda forecasts progress in various initiatives to realize a recycling-oriented society from the perspective of natural capital. This will be achieved through using resources without any losses, promoting the 3Rs to encourage the reuse of water, plastic and other resources, and establishing resource circulation systems, such as a circular economy. Meanwhile, a significant reduction in energy and resource losses throughout the entire vehicle manufacturing supply chain may be expected as a result of efforts to make process more efficient. Dramatic progress will also be made in recycling and waste reduction initiatives through the promotion of the 3Rs and the transition to a circular economy. Aiming to become a company that can coexist in harmony with the earth, Mazda will continue to implement thorough recycling and waste reduction initiatives.

Approach to Resolving Social Issues

To carry out product development and design with consideration for recycling needs, Mazda builds resource-recycling initiatives into every phase of the lifecycle of its vehicles, based on the 3Rs and the circular economy. Many limited resources are used to manufacture vehicles, such as steel, aluminum, plastics and rare metals. At its business sites (areas of manufacturing, logistics, etc.), the Company will push forward with initiatives toward the realization of a recycling-oriented society from two different perspectives shared throughout the entire vehicle supply chain. One is the well-to-wheel perspective, and the other is the global & supply chain perspective.

*1 Term that refers to the ability, or lack thereof, to meet human and ecological demand for water

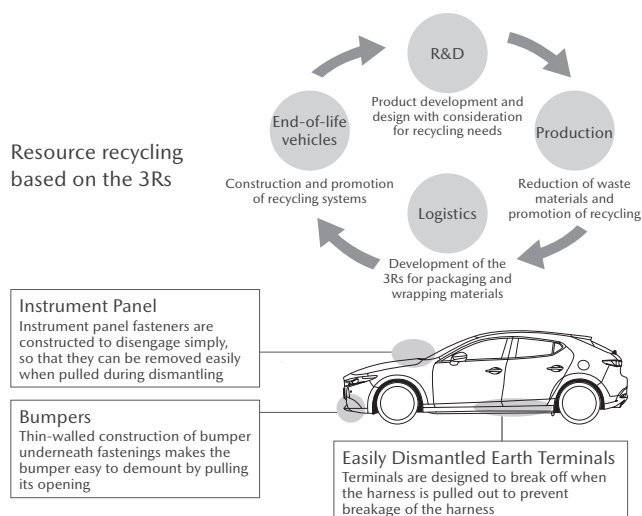
Efforts Regarding Product and Technology Development

Product Development and Design with Consideration for Recycling Needs

Many limited resources are used to manufacture vehicles, such as steel, aluminum, plastics, and rare metals. Mazda is incorporating 3Rs design into all vehicles currently under development to increase the recyclability of its new vehicles.

<Specific Initiatives>

1. Research into vehicle design and dismantling technologies that simplify dismantling and separation, to make recyclable parts and materials easier to remove
2. Use of easily recyclable plastics, which constitute the majority of ASR*1 by weight



Expanded Adoption of Biomaterials

Mazda has been proactively developing plant-derived biomaterials which have the potential to help reduce environmental impact by curbing the use of fossil fuels and CO₂ emissions. In 2006, the Company became the first in the automotive sector to develop high heat-resistant, high-strength bioplastic for vehicle interior parts. In 2007, Mazda succeeded in the development of the world's first*2

biofabric made with completely plant-derived fibers for vehicle seat covers. In 2014, bio-based engineering plastic,*3 suitable also for use in vehicle exterior parts, was developed by the Company, which is currently expanding the adoption of this material.

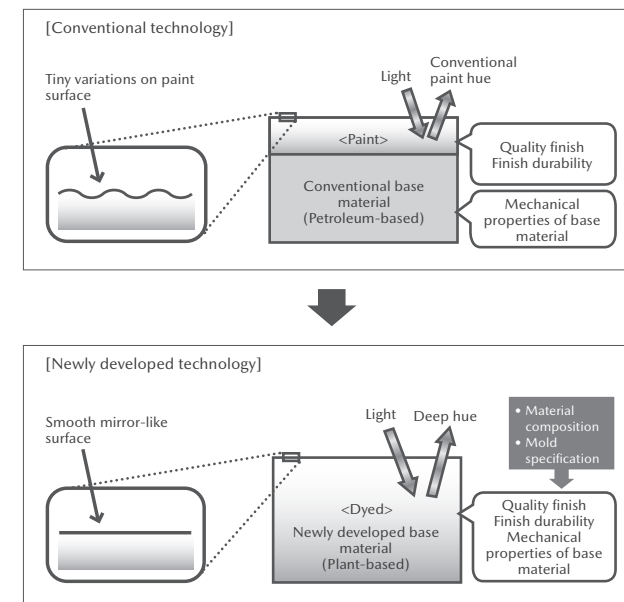
Technology development initiatives related to bio-based engineering plastics

2014: Mazda developed bio-based engineering plastic featuring a high-quality finish without painting. By developing paint-less technology for interior and exterior parts taking advantage of the characteristics of this material, the Company not only secured the excellent environmental performance of the material but also achieved a high-quality finish that could not be achieved with conventional paint, and contributed to environmental protection and production cost reduction by eliminating the painting process.

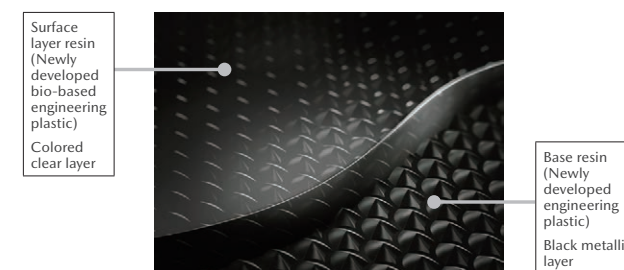
2017: Mazda developed materials suitable for making large, intricately shaped exterior parts, such as front grilles, and optimized the die specifications in order to substantially enhance the formability of these parts. In 2020, the Company received the Award for Science and Technology (Development Category) of the 2020 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology for the development of the above-mentioned bio-based engineering plastic.

2018: Mazda developed a new technology for two-layer molding of pattern designed bio-based engineering plastic, which enables the molding of a transparent surface layer and a base layer with a pattern-engraved surface, both of which are made of environmentally friendly bio-based engineering plastic. The new technology reduces environmental impact while making it possible to provide elaborated, shaded patterns of deep color, which was previously impossible with conventional technology. In 2021, the Company received the Aoki Katashi Innovation Award from the Japan Society of Polymer Processing for the development of the above-mentioned new technology for two-layer molding of pattern designed bio-based engineering plastic. In 2023, Mazda received a METI Minister's Prize at the Ninth Monodzukuri Nippon Grand Awards.

2014: Development of paint-less technology for interior and exterior parts taking advantage of this material



2018: New technology for two-layer molding of pattern designed bio-based engineering plastic
New technology for two-layer molding of pattern designed bio-based engineering plastic: surface view



*1 Automobile Shredder Residue

It refers to the residue remaining after the crushing/shredding of what is left of the vehicle body following the removal of batteries, tires, fluids, and other parts requiring appropriate processing; the removal of engines, bumpers, and other valuable parts; and the separation and recovery of metals.

*2 As of September 2007; according to Mazda data

*3 Bio-based engineering plastic was developed by Mazda Motor Corporation in collaboration with Mitsubishi Chemical Corporation.

Efforts Regarding Production and Logistics

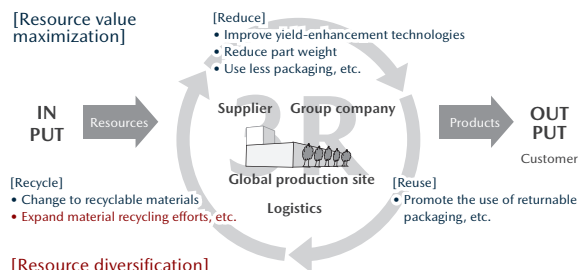
Resource Circulation: Materials

The Mazda Group continues to expand its global efforts for zero emissions and resource recycling, by such means as using resources without any losses, and 3R activities (to reduce, reuse, and recycle resources).

2030	2050
Achieve zero emissions in manufacturing and logistics processes on a global basis. • The status in which landfill waste is reduced to 0.1% or lower of the total waste generated. The Mazda Group companies in Japan achieved zero emissions in 2018	Achieve zero emissions through expanded resource recycling initiatives in manufacturing and logistics processes on a global basis. • Break away from dependence on thermal recycling or other combustion-based recycling methods • Augment material recycling

Ideal vision

[Resource value maximization]



[Resource diversification]

Production Materials: Maintaining the Status of Zero Landfill Waste and Promoting the Reduction of Waste

To reduce landfill waste at its four principal domestic sites*1 to zero, Mazda is promoting reductions in the volume of manufacturing by-products and waste, more rigorous sorting of waste, and recycling. As a result, the Company has achieved zero landfill waste, and has maintained this status from FY March 2009 to FY March 2023. The Company has also achieved material recycling, to ensure that packaging materials used in the vehicle assembly process can be reused as raw materials, by more strictly sorting these packaging materials by ingredient and quality. The amount of waste in FY March 2023 was reduced by 86% compared with FY March 1991 levels. Mazda has been proactively using recycled materials for the plastic pallets used to transport parts overseas. Currently, the Company is continuing studies into using plastic waste generated at its plants as a recycled material for the production of plastic pallets, working to further reduce the amount of waste generated.

Amount of landfill waste, amount of recycled materials, recycling ratio (P113)

Logistic Materials: Reducing Volume of Packaging and Wrapping Materials

Mazda is moving forward with efforts centering on the “3Rs of Mazda logistics” to cut down on resources used for packaging and wrapping. In FY March 2023, the use of packaging and wrapping materials was reduced by 17% compared with FY March 2020 levels.

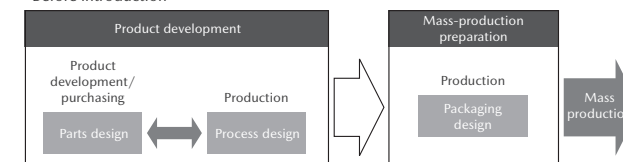
In FY March 2017, departments in the five areas—development, production, procurement (purchasing), logistics and quality—closely worked together to achieve the optimization of parts procurement and vehicle manufacturing, from the stage of product development, and to establish strong cooperation with the supply chain. These efforts resulted in reduced volumes of packaging and wrapping materials, and an increased packaging filling rate. In FY March 2023 as well, these departments worked in close collaboration to improve the packaging filling rate for some parts, and to reduce the volumes of their packaging and wrapping materials. Mazda will continue promoting and expanding these activities that involve efforts in different areas, so as to reduce the consumption of materials. In the area of repair parts for overseas, the Company continues to expand the application of large-size returnable containers, aiming at increasing the container filling rate. By utilizing these containers, Mazda succeeded in reducing the use of packaging and wrapping materials by about 2,100 tons in FY March 2022 and by about 2,700 tons in FY March 2023.

For the parts exported to overseas assembly plants, the Company is now expanding its introduction of new standard containers for parts to be transported in containers from Japan. This makes it possible to eliminate the empty space inside the containers. By improving filling rate inside the container from 70% to 90%, the Company could reduce the number of containers and the number of transportation truck services, thus contributing not only to the reduction of the use of packaging and wrapping materials, but also to the reduction of CO₂ emissions. These activities were rolled out to Mazda Toyota Manufacturing (MTM), which began operations in January 2022. By introducing new standard containers, in FY March 2023, the Company succeeded in reducing the number of containers by about 33, and the use of packaging and wrapping materials by around 1,800 tons. The Company is planning to expand the introduction of the new standard containers to achieve further reductions.

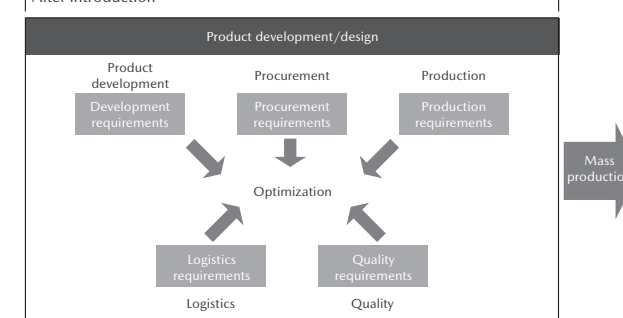
Consumption of wrapping and packaging materials (P113)

Activities Image

Before introduction



After introduction



Introduction of Returnable Containers



*1 Head office (Hiroshima); Miyoshi Plant; Hofu Plant, Nishinoura District; Hofu Plant, Nakanoseki District (including non-manufacturing areas such as product development)

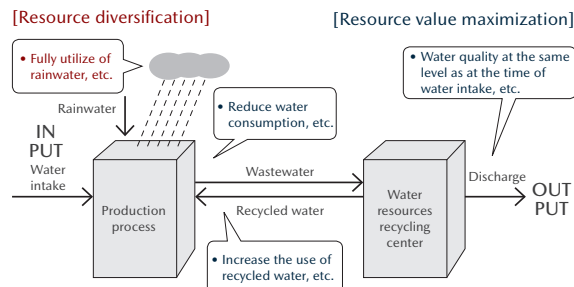
Resource Circulation: Water

To conserve water resources, the Mazda Group promotes activities to eliminate wasteful water use, and circulate water resources by treating used water so that it is the same quality as it was taken from nature.

2030	2050
<p>Implement an optimal approach to water resources recycling and circulation at a model plant* in Japan.</p> <ul style="list-style-type: none"> Fully utilize water without any waste, as a valuable resource that is a natural blessing. Circulate water as a valuable resource that is a natural blessing, by treating used water so that it is the same quality as before it was used, and returning it to nature. 	<p>Implement an optimal approach to water resources recycling and circulation in global manufacturing processes.</p> <ul style="list-style-type: none"> Fully utilize water without any waste, as a valuable resource that is a natural blessing. Circulate water as a valuable resource that is a natural blessing, by treating used water so that it is the same quality as before it was used, and returning it to nature.

* Model plant: A pilot plant where new attempts are made, ahead of other facilities.

Ideal vision

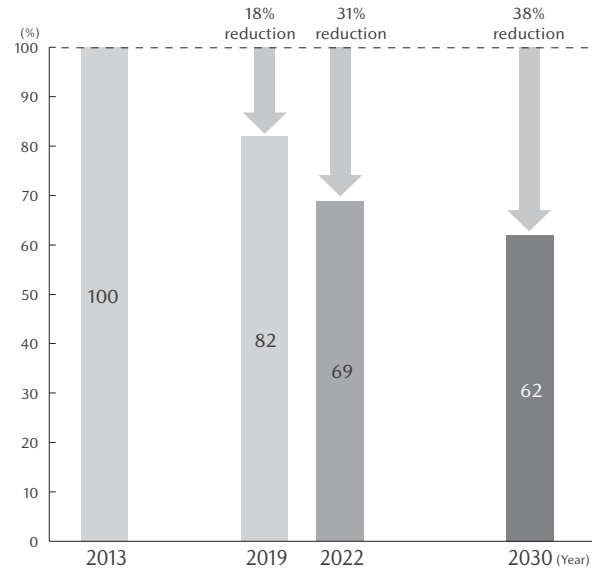


Water Resource Conservation Target

In order to implement its initiative of water resource reuse and recycling at a domestic model plant, the Company has set a target of reducing water intake by the entire Mazda Group in Japan by 38% in 2030 compared with 2013 levels. In order to achieve this target, the Company is planning to reduce the annual water use by 2%. In addition, the Company promotes the further use of rainwater and recycled water.

Water withdrawal and wastewater amount (P114)

Water withdrawal amount by Mazda Group companies in Japan



To Achieve Water Resource Conservation Target

By clarifying input, process, and output of water resource in its business activities, Mazda is promoting initiatives to efficiently use the valuable water (i.e., utilizing water resources without wasteful use), minimizing water usage, and circulating water resources by treating used water so that it is the same quality as when it was taken from nature. To push forward these initiatives, the Water Resource Group*1 was established consisting of members in charge of water resource conservation. The group works on six major themes: "eliminating wasteful use," "reduction," "reuse," "recycling," "utilization of rainwater, water sludge and waste fluid" as well as "building communities and systems and developing human resources" by splitting into two teams to analyze current conditions and to respond to issues identified during that analysis. The Water Resource Group also started sharing information on initiatives at domestic plant with overseas plants, as well as supporting the overseas plants' efforts to address the issues.

- Recycling/Circulation Team: reviews models in the field of wastewater treatment, reviews models and implement trials in the field of water intake

- Use Reduction Team: introduces models and rolls out trial results reviewed by the Recycling/Circulation Team to plants

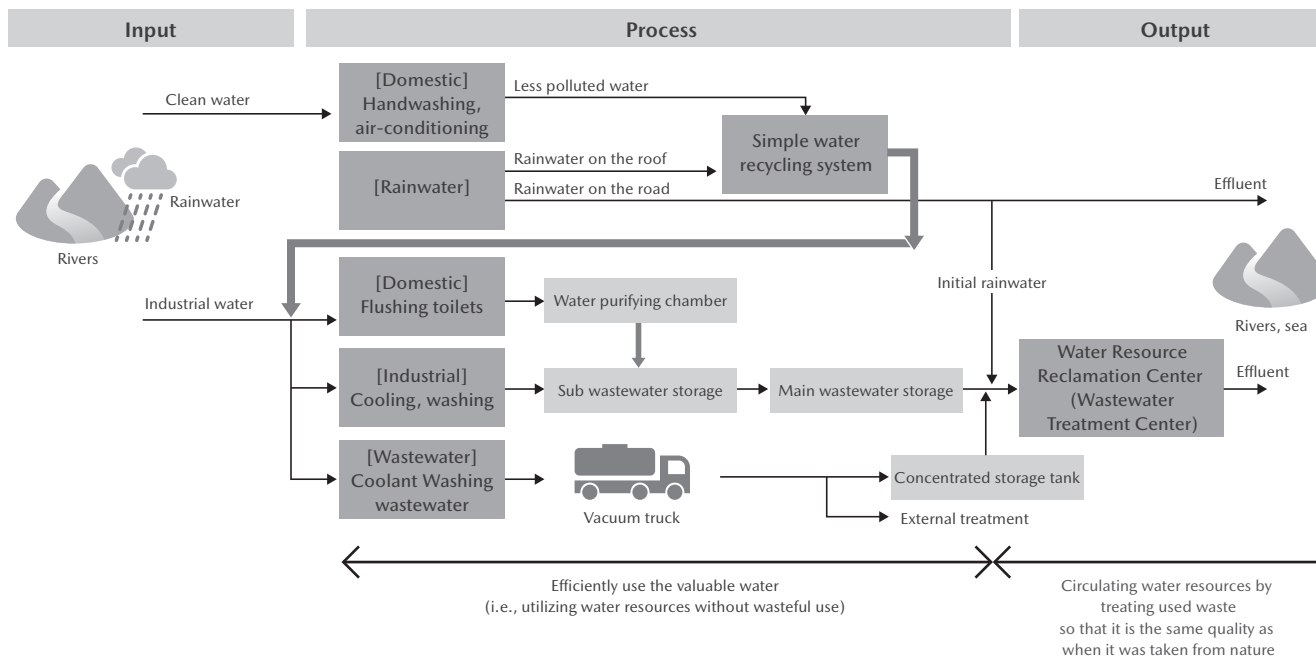
Examples of Efficient Use of Water Resources

[Appropriate use / reuse]

- Appropriate drainage of cooling towers:
Prevention of overflows caused by excessive water supply, and reuse of less polluted water in circulation without draining in accordance with internal standards
- Reducing toilet washing water:
Put a sensor on each toilet that allows flushing only when the sensor senses the existence of the user
- Effective use of electrodeposition paint cooling drainage:
Water used to cool paint is reused in other processes

[Recycling of drain water / utilization of rainwater]

Less-polluted water, such as hand washing water and air-conditioning drainage, is recaptured and recycled with a simple recycling system and used together with stored rainwater for flushing toilets, watering green space, etc., at Mazda sites



*1 A working group affiliated with the Business Site Environment Committee, an organization that studies and promotes environmental protection methods in manufacturing and logistics and reduce environmental impact throughout the entire supply chain.

Initiatives for Collection and Recycling of End-of-Life Vehicles (ELVs) and Used Parts

Around 80% of a vehicle can be recycled. Implementing thorough recycling and waste reduction initiatives to ensure that limited resources are used effectively, Mazda promotes efforts to establish a recycling-oriented society.

Measures in Response to End-of-Life Vehicle Recycling Law in Japan

Mazda properly processes and recycles three designated items (fluorocarbons, airbags, and automobile shredder residue [ASR])^{*1} pursuant to the End-of-Life Vehicle Recycling Law in Japan. In addition, the Company is creating unique technologies and measures to move this recycling program forward. In the case of ASR, Mazda is working through ART,^{*2} a consortium of 13 key companies including Mazda, Nissan Motor Co., Ltd., and Mitsubishi Motors Corporation, to comply with the law and achieve progress in the reuse of resources.

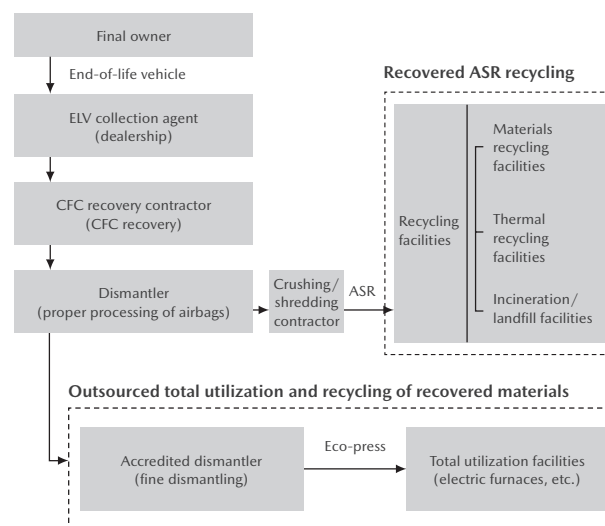
The Company appropriately executes recycling at dealerships. Dealerships collect vehicle recycling fees at the time of sale and receive the ELVs from their final owners in order to transfer them to the disposal processing companies. As for recycling fees, the Company reviewed its fee calculation standard in sequence for new models launched in 2012. The new fee standard is applicable to the Company's new models released after that. While forecasting a future recycling situation, the Company will continue to push forward with its recycling business in such a way to ensure a balance between revenue and expenditures in the medium and long term. The End-of-Life Vehicle Recycling Law was revised in February 2012, and newly designated lithium-ion batteries and nickel-metal hydride batteries as items for advance collection before dismantling of end-of-life vehicles. Mazda is committed to collecting lithium-ion batteries installed in vehicles launched in and after October 2012 through the LiB Joint Collection System of Japan Auto Recycling Partnership, Ltd. The Company also independently collects nickel-metal hydride batteries installed in the Axela (Mazda3 overseas) Hybrid (launched in November 2013).

In order that the related supplier safely recycle vehicles installed with lithium-ion batteries and nickel-metal hydrate batteries as well as deceleration energy regeneration system

capacitor, Mazda published the disposal work procedure on its website and promotes appropriate disposal.

 [Reference website \(Japanese only\) for Mazda's efforts with regard to the End-of-Life Vehicle Recycling Law](#)

End-of-Life Vehicle Recycling Process



Resource Recycling Results in FY March 2023

Number of vehicles from which ASR is collected		113,036 units
Number of vehicles from which airbags are collected		108,127 units
Number of vehicles from which fluorocarbon is collected		107,587 units
Recycling ratio	ASR	96.8%
	Airbags	95.3%
Recycling ratio for ELVs*		More than 99%
Total contracting deposits received		1,380,143,362 yen
Total expenses for recycling		1,350,023,420 yen

(Includes separate cost required at Mazda)

* Recycling ratio for ELVs is the recycling ratio in dismantling/shredder processes of around 83% (cited from the May 2003 joint council data), plus the remaining ASR ratio of 17% multiplied by the ASR recycling rate for the relevant fiscal year.

 [Status of resource recycling initiatives \(Japanese only\)](#)

ASR and the End-of-Life Vehicle Recycling Law in Japan

Disposed vehicles consist of about 80% useful metal and about 20% automotive shredder residue (ASR) that includes resin.

Useful metal is recycled in cooperation with metal recycling-related companies such as dismantlers, crushing/shredding contractors, and steel manufacturers. With regard to ASR, which used to be disposed by landfill, is now subject to the End-of-Life Vehicle Recycling Law, which was enforced in January 2005. This is due to the rise in the risk of illegal dumping of end-of-life vehicles on the back of a surge in disposal costs due to overstressed final landfill sites and weakness in iron scrap prices.

After the enforcement of this law, car manufacturers are required to recycle ASR, chlorofluorocarbons—which lead to global warming and ozone depletion—and airbags—which require specialist knowledge for disposal—under their responsibility, using recycling fees deposited by final owners of the ELVs.

*1 Automobile Shredder Residue


It refers to the residue remaining after the crushing/shredding of what is left of the vehicle body following the removal of batteries, tires, fluids, and other parts requiring appropriate processing; the removal of engines, bumpers, and other valuable parts; and the separation and recovery of metals.

*2 ART: Automobile shredder residue Recycling promotion Team

Promoting Recycling of End-of-Life Vehicles Overseas

Mazda is committed to the recycling of end-of-life vehicles overseas in accordance with the laws in each country and region, under the initiative of the local distributors. As for countries in which recycling-related laws are planned to be established, Mazda is preparing to respond in cooperation with the distributors in such countries.

As well as vehicles for domestic use, in order that the related supplier safely recycle vehicles installed with lithium-ion batteries and capacitors, the Company published the disposal work procedure on its website and promotes appropriate disposal.

 [Reference website for Mazda's efforts with regard to recycling of end-of-life vehicles overseas](#)

Europe

Based on the EU Directive, Mazda Motor Europe provides a dismantling manual to recycling contractors when introducing a new model and has established a network to collect used vehicles from their final owners free of charge, in cooperation with the distributors in each country.

China

A law was enforced in January 2015, in accordance with which local manufacturers are managing substances with environmental impact and developing dismantling manuals.

Promoting the Collection and Recycling of Used Parts in Japan

Mazda is continuously engaged in the recycling of damaged bumpers replaced for repairs as plastic materials for new vehicle bumpers, etc.

- Recycling of damaged bumpers: Mazda collects bumpers removed for repairs at dealerships throughout Japan, and recycles them for reuse as plastic parts (new vehicle bumpers, undercovers, etc.).

In FY March 2023, the Company collected 45,399 bumpers, which were utilized as recycled materials.

 Amount of recycled parts (P113)

ENVIRONMENTAL MANAGEMENT

I Establishing Environmental Management Systems

Mazda is promoting the establishment of Environmental Management Systems (EMS) across its entire supply chain and in all Group companies. The purpose of the EMS is to carry out more environmentally conscious business activities in a more effective manner, based on ISO 14001 and other standards.

Progress Status

- Mazda and Group manufacturing companies in Japan and overseas have now acquired ISO 14001 certification. (Obtained by 14 out of a total of 14 companies)
- Mazda has had dealerships in Japan certified under EcoAction 21 (EA21),*1 an environmental management system. Introduction of the system has been completed at the Company's 15 consolidated dealerships, and is now expanded to owner-managed dealerships. As of the end of March 2023, 25 dealerships of the Mazda/Mazda Enfini sales channel, 114 dealerships of the Mazda Autozam sales channel, and Mazda Chuhan (a used car sales company) have been certified. The dealerships that have already been certified are continuously supporting the introduction of the environmental management system at newly opened shops.
- Mazda has completed introduction of an exclusive Mazda EMS to two Mazda Group vehicle parts companies in Japan.

List of ISO 14001 Certified Production and Business Sites

Domestic production / business sites

Hiroshima district	Hiroshima Plant	June 2000
	Miyoshi Plant	
Hofu Plant	Nishinoura district	September 1998
	Nakanoseki district	September 1999
Tokyo Headquarters		September 2016
Mazda R&D Center Yokohama		
Proving Ground (Mine, Kenbuchi, Nakasatunai)		
Osaka Corporate Sales Office		

Overseas production site

AutoAlliance (Thailand) Co., Ltd.*1	May 2000
Changan Mazda Automobile Co., Ltd.*1	December 2008
Changan Mazda Engine Co., Ltd.*1	February 2009
Mazda de Mexico Vehicle Operation*2	December 2014
Mazda Powertrain Manufacturing (Thailand) Co., Ltd.*2	November 2016

*1 Equity-method group company

*2 Consolidated group company

Four domestic consolidated group companies (excluding sales companies)

Mazda E&T Co., Ltd.*3	June 2000
Mazda Ace Co., Ltd.*3	June 2000
Mazda Logistics Co., Ltd.*3	June 2000
Kurashiki Kako Co., Ltd.	December 2001

*3 Some or all of the organizations at each of the companies above acquired ISO 14001 certification in the certification scope of Mazda.

Four domestic equity-method group companies

Toyo Advanced Technologies Co., Ltd.*4	June 2000
Japan Climate Systems Corporation	May 2000
Yoshiwa Kogyo Co., Ltd.	April 2002
MCM Energy Service Co., Ltd.*5	June 2008

*4 The company was ISO 14001 certified in the certification scope of Mazda. As a separate business facility, the company individually acquired the certification in March 2016. As a separate company, however, the company acquired re-certification in April 2017, resulting in the exclusion of the company from the certification scope of Mazda.

*5 Although the company was inside the certification scope of Mazda, it acquired the certification on its own in March 2013.

I Development of Environmental Policies

In order to promote environmental initiatives within Mazda's scope of certification, the Company has developed the following environmental policy.

Mazda Environmental Policy

Basic Policy

Through business activities that coexist with the society and local community, we will realize the carbon-neutral and recycling-oriented society.

Action guidelines

- (1) Mazda will strive to recycle resources, reduce energy consumption, introduce renewable energy, and conserve biodiversity.
- (2) Mazda will promote the use of environmentally friendly products and services by providing products and services whose life cycle was considered.
- (3) Mazda will not only comply with environmental laws and regulations, but also consider the environmental impact of its corporate activities on local communities and society and ensure the comfortable environment of the society in the future.
- (4) Mazda will raise the environmental awareness of each employee and contribute to the realization of a sustainable society through the Company's entire corporate activities, while placing importance on the appropriate disclosure of information and mutual communication.

*1 Simplified EMS established by the Ministry of the Environment, for application at companies of various scales, such as small to medium-sized companies.

Promoting Green Purchasing

With the aim of reducing the environmental burden throughout its entire supply chain, Mazda established the “Mazda Green Purchasing Guidelines” and engages in operation activities accordingly. These guidelines require all of its suppliers worldwide to undertake measures to reduce their burden on the environment, at all stages from product development to manufacturing and delivery. The guidelines also make it clear that Mazda will give preference in purchasing to suppliers who implement such environmental measures.

Mazda also requires its suppliers of parts, materials, and industrial equipment and tools to obtain and maintain ISO 14001 certification, and to reduce the amount of greenhouse gas emissions generated through their corporate activities. In addition, the Company promotes environmental activities in collaboration with its suppliers by providing them with information and other assistance. Presently, all major suppliers involved in Mazda vehicle development and manufacturing have acquired ISO 14001 certification.

Status of Establishment of Environmental Management Systems (EMS) at Suppliers

- All major suppliers in Japan and abroad with which the Company has ongoing business relationships (around 500 companies), including new suppliers, have maintained certification as of the end of March 2023.
- Under the Mazda Green Purchasing Guidelines, Mazda requires, through primary suppliers, secondary suppliers and the subcontractors to establish EMS.

Collaborative Efforts with Suppliers to Achieve Carbon Neutrality

- Under the Mazda Green Purchasing Guidelines, Mazda asks suppliers to formulate and enact roadmaps to reducing their CO₂ emissions. The Company has received these CO₂ emissions reduction roadmaps from major suppliers, particularly from local suppliers, and collaborative efforts toward carbon neutrality are underway.

Status of Implementation of Environmental Audits

To confirm that environmental management systems, such as ISO 14001 and EcoAction 21, are operating effectively, both internal audits and environmental management system audits (EMS audit) are carried out annually at Mazda and all of its Group companies, both in Japan and overseas, that have obtained certification. Results of internal audits and EMS audits are reported to senior management, and any problems are swiftly and appropriately rectified.

EMS Audit Results on ISO 14001

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Serious noncompliance issues	0	0	0	0	0
Minor noncompliance issues	0	0	0	0	1
Observation issues	6	6	5	5	8

Eliminating Sensory Pollution

Sensory pollution comprises noise, vibration, and odors that have a sensory or psychological impact on people. Mazda recognizes that clearing legal regulations may not be enough to prevent noise, vibration, and odors from annoying neighborhood residents. For this reason, Mazda is systematically stepping up measures to alleviate the causes of such pollution, as well as measures to improve noise insulation and odor removal.

Specific Initiatives in Environmental Risk Management
Environmental Monitoring

Drills are conducted at each plant and office to prepare to respond to accidents that adversely affect the natural environment, while environmental monitoring, including monitoring of air and water pollution, is also conducted regularly.

Legal Violations and Complaints

In FY March 2023, there was one violation of environmental laws and regulations at an overseas group company, and one complaint at a group company in Japan. The Company is taking appropriate actions and is implementing measures to prevent recurrence.

Environmental Monitoring

Environmental monitoring item	Target of monitoring	Items monitored	Monitoring frequency
Air quality	Boilers, melting furnaces, heating furnaces, drying furnaces, etc.	5 items: sulfur oxides, nitrogen oxides, soot, volatile organic compounds, hydrogen chloride	Around 320 times per year
Water quality	Treated wastewater	43 items: cadmium, cyanide, organic phosphorus, lead, hexavalent chromium, etc.	Around 1,600 times per year
Noise and Vibration	Site boundaries	2 items: noise level and vibration level	36 times per year
Odor	Site boundaries and other locations	1 item: odor index	15 times per year
Waste products	Slag, sludge, scrap metal, etc.	25 items: cadmium, cyanide, organic phosphorus, lead, hexavalent chromium, etc.	Around 100 times per year

Legal Violations and Complaints (FY March 2023)

	Mazda Motor Corporation		Group Companies	
	Number of incidents	Details and response	Number of incidents	Details and response
Legal violations	0	-	1	Water quality: implemented remedies for the sources
Complaints	0	-	1	Wastewater discharge: implemented measures to prevent reoccurrence

*Boundary: Mazda and its Group companies

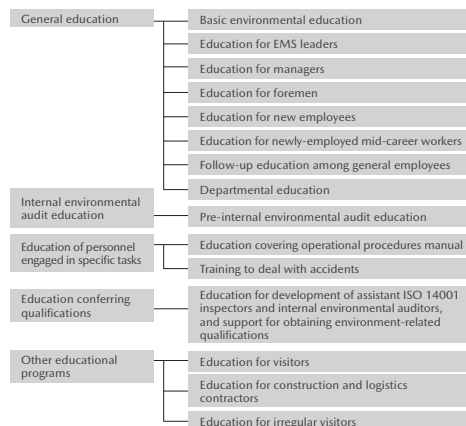
Environmental Education/Education Program Structure

As part of its Environmental Management Systems (EMS), Mazda conducts environmental education—covering topics such as environmental issues, trends inside and outside Japan, the Company’s environmental initiatives, and environmental conservation activities at different workplaces—for all employees once a year, and for EMS leaders twice a year. Mazda also encourages employees to obtain environment-related public qualifications. The Company offers support for employees working toward these qualifications, including financial support through the Mazda Flex Benefit System.*1 In addition, with the goal of raising environmental awareness, Mazda ran a questionnaire that asked employees about the zero-carbon actions they are taking in their daily activities. By explaining zero-action actions, the Company was able to share the latest information with its employees.

*1 This is a selective benefit system. Individual employees can seek the type of assistance that most suits them by choosing from a number of preset benefit options up to the points they have.

Qualifications that Employees Are Encouraged to Obtain:

- Energy attorney
- Head supervisor of pollution control
- Supervisor of air and water pollution control (Class 1 to 4)
- Supervisor of noise- and vibration-related pollution control
- Supervisor of dust and particulate pollution control (Specified, General)
- Supervisor of dioxide pollution control
- Special managing supervisor in charge of industrial waste disposal
- Environmental Society Test (= Eco Test)
- EMS inspector
- Internal environment auditor
- Environment measurer
- Construction environment hygiene control engineer

Environmental
Education
Structure

Routine Environmental Activities

Employees are working on environmentally friendly initiatives through their individual daily tasks.

Reducing Paper Use

Mazda continually makes efforts to considerably reduce the amount of paper used for office work through the digitization of documents, ledger sheets, and other forms, as well as through the use of projectors and monitors at meetings, etc. As part of its recycling efforts, the Company also reuses waste paper (shredder dust) as packaging material for shipping parts, and is increasing efforts to separate the collection of waste paper by type during disposal.

Reducing Energy Use

Through regular initiatives, including purchasing of low-power-consumption office equipment and furniture, and turning off

lights and computers when they are not in use, Mazda makes continual efforts to reduce energy use. Furthermore, Mazda implements a “Cool Biz” program during the summer season every year, setting internal room temperatures at 28°C (82.4°F) on a standard basis. During the winter season when electricity consumption is particularly high, the Company implements a “Warm Biz” program, setting internal room temperatures at 20°C (68°F) on a standard basis.

Eco Walk Commuting Program

In order to raise employees' environmental consciousness and encourage them to take better care of their health, employees who walk two kilometers or more as part of their daily commute to work are rewarded with an addition of 1,500 yen per month to their commuting allowance.

Light-Down Campaign

■ Mazda Light-Down Campaign

To raise environmental awareness, Mazda and its domestic Group companies participated in the Light-Down (i.e., lights-off) Campaign, in which they turned off their signboards and indoor lighting.

These participating sites shut off lighting for two hours from 20:00 to 22:00 on June 21 (summer solstice) and July 7 (Tanabata, or the Star Festival), 2022. This campaign saved about 9 MWh of electricity and around 4 tons of CO₂ emissions.

(No. of participants) Mazda Motor Corporation: 14 sites

Domestic Group companies: 963 sites of 270 companies

This campaign started in 2011 with turning off lights at Mazda's six sites. The 12th event, in 2022, was the biggest yet.

■ WWF's Earth Hour 2023

Mazda and its domestic Group companies supported and participated in Earth Hour 2023 organized by the World Wildlife Fund (WWF), which is the world's largest global warming campaign.

For one hour from 20:30 to 21:30 on March 25, 2023, the participating sites turned off signboards and indoor lighting.

(No. of participants) Mazda Motor Corporation: 12 sites

Domestic Group companies: 701 sites of 127 companies

Mazda also participated in the Earth Hour promotional event held at the Hiroshima Peace Memorial Park as a partner company and streamed the event online.

 For details of the Light-Down Campaign, see Sustainability “Earth: Related Information” (Japanese only)

Environment-Related Accident Emergency Drill and Prevention Campaign

■ Emergency Drill to Prevent Marine Pollution

Mazda's plants are located close to the seas and has a high environmental risk of oil leakage from domestic vessels, etc. For the oil leakage on the sea, the Company has conducting drills based on realistic scenarios to extend oil fence to prevent the spread of oil and collecting oil floating on the sea surface and confirm the effectiveness. In FY March 2024, Mazda resumed drills, after having previously been cancelled due to the COVID-19 pandemic.

■ Campaign for Oil Spill Prevention and Traffic Safety

Jointly with Mazda Logistics Co., Ltd. and several truckload transportation companies, Mazda Motor Corporation conducts an awareness-raising campaign to prevent oil spills on roads during vehicle delivery and improve traffic safety awareness. In this campaign, which are held twice a year, awareness-raising leaflets are distributed to drivers of delivery trucks to the Hiroshima Plant and the Hofu Plant. In doing so, the Company strives to improve such drivers' awareness of the environment and safety and create a system that ensures that employees can make a quick and appropriate response in the event of an accident. As part of prevent oil leakage from occurring, Mazda established a database to visualize maintenance status of each vehicle and information on past environmental defects and allows to timely send information alert message to transportation companies. The system began operation in March 2021. Initially around 38% of vehicles that deployed the MILK-RUN System*¹ adopted the system. As of the end of FY March 2023, around 65% vehicles adopted the system. In future the Company is striving to extend the system to more suppliers to prevent oil leakage from occurring.



Campaign for Oil Spill Prevention and Traffic Safety

*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.

INITIATIVES FOR REDUCING ENVIRONMENTAL IMPACT

Cleaner Emissions

Cleaner Gas Emissions

Mazda is committed to mitigating air pollution from exhaust gas. To this end, the Company is actively developing low-emission vehicles, clearing the emission regulations in each country/region to introduce these vehicles globally.

Emissions Reduction Technologies

Mazda pays attention to global movements toward tighter control of exhaust emissions and fuel economy, market expansion due to rapidly growing emerging countries, and depletion of scarce resources. The Company has developed its unique high-performance, three-way catalytic converters and soot (particulate matter) oxidation catalyst, reducing the use of precious metals and helping to clean exhaust gases.

The Most Recent Emissions Reduction Technologies

Gasoline engines

To clean emissions from both its conventional 2.5-liter straight-4-cylinder engine and its newly developed 3.3-liter straight-6-cylinder gasoline turbo engine, Mazda uses a system based on a three-way catalytic converter. Combined with improved fuel control technologies that increase the speed at which the catalyst activates after starting the engine, or restarting it after a short pause, Mazda has cleared different countries' strict emissions regulations, including SULEV30 regulations in the US.

Diesel engines

To clean emissions from its newly developed 3.3-liter straight-6-cylinder diesel turbo engine, Mazda uses a system based on oxidation catalysts, that also utilizes ceramic filters able to catch, collect, and clean soot. Making use of an original DCPCI (Distribution-Controlled Partially Premixed Compression Ignition) technology developed in pursuit of perfect combustion, as well as larger displacement, this affordable system does not require a NOx purification catalyst to achieve clean emissions that easily clear Japan's RDE (Real Driving Emission) regulations.

Proper Management of Chemical Substances and Heavy Metals

Mazda publishes Management Standards for Environmentally Hazardous Materials, specifying substances and heavy metals whose use in parts and materials it purchases is subject to restrictions (prohibited substances and substances for which reporting is required), to properly control the use of such hazardous materials.

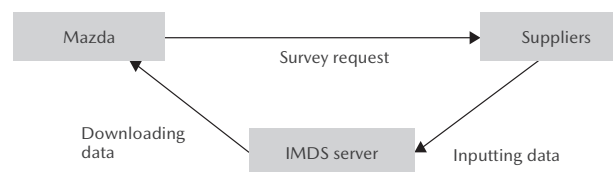
Collection and Management of Automotive Parts Materials

Mazda is working across its entire supply chain to reduce the use of environmentally hazardous materials such as lead, mercury, hexavalent chromium and cadmium. Using the standardized IMDS,*1 international system, the Company gathers information on the materials from suppliers (Met all of the voluntary targets of the Japan Automobile Manufacturers Association, Inc. (JAMA) (reduction of the use of lead and mercury, and prohibition of the use of hexavalent chromium and cadmium) by February 2007, earlier than the scheduled deadlines).

Measures Related to Application of IMDS

- The Company developed and published the guideline that helps suppliers to correctly input IMDS data.
- The data gathered through IMDS is used to calculate the Company's vehicle recycling rate and to comply with various regulatory regimes for chemical materials, such as REACH*2 in Europe.

How IMDS Works



VOC Reductions in Vehicle Cabins

To maintain a comfortable cabin environment, Mazda is committed to reducing VOCs*3 such as formaldehyde, toluene and xylene, which have been implicated as possible causes of sick building syndrome.

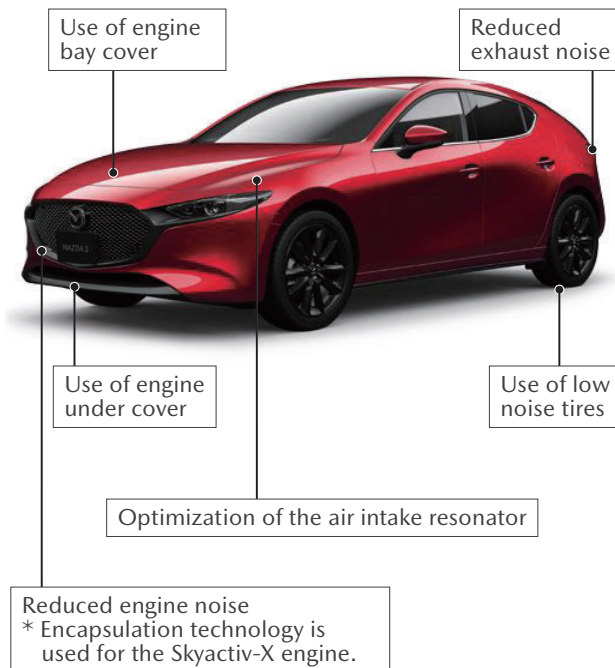
- In new models, starting with the Demio (Mazda2 overseas)*4 launched in 2007, Mazda reduced VOCs in the main materials used in the cabin, such as plastics, paints, and adhesives, thereby conforming with the indoor aerial concentration guidelines established by Japan's Ministry of Health, Labour and Welfare. (The CX-60, introduced in FY March 2023, followed the same guidelines.)

*1 International Material Data System
 *2 Registration, Evaluation, Authorization and Restriction of Chemicals
 *3 Volatile Organic Compounds
 *4 As of 2007

Reduction of Vehicle Noise

Mazda has established its own noise standards which are even stricter than the most recent legal requirements. In compliance with the above in-house standards, the Company has been working to reduce the road traffic noise of all the passenger vehicles and commercial vehicles it produces. The Company has also been actively addressing the development of technologies to reduce the three major vehicle noises: engine noise, air intake/exhaust system noise, and tire noise.

Example of Anti-Noise Measures (Mazda3)



[Manufacturing] Air Pollution Prevention: Actively Adopting Fuels that Reduce Environmental Burdens

Mazda is continuing efforts to reduce the emission of sulfur oxides (SO_x), nitrogen oxides (NO_x), dust and soot, fine particles, vapors, and volatile organic compounds (VOCs). In addition, Mazda is shifting the use of fuel oil to that of city gas and makes other efforts to actively adopt materials that reduce the environmental burden.

NO_x emissions and SO_x emissions (P115)

VOC Reductions: Body-Painting Lines

In FY March 2023, Mazda made steady progress toward achieving the target of reducing VOC emissions from vehicle body paint in body-painting lines to 19.0 g/m² or less. The target was achieved as a result of various measures. Such measures include the Three Layer Wet Paint System introduced as the standard process in all plants in Japan and major plants overseas, the Aqua-Tech Paint System (P19) that delivers world-leading environmental performance, a low-VOC paint that the Company developed and introduced, and improved efficiency in thinner recovery in cleaning operations.

VOC waste emissions (P115)

[Manufacturing] Reducing Emissions of PRTR-Listed Substances

With various efforts, such as the introduction of the Aqua-Tech Paint System into the painting process and improvements to the efficiency of thinner recovery for cleaning operation, in FY March 2023 the amounts of substances that are designated under the PRTR Law*¹ released into the water system and the atmosphere decreased by 80% from FY March 1999 levels to 557 tons. Mazda will continue working to reduce emissions of PRTR-designated substances.

Emissions of PRTR-listed substances (P115)

*1 Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof. PRTR: Pollutant Release and Transfer Register

BIODIVERSITY CONSERVATION

Approach to Biodiversity Conservation

Endorsing the aims of the “Declaration of Biodiversity by Keidanren (the Japan Business Federation),” Mazda promotes initiatives to protect the global environment. In FY March 2012, with the aim of systematically developing its initiatives to protect biodiversity, Mazda conducted an assessment of impacts on biodiversity, and it recognized the significance of the impacts of its business activities and products on the blessings of nature and the environment. In line with this assessment, the Company established the Mazda Biodiversity Guidelines in December 2012 and has been implementing various initiatives through its business activities aiming at contributing to the conservation of biodiversity and creating a rich, sustainable society that ensures harmony between people and nature.

Based on the results of the above assessment of impacts, Mazda takes measures to mitigate its impacts on biodiversity with a particular focus on energy, water and other resources in the areas of products, technology, production, and logistics.

Process for Assessment of Impacts on Biodiversity

Step 1: Selecting an assessment target scope

(The assessment is made for Group companies engaged in automobile-related business, primarily those with major impacts in the value chain in Japan, although the assumed targets also include overseas companies and affiliates.)

Step 2: Assessing the levels of the dependence and impacts on ecosystem services, as well as assessing the threat to biodiversity

Step 3: Identifying business risks and opportunities regarding biodiversity

Step 4: Identifying priority issues and assessing the current situations of the existing responses

Step 5: Identifying a direction for future responses

The Mazda Biodiversity Guidelines

[Basic Approach]

Based on “The Mazda Global Environmental Charter,” the Mazda Group, recognizing the blessings of nature and the significance of environmental impacts, contributes to the conservation of biodiversity through its corporate activities worldwide, with the aim of establishing and developing a rich, sustainable society that ensures harmony between people and nature.

[Priority Initiatives]

1. Creation of Environmentally Sound Technologies and Products

We will encourage the creation of technologies and products considering harmony between the environment and our corporate activities, by developing technologies that contribute to cleaner emission gases, reduction of CO₂ emissions, research and development of clean energy-based vehicles, promotion of recycling and biodiversity.

2. Corporate Activities in Consideration of Conserving Resources and Energy

We will promote reduction of substances with environmental impact and effective use of resources, and contribute to conservation of biodiversity, through efficient energy use and resource-saving/recycling activities.

3. Collaboration/Cooperation with Society and Local Communities

We will promote local community-based activities, by striving to establish collaboration/cooperation with a wide range of stakeholders including supply chains, local governments, communities, NPOs/NGOs, and education and research institutions.

4. Awareness Enhancement and Information Disclosure

We will take active and self-initiative actions and disclose and share the achievements widely to society, by striving to enhance awareness of the importance of coexistence between people and nature.

Established in December 2012

Examples of Initiatives

Creation of Environmentally Sound Technologies and Products	<ul style="list-style-type: none"> Continuous Evolution of Skyactiv Technology (P15) Electric Vehicles (P16) Product Development and Design with Consideration for Recycling Needs (P25)
Corporate Activities in Consideration of Conserving Resources and Energy	<ul style="list-style-type: none"> Improving the facility operation rate and shortening the cycle time in the production process (P19) Assessing and considering the impact on biodiversity when constructing a new plant
Collaboration/Cooperation with Society and Local Communities	<ul style="list-style-type: none"> Promoting the preservation of forests, support for the protection of wildlife, etc.*1 Conducting biodiversity initiatives on Company-owned lands
Awareness Enhancement and Information Disclosure	<ul style="list-style-type: none"> Activities through the Mazda Foundation*2 Promoting awareness of social contribution activities and disclosure of information on these activities Educating employees and raising their awareness Introducing the activities to the inside and outside of the Company through the Mazda Sustainability Report, etc.

*1 <https://www.mazda.com/en/sustainability/social/report/>

*2 Japan <https://mzaidan.mazda.co.jp/> (Japanese only)

United States <https://www.mazdafoundation.org/>

Australia <https://mazdafoundation.org.au/>

New Zealand <https://mazdafoundation.org.nz/>

South Africa is not available now (as of November 2023)

Information Provision

The Biodiversity Newsletter is issued regularly to keep employees up to date on the biodiversity initiatives undertaken on Company-owned lands and biodiversity-related news. A total of 12 issues have been published thus far. The newsletter will continue to be issued so that more employees will become interested in biodiversity.

CHAPTER




3

PEOPLE

While ensuring every individual working together fully demonstrates his/her individuality, Mazda will offer value derived from a human-centered philosophy to continue to create moving experiences that uplift and energize people, bringing more enjoyment to everyday life.



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-  P59 Respect for Human Rights

People

UPLIFTING MIND AND BODY

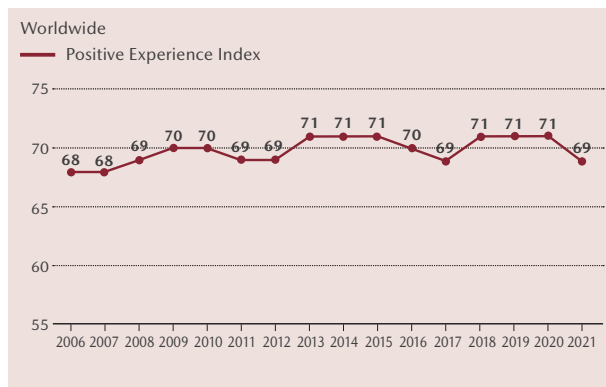
Recognizing Social Issues

The preamble to the Constitution of the World Health Organization (WHO) defines that “Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.” Here, health is expressed with the word “well-being.”

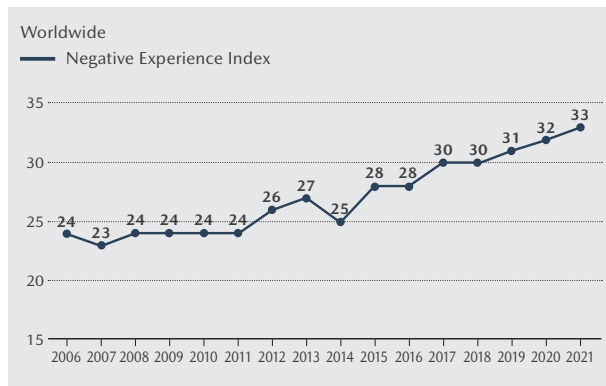
Gallup, Inc. of the United States has conducted an emotional health survey in more than 140 countries and areas. In this survey, respondents’ emotional experiences serve as one of its key measurement indicators.

The survey results revealed that during the period between 2006 and 2021, Positive Experience Index scores (feeling well-rested, feeling treated with respect, laughing and smiling, enjoyment, and learning or doing something interesting) stayed about the same, whereas Negative Experience Index scores (physical pain, worry, sadness, stress, and anger) showed a deteriorating trend since 2015. Presumably, increasing the opportunities for positive experiences will lead to improvement in people’s emotional health in the future. Meanwhile, the industrial world—the information technology industry in particular—has begun to see some companies incorporating the perspective of well-being, which encompasses not only physical health but also mental and social health, into the process of product and technology development.

Positive Experience Index, 2006–2021



Negative Experience Index, 2006–2021



The above graphs were created by Mazda with permission from Gallup, Inc., based on the graphs in the Gallup Global Emotions 2022 report.

[Gallup Global Emotions Report by Gallup, Inc.](#)

Mazda’s Approach to Resolving Issues

Reasons for Addressing Social Issues

Around 2030, Mazda predicts that while people will benefit from the economic affluence achieved by mechanization and automation, they will be less associated with society due to weakening real-world human connections, with reduced opportunities to live spiritually rich lives, realize a society where all people harmoniously coexist, and feel the pleasure of ownership. Furthermore, people may be subject to high stress caused by the vulnerability of the social systems, which will have been optimized to seek higher efficiency.

Given these circumstances, the value of vehicles is expected to become more diversified, so people will select vehicles according to their purpose, e.g., for driving supported by vehicle-infrastructure cooperative systems, for enjoying driving, and for feeling the joy of ownership.

Mazda aims to contribute for uplifting people’s mind and body with a car that offers true joy of driving.

Approach to Resolving Social Issues

Mazda hopes to create moving experiences in driving and mobility for people’s everyday life through its human-centered philosophy.

- Further maturing Mazda’s Kodo design language, which is grounded in a philosophy of bringing cars to life and raises car design to the level of art to enrich people’s emotional lives
- Further pursuing a *Jinba-ittai*—or sense of oneness between driver and vehicle—driving feel, which unlocks people’s potential and uplifts them mentally and physically
- Enhancing events and experiences for customers to build emotional connections with Mazda by providing a comfortable showroom space and through other means

Creating an Emotional Connection with Customers

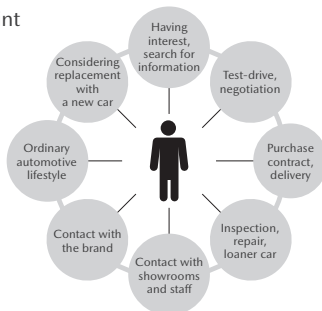
Three Approaches to Establish an Emotional Connection with Customers

To establish an emotional connection with customers, Mazda considers it necessary to take into account all touch points, i.e., not only the period during which customers are in possession of a Mazda vehicle, but also the periods before they purchase the vehicle and after they let go of it. Under this belief, the Company has determined three approaches that sales, marketing, customer services, and other relevant divisions should jointly pursue, based on which the Group companies of each country/region implement specific measures appropriate for their local cultures and environment.

Three approaches

- View customers from a lifelong perspective. In childhood, people ride in their family vehicle, and after growing up, they enjoy owning their own vehicle. Then at an advanced age, they return to riding in someone else's vehicle. It is important to have customers continue to feel close to Mazda and Mazda vehicles over all these years.
- Continuously maintain the relationship. Always provide customers with excitement and stimulation so that customers can feel a stronger connection to Mazda as time proceeds.
- Place particular emphasis on Mazda's uniqueness (e.g., strong attachment to Hiroshima, where Mazda Head Office is located, enthusiasm for offering the joy of driving, etc.).

Every touch point



Approach to Developing Products

In 2017, in light of the rapid changes taking place in the global automotive industry, Mazda announced "Sustainable Zoom-Zoom 2030." This new vision for technology development takes a longer-term perspective and sets out how Mazda will use the joy of driving, the fundamental appeal of the automobile, to help solve issues facing People, the Earth and Society. Mazda aims to offer new forms of car ownership and automobile culture through its unique human-centered approach. To achieve this, Mazda is engaged in various research and development projects.

- Further maturing Mazda's Kodo design language, which is grounded in the philosophy of bringing cars to life and enriching people's lives.
- Developing Skyactiv technologies to further pursue a *Jinba-ittai*—or a sense of oneness between driver and vehicle—driving feel, which unlocks people's potential and provides a mentally and physically revitalizing experience.

Kodo: Soul of Motion Design Philosophy

For Mazda, cars are more than just lumps of metal, they are living, breathing things. The relationship between driver and car is like the emotional connection a rider has with his/her horse. For Mazda, designs that chase this connection are labeled "Kodo design." Kodo design goes deeper than conventional design, and focuses on a "less is more" aesthetic that cherishes space and eliminates non-essential elements to create simplicity of form. The challenge then is to bring the car to life via carefully honed reflections on the body surface.

With the CX-90, launched in 2023, as well as expressing a sense of vitality based on the Kodo Soul of Motion design philosophy, the design showcases a simple form, and dynamic, dignified proportions. The interior, meanwhile, is a well-organized space that oozes quality, and at the same time as interweaving natural materials and the interplay of light, expresses distinctly Japanese aesthetic sensibilities.

CX-90



The Pursuit of *Jinba-ittai*: Skyactiv-Vehicle Dynamics Improves Handling, Comfort, and Stability

Mazda has been pushing ahead with the development of Skyactiv-Vehicle Dynamics, a series of vehicle dynamics control technologies. These technologies provide integrated control of the engine, transmission, chassis, and body to enhance the car's *Jinba-ittai* driving feel—a sense of connectedness between the car and the driver. In July 2016, the Company released the first technology in the Skyactiv-Vehicle Dynamics series, G-Vectoring Control (GVC),*¹ followed by the second technology, G-Vectoring Control Plus (GVC Plus), introduced in October 2018. GVC Plus uses the brakes to add direct yaw moment control. As the driver steers out of a corner by returning the steering wheel to the center position, GVC Plus applies a light braking force to the outer wheels, providing a stabilizing moment that helps restore the vehicle to straight-line running. The system realizes consistently smooth transitions between yaw, roll, and pitch, even under high cornering forces, improving the vehicle's ability to accurately track sudden steering inputs and crisply exit corners. In addition to improving handling in emergency collision avoidance maneuvers, GVC Plus offers a reassuring feeling of control when changing lanes on the highway and when driving on snow or other slippery road surfaces. In FY March 2021, the Company also introduced electric G-Vectoring Control Plus (e-GVC Plus), designed to enhance the consistency of vehicle response to control inputs in all directions and realize seamless transitions between G forces, taking advantage of its electrification technologies.

*1 The world's first control system to vary engine torque in response to steering inputs in order to provide integrated control of lateral and longitudinal acceleration forces and optimize the vertical load on each wheel for smooth and efficient vehicle motion. (As of June 2016 for mass production vehicles, according to in-house investigation)

The Pursuit of *Jinba-ittai*: Skyactiv-Vehicle Architecture Structural Technologies

Skyactiv-Vehicle Architecture is a technology with a focus on the human-centered design philosophy to leverage the human body's inherent ability to balance itself. Mazda reviewed every component and function—seats, body, chassis, NVH performance, etc.—approaching development and commercial implementation from the viewpoint of total vehicle optimization. This technology improves the body's balance in driving operations and allows the driver to control the car more easily, enhancing the ultimate *Jinba-ittai* driving feel.

New Technologies and Values Incorporated in the Skyactiv-Vehicle Architecture for the Large Products Group

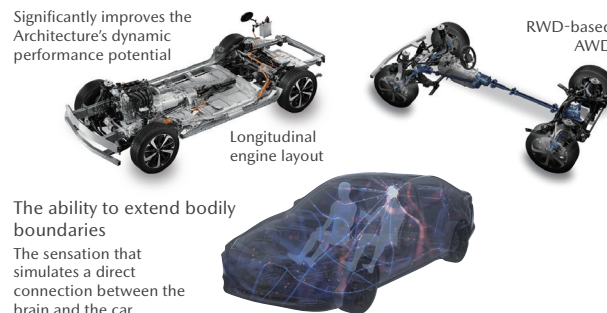
Skyactiv-Vehicle Architecture was first used in the Large Products group in the CX-60. Skyactiv-Vehicle Architecture has elevated Mazda's pursuit of human-centered design to the next level. The longitudinal engine layout was adopted to harness the higher output of the newly developed powertrain, enabling the ideal front-rear weight distribution that maximizes the four wheels' performance. Combined with the RWD-based AWD, which offers both good handling and high stability, the Architecture has significantly enhanced the car's dynamic performance potential.

Mazda also focused on people's "ability to extend bodily boundaries"^{*1} and aimed to allow the ability to manifest itself through driving. The design team took an integrated approach in crafting the car's sounds and handling system so the driver can feel the car's behaviors and experience a sensation as if their brain is directly connected to the vehicle.

The advancement in platform technology introduced in CX-60 to unleash the "ability to extend bodily boundaries" allows the driver to enjoy driving with more confidence by having a continuous sense of connectedness to the car. Passengers also benefit from the improved designs: with the suspension that smoothly controls car body motions, the seating that allows occupants to demonstrate their bodies' balancing capability, and the car body that offers a quiet, high-quality ride, CX-60 provides a comfortable and pleasant travel environment to all passengers, where they would not easily get tired even during long drives.

Longitudinal engine layout × RWD-based AWD

Significantly improves the Architecture's dynamic performance potential



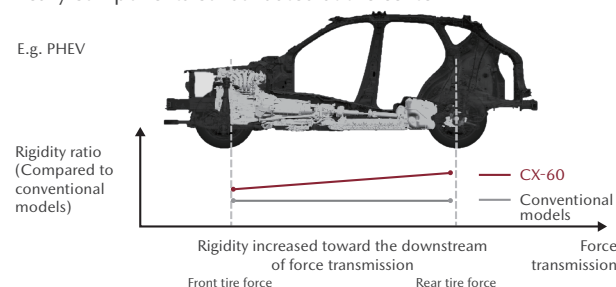
The ability to extend bodily boundaries
The sensation that simulates a direct connection between the brain and the car

1. The force transmission design that provides a sensation of constant synchronization between the vehicle and the driver:

Leveraging the longitudinal engine layout, the powertrain and other heavy components were consolidated at the center, enabling the smooth conversion of wheels' force to cornering motion without delay. Furthermore, the rigidity distribution of the vehicle was comprehensively revised to increase the rigidity toward the downstream as the force is transmitted from the steering wheel to the front tires and to the rear tires. The new design enhances smooth force transmission, enabling the driver to experience an increased sense of connectedness (synchronization) to the vehicle.

Heavy components consolidated at the center

E.g. PHEV

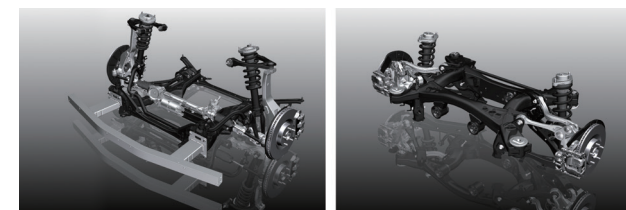


2. Postural design that maintains the sense of synchronization:

To maintain the sense of connectedness (synchronization) between the driver and the vehicle, Mazda introduced a double wishbone suspension system for the front and a full multi-link suspension system for the rear to stabilize the car body's postural changes against external disturbances, including changes in road surfaces.

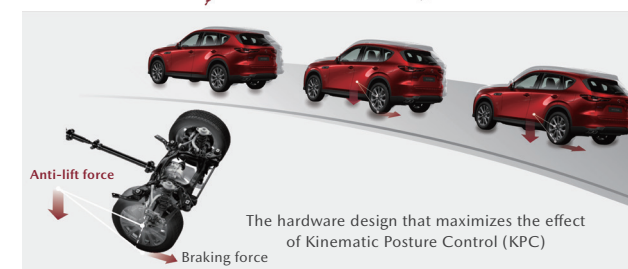
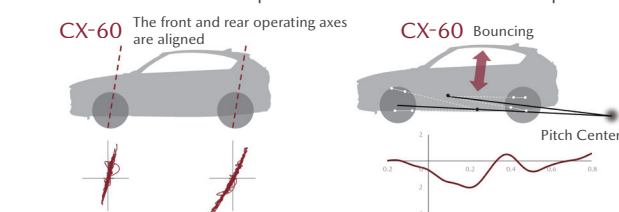
Aligning the front and rear operating axes of the suspensions allows smooth operation from the very first stroke, with springs following the vehicle's cornering force in a simple motion. The suspension systems also convert pitching^{*2} to vertical bouncing to consistently maintain the driver's sense of connectedness to the car, even against external disturbances. The vertical bouncing, combined with the driver's and passengers' seating designed to keep the pelvis upright, enables all car occupants to demonstrate their body balancing capability throughout the travel, mitigating motion sickness and fatigue in longer drives.

The design also maximizes the effects of Kinematic Posture Control (KPC),^{*3} a vehicle dynamics control technology that provides a better sense of connectedness and keeps the car in a more stable posture even during high-speed cornering maneuvers.



Front: Double wishbone suspension

Rear: Full multi-link suspension



*1 Example: The ability to use a tool or a device as an integral part of the human body, such as when using chopsticks.

*2 Seesaw-like behavior

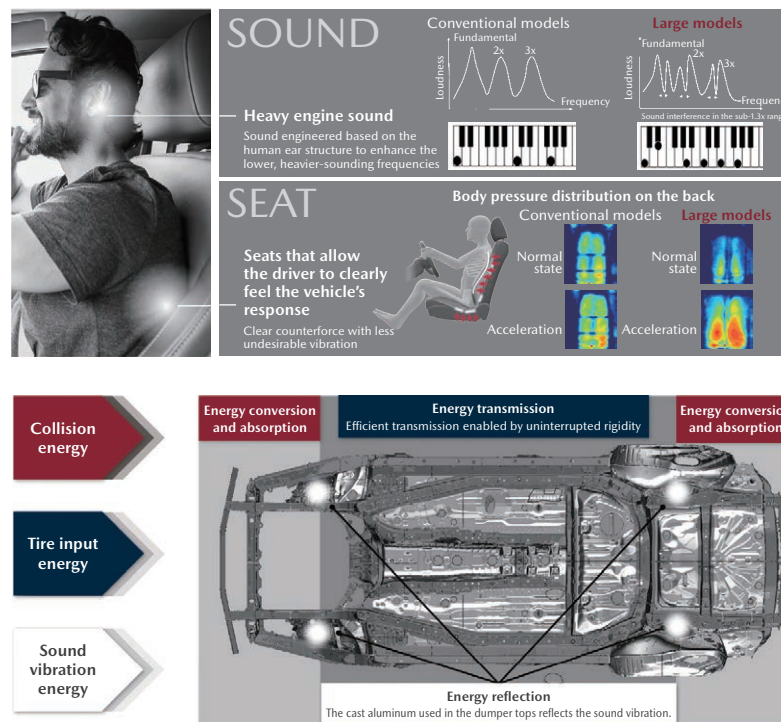
*3 The rear suspension is built in such a way that it generates an anti-lift force when the brakes are applied by light application to the inside back wheel while cornering at higher G-forces, thereby reducing roll and pulling the body down into a more stable position.

3. Feedback design that stimulates all five senses to convey the sense of synchronization:

A feedback design that engages all five senses is critical in providing a sense of connectedness (synchronization) to the car. This time, we focused on the abundance of stimulation via the typical interface between the vehicle and its occupants, such as the seating and the engine sound. The seat pushing the driver from behind as they press down on the gas pedal, the heavy engine sound, and the views outside rapidly changing as the car travels ahead—such stimulations combine to provide excitement and the sense of connectedness to the vehicle.

4. Body design that offers a quiet, high-quality ride:

The straight, uninterrupted skeleton of the longitudinal platform has been fully leveraged in the design to control the three major energies: collision, tire input, and sound vibration. Specifically, the design utilizes the linear front structure to efficiently convert and absorb the collision energy at the front of the damper tops. Furthermore, rigidity is increased behind the damper tops to raise the resonance frequency of the skeleton, enabling efficient transmission of necessary energies and reducing the transmission of vibrations caused by unpleasant frequencies. The damper tops are constructed of cast aluminum to effectively reflect the sound vibration energy off the vehicle body to reduce vibration, simultaneously improving quietness.



Responding to the Diverse Customer Needs

Mazda has been establishing a system to deliver products and services to customers in the most appropriate way taking into consideration the cultures and trends of each country and region. At its R&D centers in Japan, North America, Europe and China, Mazda gathers information about markets and customers around the globe. Through local testing, Mazda develops products and provides services to suit its customers' wide-ranging needs. To effectively enhance its brand awareness among customers, Mazda focuses on promoting an understanding of the Mazda brand's common visions and the Company's spirit of product development and manufacturing, rather than on awareness of individual models.

Examples to Meet Specific Customer Needs

Research and Product Planning Conducted by Female Members

To respond to the increasingly diverse needs of female drivers, a team composed of female members from various departments conducts planning and research on the vehicles which are convenient for them to use.

Customizing Business: Japan

Believing that the development of vehicles serving people with specific needs is essential to a more open and accessible automotive society, Mazda produces a wide range of vehicle types, as described below (as of the end of June 2022).

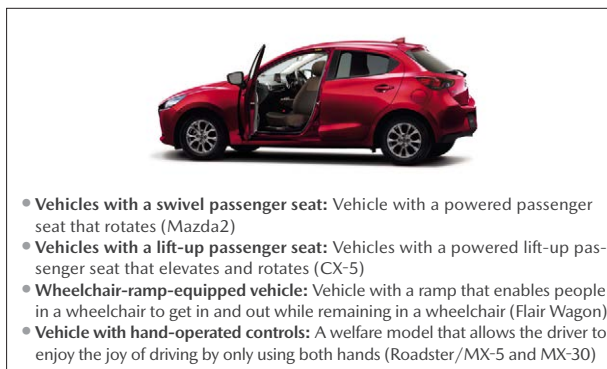
Specially outfitted passenger vehicles	Vehicles for the transportation of COVID-19 patients with mild symptoms	Mazda has developed specially designed vehicles for the transportation of COVID-19 patients with mild symptoms to be used by local governments, companies, etc. Mounted with various accessories to reduce the risk of infection, the specially designed vehicle provides safety and peace of mind to both transport staff and patients.
	Instructional vehicles	Mazda offers its instructional vehicles equipped with various unique features. As the first car that trainees drive in their life, it can help them to feel joy of driving and to acquire correct driving techniques.
	Vehicles for people with special needs	In 1995, Mazda became the first Japanese automaker to launch a vehicle for people with special needs. It was developed with top priority placed on "ease of use and comfort for both care givers and receivers." Furthermore, Mazda is developing Self-empowerment Driving Vehicles, which empower people to travel and act independently, helping them enjoy richer, more fulfilling lives. Mazda is expanding the lineup of such vehicles.
Commercial and specially equipped vehicles		Mazda offers a wide commercial vehicle lineup to respond to various business needs. To satisfy highly specialized needs, the Company has developed the TESMA line of specially equipped vehicles, adapting the Bongo Van and Titan Truck for use as refrigerator trucks, freezer trucks, lift gate trucks, etc.

Mazda instructional vehicle



Mazda instructional vehicles (released in May 2019) pursue the ideal features for instructional vehicles, i.e., being easy to operate for both trainees and trainers, and able to help trainees acquire correct driving techniques and drive more safely and with peace of mind.

Lineup for vehicles for people with special needs (as of the end of June 2022)



- **Vehicles with a swivel passenger seat:** Vehicle with a powered passenger seat that rotates (Mazda2)
- **Vehicles with a lift-up passenger seat:** Vehicles with a powered lift-up passenger seat that elevates and rotates (CX-5)
- **Wheelchair-ramp-equipped vehicle:** Vehicle with a ramp that enables people in a wheelchair to get in and out while remaining in a wheelchair (Flair Wagon)
- **Vehicle with hand-operated controls:** A welfare model that allows the driver to enjoy the joy of driving by only using both hands (Roadster/MX-5 and MX-30)

Self-empowerment Driving Vehicles

Self-empowerment Driving Vehicles were developed to empower people to travel and act independently, helping them enjoy richer, more fulfilling lives.

In developing the vehicle, Mazda interviewed a large group of individuals with lower-limb disabilities about their difficulties. The insight propelled the development forward with the focus on driving, entering the vehicle, and wheelchair loading to solve the common challenges and deliver the joy of driving Mazda has to offer to everyone.

MX-30 Self-empowerment Driving Vehicle, which became available for pre-orders in December 2021, is a vehicle with hand controls that was developed with the concept of helping more people lead their own lives, so that anyone can go where they want, when they want. In other words, so everyone can enjoy exciting lives in which they act and move as they wish. One example of how it does this is the driving system with hand controls. This system allows easy switching between hand-operated and pedal-operated driving, providing an opportunity for people with disabilities to operate the vehicle themselves or take turns with their friends or family members. A Transfer Board that helps a wheelchair user transfer between their wheelchair and the driver's seat is also available. We offer online consultations with our specialists via our official website, who will listen to customers' individual requirements and propose a configuration specifically tailored to the customers' needs. In December 2022, the MX-30 Self-empowerment Driving Vehicle received the Minister of the Economy, Trade and Industry Award at the 57th Promotion of Machine Industry Awards,*1 which is organized by the Japan Society for the Promotion of Machine Industry. Mazda will continue its development efforts to brighten people's lives through car ownership.



MX-30
Self-empowerment
Driving Vehicle

*1 An awards event that recognizes results deemed to have made a remarkable contribution to the progress or development of technologies for the machine industry, whether through outstanding R&D related to the industry or through the practical application of such R&D. Of these, the Minister of the Economy, Trade and Industry Award is the highest award.

Communicating the Mazda Brand and Providing the Brand Experience

Mazda promotes initiatives to provide customers with opportunities to communicate with the Mazda brand and strengthen bonds with Mazda throughout their car ownership. To convey globally consistent visual impressions, the VI (Visual Identity) Guidelines have been established and shared within the entire Mazda Group.

New Concept in Sales Outlets “New-Generation Showrooms”

Starting in FY March 2015, Mazda has been developing a new concept in sales outlets both in Japan and overseas, which is called New-Generation Showrooms, to allow customers to experience the attractiveness of Mazda and its vehicles (231 sales outlets in Japan as of March 2023). Under the supervision of Mazda's Design Division, the showrooms are built in accordance with guidelines specifying three values to provide*¹ and four showroom design concepts.*² Interiors and exteriors are designed using colors of black, white and silver, with black-based facility signs,*³ and as accents, wood is used to form a comfortable space where dignity, high quality and warmth are well-balanced. In FY March 2016 in Japan, Mazda Brand Space Osaka, a showroom directly run by Mazda, was opened and has attracted many visitors. Mazda is also developing New-Generation Showrooms overseas in collaboration with local sales-related Group companies.



[Japan] New-Generation Showroom



[United States] New-Generation Showroom

Membership Website Club Mazda

Club Mazda is a free membership service for which not only Mazda owners, but also anyone with an interest for Mazda, can register. By registering, members can access services related to applications for brochures, test drives, etc., for different models; membership also allows them to receive a wide range of content on areas such as how to better enjoy their vehicle or places to go. Mazda plans to add other membership perks such as information about members-only events, and will support a more fulfilling vehicle ownership experience.

Through the Club, Mazda hopes to strengthen the bond between customers, showrooms, and the Company, and to expand its reach.



- *1 Shop designed with a sense of exhilaration and Mazda uniqueness, new vehicle showroom that highlights the attractive features of Mazda vehicles, and shop layout that can help strengthen bonds with people
- *2 Dignified presence, power to attract people, showing vehicles as attractive and beautiful, with comfortable furniture
- *3 Mazda brand symbol and showroom name that are used at each showroom

Classic Mazda

Thus far, the Classic Mazda website, now in its sixth year, has provided information about restoration services and restoration parts for the first MX-5 (Roadster in Japan) and RX-7, based on the Company's aspiration to foster a society where not only new vehicles but also old vehicles can be valued and contribute to the automobile culture of the world.

Mazda has so far worked on and completed the restoration of 12 vehicles. Mazda's services emphasize sharing thoughts and feelings with customers, and the restoration completion ceremony for the twelfth vehicle was held at the Mazda Museum after its renewal opening. Mazda was pleased to celebrate the start of a new chapter for a MX-5 and its owner.

In conjunction with the release of restoration parts for the RX-7, the website has started a series of articles on the production site of the rotary engine. These articles describe how technology, people, and ambition play central roles in ensuring the continuity of the parts required to maintain the vehicles even after mass production has ended.



 [Classic Mazda website \(Japanese only\)](#)

Building Bonds with Customers through Mazda Official Merchandise

The Mazda Collection, a series of Mazda official merchandise created to commemorate the Company's 100th anniversary, was planned and developed under the supervision of Mazda's Design Division with the aim of bringing the essence of Mazda's world into various aspects of everyday life.

The Mazda 787B 30th Collection, launched in June 2021, focused on how the legendary victory at the 24 Hours of Le Mans is still talked about among the generations even after 30 years. The product lineup includes matching T-shirts for parents and children who wish to reminisce and share the excitement beyond generations.

Mazda Journey is a collection that encapsulates the essence of CX-60, representing the time a Mazda can spend together with a customer as a "journey." It features items that invite owners to go on a journey with their cars, including weekend bags and cushion blankets created in collaboration with a long-established Japanese brand.

Mazda will continue to expand the Mazda Collection to provide opportunities for the customers to feel closer to the Mazda brand and enjoy Mazda's world.



TOPICS

Mazda Spirit Racing GT Cup 2022 E-Sports Tournament

To give people from a wide range of age groups the chance to experience controlling a vehicle and the joy of driving that comes with it through racing, in October 2022 Mazda held an e-sports tournament, the Mazda Spirit Racing GT Cup 2022, for users with access to the Gran Turismo 7 game on PlayStation® 4 or 5.*1 Participants were split into two classes: the Challenge Class for those aged eighteen and over, and the U-17 Class for those aged six to seventeen. Those in the Challenge Class who performed exceptionally well were invited to a real motorsports event, giving them the chance to try their virtual racing skills in the real world. Of those, a select group of races have been chosen to take part in the Mazda Fan Endurance*2 series, which runs from June 2023.

*1 Gran Turismo 7 is on sale from Sony Interactive Entertainment Inc. PlayStation is a registered trademark of Sony Interactive Entertainment Inc.

*2 Mazda Fan Endurance is a registered trademark of B-Sports Corporation.

 [Mazda Spirit Racing GT Cup 2022 E-Sports Tournament](#)



Gran Turismo 7: TM & ©2023 Sony Interactive Entertainment Inc. Developed by Polyphony Digital Inc.

Promoting Activities to Enable Customers to Experience the Joy of Driving

Mazda promotes activities in which everyone, from beginners to advanced drivers, can easily participate, to experience the joy of driving and learn about driving considering safety and the environment. Various events for multiple needs are offered. For example, at circuit events sponsored by Mazda, the Company holds lessons to learn advanced techniques useful in daily driving, and races in which everyone from beginners to advanced drivers can participate. These activities are designed to offer opportunities for customers and employees to communicate, and to further bonds with customers by conveying the joy of driving.

Examples of Mazda-sponsored events:

Mazda Fan Endurance (organizer: Circuit where the event is held, main administrator: B-Sports Corporation)

A circuit event held by Mazda vehicle users. Regular vehicles without any special modifications can participate in this race. To promote safety and environmental awareness, professional driving advisors are stationed at the circuit to give participants advice regarding safe driving, and refueling is prohibited during the race, as a way to encourage better fuel economy.



Mazda Fan Endurance
(With a total of 646 participants in 6 races in FY March 2023)

Mazda Driving Academy (organizers: B-Sports Corporation / Fuji International Speedway Co., Ltd.)

A driving lesson event to teach participants driving theory and skills so that they can enjoy driving safely and with peace of mind in everyday life and lead a fulfilling life. As lessons are conducted using a circuit, participants can experience driving, turning and stopping in a way that they cannot do on ordinary roads. In addition, Mazda instructors give participants advice on the correct driving posture and how to drive the car smoothly at low speed.



Mazda Driving Academy
(FY March 2023: 136 participants in 7 events)

Realizing Customer Services That Provide Close Support

Mazda’s customer support aims to spur a positive change in customers’ lives through our interactions, inspiring customers to discover small, unexpected happiness and surprise in their daily lives. To achieve this, we are challenging ourselves to create such life-style-changing opportunities for customers on top of our ongoing efforts to provide a safer, more secure, and comfortable ownership experience.

Understanding customers’ difficulties and expectations are crucial in successfully leading this initiative.

In addition to the fundamental efforts to develop and provide service/repair tools and service manuals and establish parts supply networks, Mazda is working with dealerships in Japan and overseas to reform operations, create new touch points with customers, and cultivate human resources capable of considering and acting toward customers’ happiness.

Tools / Service Manuals	<ul style="list-style-type: none"> Establishing an internet-based support system, which enables quick and efficient access to the latest service manuals, as well as efficient search for and ordering of parts Deploying unique malfunction diagnostic devices that are compatible with the sophisticated electronic control systems adopted in a wide range of safety and environmental technologies Providing information on special tools dedicated to Mazda vehicles and their usage
Human Resources Development	<ul style="list-style-type: none"> Operating dedicated training centers in major countries and regions, and stationing instructors who are well-versed in the local culture. By incorporating ingenuity in the development and production fields into new machinery and technical training, the Company is promoting the development of human resources globally. Mazda has also introduced remote access tools as an additional form of training, and this has satisfied the needs of those requiring training and improved training efficiency Holding global events to congratulate winners of the Service Skills Competitions in each country to help foster individual growth, motivation, and pride among employees

I Activities to Improve Service Operations

For Mazda to provide services that cater to individual customer needs and wishes, the Company is working on activities to improve its service operations that are led by showrooms, with the aim of greater service quality and ease of working for employees.

In 2021, through cooperation with others outside the Mazda Group, the Company started improvement activities at trial showrooms in Japan, utilizing production site expertise from within the Group. Customer contact operations and task procedures were standardized, and employees at showrooms all carried out these activities while discussing them with one another. As these activities took root, service staff too felt they could efficiently and comfortably manage maintenance tasks, and because they too received praise from customers visiting the showroom, they became able to themselves actively make suggestions for improvements. Moreover, by standardizing task procedures, it was possible to see individual service staff learning standard procedures, and this has resulted in the construction of human resources development systems.

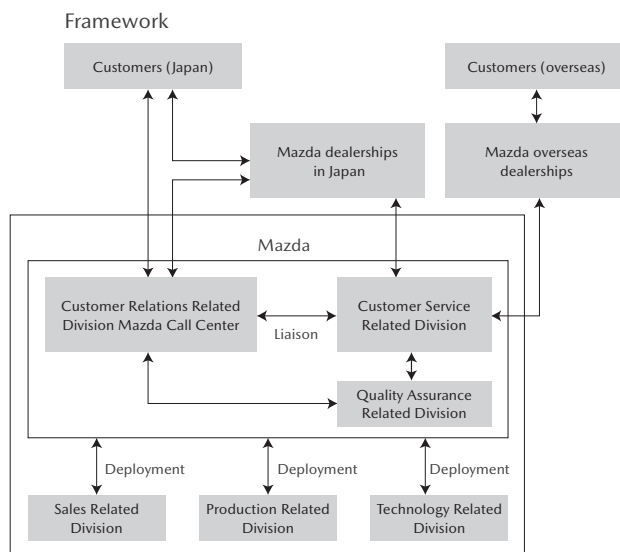
Through this experience at trial showrooms, Mazda plans to roll out these activities to other showrooms in Japan as well as overseas from FY March 2024.

Communication with Customers and Business Partners

Responding to Expectations and Opinions of Customers

At distributors/dealerships in each country and region, systems have been established to listen to the opinions and requests of customers, to respond to them honestly, accurately and quickly, and to reflect them in sales and services in cooperation with Mazda Head Office.*1 The contacts of each market area and FAQ (frequently asked questions)*2 are available on the Mazda website for the convenience of customers.

To strengthen bonds with customers, Mazda conducts global surveys focusing on "Mazda brand experience," "sales and after-sales services," "ownership cost," "product attractiveness," and other specific items. Through these surveys, the Company identifies problems in each market and addresses them in cooperation with local distributors/dealerships. With the indicators to measure customer satisfaction (P108) applied, the PDCA (plan-do-check-act) cycle process has been established.



Sharing and Recognition of Best Practices at Distributors / Dealerships

To boost the sales and CS*3 efforts throughout the distributors and dealerships, Mazda has a system of sharing and honoring best practices demonstrated by the staff members of the dealerships that contributed to increased CS through excellent teamwork and the sales and service staff members who achieved outstanding results.

Examples of initiatives in Japan

Measures	Frequency	Objective / Contents
Staff Awards/ Shop Awards	Once a Year	To encourage staff self-improvement, meetings are held on a periodic basis to award sales and service staff members according to their degrees of achievement of targets, improvement of technical skills, and contribution to improved vehicle quality. Awards are also given to dealerships that have achieved their targets as a result of all staff members' customer-oriented activities, demonstrating excellent teamwork. In particular, best practices from the shops producing outstanding results are shared and commended at the presentation meetings hosted by the Mazda Dealership Association in each region across Japan.

Communication with Dealerships

Mazda works to provide its all dealerships in Japan and overseas with information on mid- and long-term strategies, products, and services in a timely manner, and also makes proactive efforts to collect information from them.

Communication opportunities with distributors / dealerships in Japan

	Participants	Frequency	Objective / Contents
Conferences for dealership representatives	Representatives of dealerships and Mazda directors	Once a year	To communicate Mazda policies
Mazda Dealership Association in Japan Executive board of directors meeting	Executive board members and others from Mazda Dealership Association in Japan	Twice a year	Opinions are exchanged concerning sales strategies, product planning, used car policies, services, quality concerns, and other topics.
Mazda Dealership Association in Japan Committees	Committee members from Mazda Dealership Association in Japan and Mazda representatives	As needed	

Communication opportunities with overseas group companies and distributors

	Participants	Frequency	Objective / Contents
Product Launch Events	Representatives from major overseas bases of operation, such as the United States, Europe, China, and Australia	Indetermined	To share information and exchange opinions globally upon the product launch.
Global Brand Events	Representatives from major operation bases, such as the United States, Europe, China, Australia, and Japan	Twice a year	Representatives of major regions meet to build common understanding and consensus on brand strategies, and share initiatives.
4A*1 Distributor Events	Representatives from Southeast Asia, Central and South America, Middle East, and Africa regions	Once or twice a year	Held face-to-face event in November 2022 for the first time since the outbreak of COVID-19. Topics including business, product launches, and brand value management were reconfirmed. Around 50 people participated.

*1 Areas except North America, Europe, China, Taiwan and Japan

*1 Distributor list in each country: <https://www.mazda.com/en/about/d-list/>
 *2 Inquiries from Japan/FAQ (Japanese only)
<https://www.mazda.co.jp/inquiry/>
 *3 Customer Satisfaction

People

STRENGTHENING HUMAN CAPITAL

Recognizing Social Issues

As the working population continues to decline, it is expected to become increasingly challenging to recruit human resources in Japan. In particular, competition for human resources with digital skills is intensifying. The way people think about work is also changing. It is necessary to promote measures to retain employees, such as introducing new workstyles and offering an opportunity to work globally.

Mazda's Approach to Resolving Issues

Reasons for Addressing Social Issues

On the path to 2030, our business initiatives must keep pace with our activities for the sustainability of the Earth and society as they are an inseparable part of corporate sustainability. Mazda's contribution to tackling environmental and societal issues, and its efforts to create unique value, are fueled by the power of the people who work for the Mazda Group.

Mazda recognizes that people are its most important resource and aims to be a company staffed by people who are uplifted by work. In accordance with Mazda's approach of "co-creation with others," Mazda respects the diversity of its employees from various backgrounds, including race, nationality, faith, gender, social status, family origin, age, mental or physical disability, sexual orientation, and gender identity. By pursuing positive and rewarding work environment to respond to changes in the working population and working styles, Mazda aims to be an attractive company where each employee can work with pride and energy.

Approach to Resolving Social Issues

To create a virtuous cycle of growth, employment, and distribution, Mazda shares returns—the outcomes of growth—with stakeholders while ensuring sustained employment and equitable returns for its employees. Specifically, Mazda will share equitable return with its employees, including raising wages in a flexible manner, in consideration of the latest state of the Company, from the perspectives of employment stability, quality of life, and human resources development. Another form of sharing returns that is currently being planned and implemented is investment in employees, such as through training, alongside better compensation and benefits. One example that is already underway is investment in training our employees to develop digital skills. Going forward, Mazda will continue investing in its people, through supporting their development of new capabilities that will lead to corporate growth, and will continue encouraging employee success and growth.

People Development Concept and Future Vision

Passion: Uplifted Employees

Mazda firmly believes that energizing each and every employee, holding discussions to convince them all of the positive emotions associated with creativity, growth, diversity, and empathy—and the ideas that come from these—and having them think for themselves about how to achieve those, is how it can maximize the potential of its employees, and that this will tie in to corporate growth.

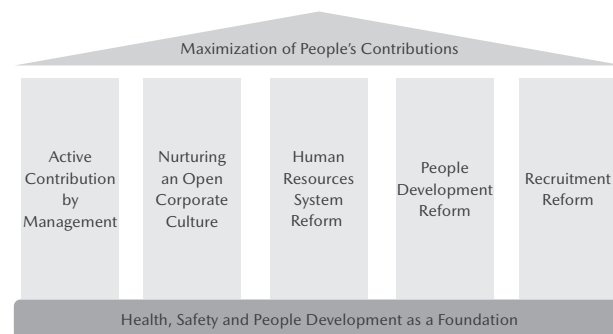
Ideal: Employees Who Co-create Uplifting Experiences with others from Outside the Company

Mazda's Purpose is to "enrich life-in-motion for those we serve," and in line with this, all employees try to deliver uplifting experiences through their business activities, such as those related to Monozukuri (engineering and manufacturing) or Tsunagarizukuri (creating human connections), through enjoyment and emotion for customers and everyone else connected to the Company. To that end, employees who want to gain a deeper understanding of societal norms and expectations so that they can provide value that will awe by going even further, are more needed than ever before. Specifically, through an uplifting atmosphere for employees, it is vital that Mazda creates a culture of listening to opinions, considering what can be done, and taking on challenges. In short, expanding upon the "Tomoiku" concept in the Mazda Way—is indispensable. In both Monozukuri and Tsunagarizukuri, Mazda's efforts are human-centered. The Company's approach to Hitozukuri, meanwhile, places added emphasis on a human-focused philosophy that forms the basis for fostering a culture like the one described above.

Initiatives for Maximizing People's Contributions

Mazda believes that new value is created when all employees are working while feeling motivated and energized based on mutual understanding and trust. Mazda has established five pillars for maximizing people's contributions and has defined measures for each of the pillars and is implementing them. Mazda supports employee success and growth as well as development of employees' skills and capabilities, which lead to corporate growth.

Five pillars of efforts to maximize people's contributions



Active Contribution by Management

One of the foundations for maximizing employee contribution is ensuring an environment where management can support all of its people one-on-one for their growth and success. At Mazda, management roles and responsibilities are defined in a management handbook and shared with all managers through role-specific training.

Management Support Program*1

Under this six-month-long, workplace-focused program, all members of management learn and put into practice their management roles. During the program, there is a targeted approach to enhance the quality of dialogue, and to establish vertical and horizontal connections based on takeaways from coaching with divisional and departmental general managers and open and honest dialogue among middle managers so that they can collectively address issues in their workplace by approaching them from the "people aspects" of Mazda's defined management roles. Between July 2019 and June 2023, the program has been carried out in 11 divisions and 49 departments.

Global Leader Development Committee*2

In this committee, senior leaders of Mazda Motor Corporation and its Group companies discuss and decide on people exchange and development plans with the aim of developing and optimizing the assignment and contribution of people who will lead business globally in every field of Mazda business over the medium and long term.

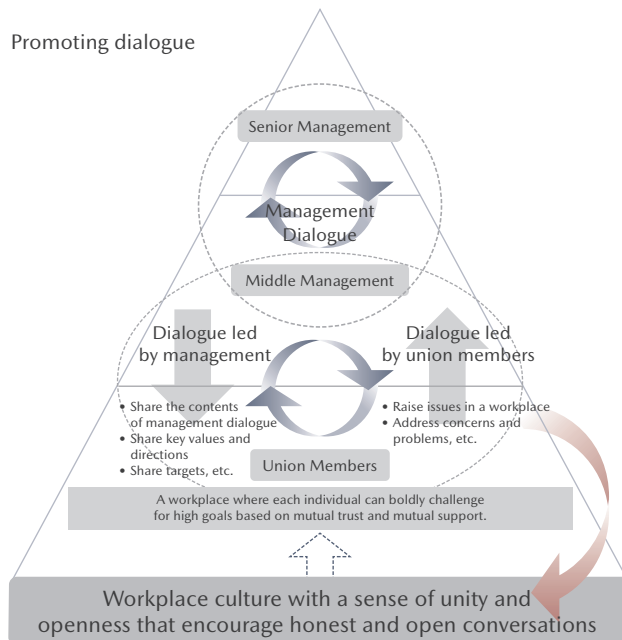
*1 Initiatives at Mazda Motor Corporation

*2 The Personnel Development Committee (PDC) comprises three committees: PDC1, which covers personnel in domestic and overseas global companies; PDC2, which covers the personnel in middle management of Mazda Motor Corporation; and PDC3, which covers employees of Mazda Motor Corporation excluding PDC1 and PDC2 level.

Nurturing an Open Corporate Culture

The foundation of Mazda's people-related initiatives is good communication. This can only be achieved if employees are working toward the same goals and targets, are determined to have open dialogue with one another, and have an attitude of trusting, helping, and understanding one another. Mazda is driving efforts to create an open corporate culture where people have open and honest consultations, so that there is mutual understanding, trust, and support.

Promoting dialogue



Dialogue between Labor and Management^{*1}

At Mazda, labor unions and management work together to create opportunities for dialogue. The Company also thinks that psychological safety is created when management and employees recognize each other and continue to see and address the same issues. It is important to accelerate and elevate such two-way dialogue, which will lead to the nurturing of an open workplace culture.

Management Dialogue

Since April 2020, a total of 35 sessions have been held for dialogue between corporate officers and managers with the following aims:

- Ensure efforts for process re-assessment and improvements take root as a strength of Mazda's culture instead of making it a one-off activity during the pandemic through repeated initiatives to strengthen dialogue (as a strengthening of the Mazda Way).
- Share senior leaders' points of view on the corporate message, announcements, and media coverage to mitigate employee's anxieties, questions and doubts so as to nurture environments and a culture in which they can focus on what they can and should do through repeated and enhanced dialogue between managers and officers.

Initiatives toward Organizational Culture Reforms

In order to foster an organizational climate where every employee is excited to work, in March 2023 Mazda started initiatives to turn the current top-down organizational culture to one that shines a light on the frontlines and where the higher echelons of management support them. Through these initiatives, Mazda is driving cultural reforms throughout the Company.

Global Employee Survey

Mazda conducts employee surveys on a continual basis to identify employees' work motivation and working environments. The feedback is used to make further improvements.

The survey results are reported to top managements of Mazda and its Group companies at home and abroad, and the key outcomes are disclosed to employees. The results for each division/company are fed back to its management-level members, who are thereby encouraged to develop improvement plans as part of the PDCA (plan-do-check-act) cycle.

To more accurately grasp the state of people and organizations that contribute to the delivery of its Corporate Vision,^{*2} Mazda revised the survey items in FY March 2018. The revised survey was commenced in May 2018. (P121)

^{*1} Initiative at Mazda Motor Corporation

^{*2} https://www.mazda.com/globalassets/en/assets/sustainability/policy/corporate_vision_e.pdf

Human Resources System Reform

| Extending the Retirement Age*¹

Mazda has overhauled its retirement system and, beginning in April 2022, raised the retirement age in stages, eventually extending it to 65 in FY March 2031, and has implemented related measures.*² Through these measures, the Company has established a system in which all employees of all generations can make the most of their ability and continue to make a full contribution with full motivation and energy. Seasoned employees use the experience, expertise, and skills they have built up to expand their opportunities both in the Company and in their communities and society. Mazda has developed an environment that can support autonomous career development and choices for employees who have reached the age of 60 through discussions with workplace supervisors about their current works and future career opportunities. In FY March 2023, more than 1,000 employees aged 60 or over had discussions with their supervisors.

| Remote-work System*¹

As part of workstyle changes triggered by the pandemic, Mazda reviewed its conventional work-from-home system, and in October 2020 introduced a new remote-work system. Mazda aims to achieve a highly efficient, high-performance workstyle by skillfully combining workplace attendance and remote working as a workstyle that can maximize organizational and workplace performance.

People Development Reform

The key concepts behind Mazda's people development reform are autonomy, growth, and support.

It aims to transform the company into a workplace and learning environment where each employee is respected and where they can grow and succeed even more than before, using their work at Mazda as a stage to shine, with a smile on each face.

| Developing Human Resources with Digital/IT Skills*¹

Mazda is investing in company-wide training for human resources with digital skills that can take full advantage of AI, and will work to raise its overall digital literacy.

Utilizing programs from Aidemy Inc. and working with other partners,*³ Mazda is pressing forward with reforms to ensure that by 2025 all indirect employees will have a certain degree of proficiency in AI and IT and can take on more advanced AI applications. The Company also aims to double productivity by 2030 by re-evaluating and redefining work processes, without just applying tools, and is moving ahead with a shift to work that will add even more value.

| Mazda Business Leader Development (MBLD)

MBLD is a business meeting unique to Mazda, one in which top management shares messages from senior leaders with all employees, and opinions and ideas are exchanged on Mazda's business path. In June 2023, the meeting was held for the first time in 4 years, and 159 members of management (of division general manager class and above) attended from within and outside Japan. At the meeting, the participants discussed various challenges that Mazda is faced with and the directions of the initiatives by re-confirming where Mazda currently stands and asking what it takes to deliver Mazda's 2030 Vision. In the future, through the active participation of all employees in MBLD, Mazda will link these efforts into encouraging understanding and actions, and to transforming awareness and behavior.

Recruitment Reform

The recruitment environment is becoming more challenging, and so Mazda is reforming to recruitment activities that focus on being selected by those who empathize with the Company's desired direction. In terms of mid-career recruitment, Mazda is bolstering its recruitment activities in the greater Tokyo metropolitan area, and as well as holding workshops and briefing sessions, in areas where the need for specialist human resources is particularly high, the Company is allowing workstyles that don't tie employees down to a set working location. As part of new graduate recruitment activities, Mazda is running summer and winter internship programs, calling attention to the appeal of a job at Mazda.

*¹ Initiative at Mazda Motor Corporation
 *² Review of the re-employment system for the employees reaching the retirement age, introduction of retirement age options, etc.
 *³ Udacity, Inc., Secondmind Ltd. and so on.

Fundamental Human Resources Development

To maximize the performance of its human resources, Mazda is promoting their development. It will do this through measures such as creating an organizational culture based on shared values, developing human resources systems that offer optimal work and environments that support employee growth and active participation, implementing human resources development on a global basis, and promoting diversity.

I Mazda Way

In FY March 2009, Mazda summarized seven basic principles and values handed down within the Company over time and defined these as the Mazda Way.

Employees' attitude and behavior based on the Mazda Way are utilized as competency evaluation items to encourage their further growth. On the occasion of celebrating its 100th anniversary, Mazda provided all employees with an opportunity to look back on the Company's history, which constitutes the foundation of the Mazda Way. The Company continues to promote measures to ensure that the Mazda Way can easily be put into practice by employees.

Seven Principles of the Mazda Way

- **INTEGRITY**
We keep acting with integrity toward our customers, society, and our own work.
- **BASICS/FLAWLESS EXECUTION**
We devote ourselves to the basics, and make steady efforts in a step-by-step fashion.
- **CONTINUOUS KAIZEN**
We continue to improve with wisdom and ingenuity.
- **CHALLENGER SPIRIT**
We set a high goal, and keep challenging to achieve it.
- **SELF INITIATIVE**
We think and act with "self initiative."
- **TOMOIKU**
We learn and teach each other for our mutual growth and success.
- **ONE MAZDA**
We think and act with the view of "Global" and "One Mazda."

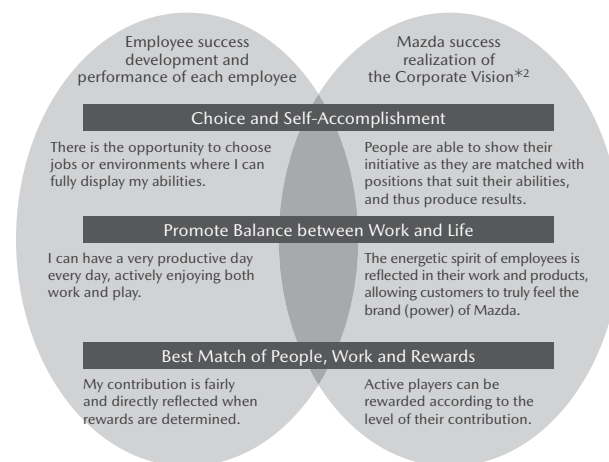
Human Resources System That Supports Employee Growth and Active Participation

Tobiuo^{*1}

Mazda uses the Tobiuo human resources system to provide the appropriate jobs and environments where each employee can demonstrate their best performance and to support their development and success.

Specifically, a wide variety of human resources measures are actively deployed based on the system's three pillars of "Choice and Self-Accomplishment," "Promote Balance between Work and Life," and "Best Match of People, Work and Rewards."

The Three Pillars of Tobiuo



Choice and Self-Accomplishment

Mazda provides various opportunities for employees to take the initiative in setting their own growth and performance goals and doing their best to achieve them, so that ultimately, such efforts will bring great results to the Company. Mazda offers a range of education and training programs to support employees develop their careers and improve their skills according to their job types and positions. These programs are for Mazda and its Group companies in Japan and overseas to manufacture and sell products of the same quality in all countries and regions, by sharing the same objectives.

Promote Balance between Work and Life^{*1}

Mazda is working on a variety of programs to enable its employees—a diverse range of people with different values and lifestyles—to enjoy their works and find a healthy balance between their works and personal lives.

- Promotion of understanding of various measures to help employees achieve a better life-work balance (P118): To promote understanding of various measures, the Company provides explanations in management skills training programs, and in the section "Compass for Work and Rewards of Employees" on the intranet about support measures designed for each life event.
- Review of the contents of the working regulations: The contents are reviewed in accordance with changes in the social environment. Amid the novel coronavirus (COVID-19) pandemic, taking into account changes in infection status, the Company has taken various infection prevention measures, including easing conditions for working from home.
- Efforts to reduce excessive working hours: With the aim of making conscious efforts to reduce excessive working hours by streamlining operations, the Company has implemented various measures targeting divisions not directly connected with production, including the designation of no-overtime days and mandatory lights-out times since 2007.

Best Match of People, Work and Rewards

Mazda has put in place a system to ensure that each employee understands his/her work evaluation results and ability level assessments, and feels that his/her growth and performance are appropriately reflected in his/her compensation. Specifically, since 2003, instead of using gender, age, nationality, or years of service as criteria, employees are graded according to their ability level (production and medical staff) and work level (administrative and engineering staff), so that individual employee's performances are directly reflected in his/her base salaries and bonuses. In wage determination, Mazda is in compliance with local laws and regulations in each region both in Japan and overseas. Moreover, it also takes the Company's current circumstances and societal trends into consideration—from the perspectives of employment stability, improvements to quality of life, and human resources development—when making decisions.

^{*1} Initiatives at Mazda Motor Corporation

^{*2} https://www.mazda.com/globalassets/en/assets/sustainability/policy/corporate_vision_e.pdf

Competency Evaluation System^{*1}

Once a year, Mazda carries out a competency evaluation, to evaluate the work attitude and behavior of administrative and engineering staff. Based on the seven principles of the Mazda Way, a subjective evaluation is carried out to assess the work attitude and behavior that the employee is expected to improve (competency evaluation items), from the employee's own perspectives and from the perspectives of his/her supervisors, and for managers and above, also from the perspective of subordinates/colleagues/partner companies (multidimensional feedback). Feedback on the evaluation results is given to the employee by supervisors at the career meetings, at which they discuss future issues to be addressed.

The competency evaluation system is used as an effective tool for supporting the employee's personal development and successful performance. The evaluation results are used as a reference for effective company-wide positioning of personnel.

Career Challenge (In-House Recruitment/FA) System^{*1}

As part of the Career Challenge System, Mazda advertises for the requisite work experience and skills it requires and runs an in-house recruitment system for employees who want to take on the challenge of a new position.

Briefing sessions on in-house recruitment are held, with many employees considering applying for the system participating online. They actively exchange information with the personnel from various departments that called for applicants for specific assignments. Each time applications are invited, there are a large number of applicants. Mazda will continue to periodically implement this system to provide employees with an opportunity to think about their own career development.

Personnel Development Initiatives

Mazda Technical College (Two-Year Course)^{*1}

Mazda Technical College, approved by the Ministry of Health, Labour and Welfare, is an in-house education institution offering courses to high school graduates and selected employees in order to cultivate human resources that can play a central role in manufacturing at Mazda. Those who complete the two-year program are assigned to various divisions, from research and development to manufacturing, and thrive at various vehicle manufacturing sites.

- Number of present students: 101 (as of April 1, 2023)^{*2}
- Total number of graduates (among present employees): 1,590 (from April 1988 to March 2023)

Recruitment Approach

Maintaining Global Employment and Recruitment

The Mazda Group conducts recruitment activities to employ the personnel suited to each country and region. Particularly production sites strive for the maintenance and management of appropriate employment, with an understanding that such practices have great impact on the local economies. In Japan, the Company has maintained the production volumes and related employment at manufacturing sites in Hiroshima and Yamaguchi prefectures. Overseas, initiatives are under way to improve the operation rate of plants in Mexico and Thailand. In addition, amid the commence of operations by Mazda Toyota Manufacturing (MTM) in the United States, each of the Group companies promotes employment maintenance and recruitment activities tailored to the labor practices of each country/region.

Systems to Enable Limited-Term Employees in Manufacturing Operations to Become Fulltime Employees and Mazda Workers' Union Members^{*1}

Achievement of a workplace in which limited-term employees can feel fulfilled with their work. A system has been put in place for limited-term employees who have worked for six months or more at Mazda to become full-time employees. In addition, limited-term employees who have worked for six months or more and had their contracts renewed can become members of the Mazda Workers' Union. Through these and other initiatives, the Company is cultivating a sense of oneness among employees with different employment styles as it aims to cultivate a vibrant environment where employees can enjoy their work.

^{*1} Initiatives at Mazda Motor Corporation

^{*2} Including 11 students from Group companies or suppliers

Realization of Diversity

Mazda respects the diversity of its employees, and the Company aims to foster a corporate culture in which every employee can express his/her individuality while working alongside others to contribute to the Company and society. Mazda also works on a variety of programs to enable its employees—a diverse range of people with different values and lifestyles—to enjoy their work by finding a healthy balance between their work and personal lives.



Initiatives for Sexual Minorities (P61)

Promoting Female Advancement*1,2

Through enhancement of measures promoting work-life balance and other initiatives, Mazda is striving to cultivate a workplace in which women can work comfortably. In 2021, based on the Act of Promotion of Women's Participation and Advancement in the Workplace, and the Act on Advancement of Measures to Support Raising Next-Generation Children, the Company set the goals of increasing the number of female managers to 100 by the end of FY March 2026 (approximately four times the number in FY March 2015) and increasing the number of male employees taking child-rearing leave to 80 annually the end of FY March 2026 (approximately two times the number in FY March 2021), and it submitted business owner's action plans to the authority concerned. In FY March 2023, the number of female managers totaled 65 (approximately 3.1 times the number in FY March 2015). Mazda has decided that to reform its organizational culture, it is necessary to further promote diversity, which starts with increasing the number of female managers. As such, it has amended its target for FY March 2026 to 100 female managers. In FY March 2023, as part of the Company's efforts to promote female participation, female employees were able to learn about such participation and the need for diversity by speaking to women working as managers at other companies. As well as gaining clues about respective ways of working and growth from participation role models, female employees and their bosses also underwent training to help with their career development. Elsewhere, the number of male employees taking child-rearing paid leave was 117 (3 times the number in FY March 2021), showing steady growth. Mazda also newly established a paternity leave system for immediately after a child's birth, which covers the eight weeks after birth, in line to the October 2022 revision to the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring

for Children or Other Family Members. As this paternity leave system is not mandated, i.e., employees need to request it, whether or not they take it will largely come down to feeling able to do so, and so Mazda is working to publicize internal case studies. In the future, Mazda will continue to draw up and implement individual development plans for female candidates for middle and above management positions and initiate company-wide activities to publicize, review and raise awareness of the child-rearing paid leave system among all staff, including male employees, thus pushing forward with efforts to further promote the opportunities for female employees.

Employment and Empowerment of Those with Special Needs*1

Mazda steadily and continuously recruits employees with special needs. To ensure that each employee can demonstrate his/her best performance, the Company has established the Physical Challenge Support Desk, which offers consultations on various matters to employees with special needs, in support of a comfortable working environment for them. At the same time, Mazda has employed two certified sign-language interpreters to further ensure provision of information to people with hearing impairments (as of April 2023). In FY March 2014, the Company was certified as an Ai Support Company/Organization under the Ai Support campaign,*3 by Hiroshima Prefecture. Mazda participates in this campaign with the aim of helping realize a society where all people can live in harmony and in comfort, regardless of whether they are with or without special needs. Since FY March 2015, the Company has also registered itself with the "special support school employment support unit Hiroshima"*4 to carry out the internship program for intellectually challenged students, as part of its collaboration with the local community to promote employment of people with special needs. As a result of these initiatives, Mazda has seen an increasing number of employees with special needs being recognized as Excellent Workers with Disabilities by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers. Mazda has also worked to promote active inclusion of people with disabilities, and in January 2021, it joined The Valuable 500, an international initiative to promote disability inclusion. The Valuable 500, launched at the World Economic Forum's Annual General Meeting in January 2019, aims to inspire business leaders to make changes for disability inclusion that will enable people with disabilities to realize their potential value in the areas of business, society

and economy. In support of this aim, the Company will promote and strengthen its efforts in line with the commitments it has established as to Mazda's Corporate Vision,*5 employment and empowerment of people with disabilities, and products and services that consider the needs of people with disabilities.



*1 Initiatives at Mazda Motor Corporation

*2 Data of Mazda shown in the Database on Promotion of Women's Participation and Advancement in the Workplace organized by Ministry of Health, Labour and Welfare <https://positive-ryouritsu.mhlw.go.jp/positivedb/detail?id=754> (Japanese only)

*3 "Ai" is Love in English. The Ai Support campaign is intended to certify companies and organizations that recommend their employees to read the textbook "Let's Learn about and Live with People with Special Needs," and to participate in Ai Supporter training programs.

*4 A program to promote the employment of special school students through collaboration between local companies and Hiroshima Prefecture.

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

Industrial Relations

Mazda has a standing labor agreement with the Mazda Workers’ Union.*1 The Company builds relationships in which everyone thinks and works together with the Union to build environment contributing to all stakeholders. The Company and the Union held discussion on such themes as personnel affairs, production and sales once or twice a month.

A discussion with the Mazda Workers’ Union is also held regarding operation changes which may have a significant impact. The information about operation changes should be shared with employees with sufficient lead time. Moreover, various measures for discussion with labor are ready in entire Mazda Group to maintain and develop positive labor relations.

- Group companies in Japan

Regularly exchanges information and engages in active discussions with the Federation of All Mazda Workers’ Unions.
- Group companies oversea

Measures for discussion with labor are ready based on the labor practices in each country and region. (There was no collective labor dispute in FY March 2023.)

*1 Membership is around 90% of Mazda employees.

Occupational Safety and Health

Under its Safety and Health Creed, Mazda is making group-wide efforts to develop people, workplaces, and mechanisms that ensure the safety and health of the employees. From FY March 2023, Mazda launched a new three-year plan and globally promoted all participating-type activities under the three pillars that support the realization of a proactive and enjoyable workplace. The Company believes that it will help invigorate employees and improve their work performance, also leading to the fulfillment of Mazda's Corporate Vision.*1

Safety and Health Creed

For workers, safety and health are essential assets.
Our people are our most valuable resource, and we are committed to keeping them safe.

One Mazda Movement for an Enjoyable Workplace The Three-Year Plan

Policy: Realize a proactive and enjoyable workplace* by accomplishing safety and health activities initiated by individuals and divisions.

Slogan: Safety and health first in One Mazda, 24 hours a day

Three pillars of activities

- 1) Development of human resources with heightened sensitivity
- 2) Creating optimal systems (promoting standardization)
- 3) Development of a safe, secure and comfortable working environment

* Proactive and enjoyable workplace: A workplace where intensive problem-solving activities are implemented, taking into account the division's characteristics, and where individual employees work as a team harmoniously led by their manager, so that individual employees and the organization are both invigorated.

Safety and Health Management System

Mazda has established the General Safety and Health Committee, whose members include management (executive officer in charge of safety, general managers of each division and independent department) and labor representatives (Mazda Workers' Union*2 leaders.) The committee members meet to discuss each year's action plan and priority measures concerning safety and health. Based on the decision made by the committee, division/independent department general managers take the lead in promoting occupational safety and health activities taking into account the work characteristics and risks of each workplace.

Coordination with Group Companies

Mazda offers proactive support to its Group companies in Japan and overseas by such means as holding regular meetings, sharing activity plans and information, and providing education materials to resolve health and safety issues. Three overseas plants have obtained ISO 45001 certification and other plants operate an occupational safety and health management system that is based on ISO 45001 or other standards. Mazda works to make continuous improvements throughout the entire Group.

Safety and Health Management System (SMS)

Mazda implements voluntary and continuous safety and hygiene management through its occupational safety and health management system with the aim of reducing the potential risks for work-related accidents, enhancing overall levels of safety and hygiene standards, and achieving the industry's lowest-level workplace accident occurrence in Japan.

Furthermore, Mazda evaluates the severity (hazard level) of risks that may easily lead to a serious accident, creates mechanisms to prevent accidents before they happen, and works to improve the performance of its occupational safety and health management system.

 Lost-time injury frequency rate for the past five years (P120)

Risk Assessments

Mazda conducts risk assessments in all divisions, including manufacturing, product development, administration and office operations, to identify and evaluate the potential risks of disasters, diseases and fire and implement appropriate countermeasures. Through these efforts the Company reviews and identifies risks each year, improving the level of workplace safety. Moreover, in much the same way, Mazda carries out risk assessments when chemical substances and/or machinery and is promoting more substantial safety measures. Particularly for the management of chemicals, the Company has introduced a system to create a database of Safety Data Sheets (SDSs)*3 that enables it to evaluate risks from the perspectives of damage and exposure.

Education and Training Concerning Occupational Safety and Health

To develop human resources with heightened sensitivity toward occupational safety and health, which is one of the three pillars of its activities, Mazda strives to improve safety and health education and training. The Company places particular emphasis on training to enhance employees' risk sensitivity and organizes safety education seminars,*4 risk simulation training*5 and KYT (risk prediction training) for all the divisions, including production, development, management and administration.

Mazda also supports Group companies in Japan and overseas, suppliers (Toyukai Affiliated Corporation*6), and collaborating companies within the Company premises in conducting education and training programs on safety and health in order to develop safety-conscious human resources across the Mazda Group.

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

*2 Membership is around 90% of Mazda employees.

*3 A Safety Data Sheet is a document used when chemical substances and chemical mixtures are transferred or offered to others to provide information on their physical properties, potential risks and harmfulness, as well as instructions for safe use of these chemical substances.

*4 The seminars feature panel exhibitions showing Mazda's safety chronology that summarizes past serious accident cases and safety activities that Mazda implemented so far, to help employees reflect on the Company's safety activities and past accidents, raise their awareness and obtain new knowledge, which will be helpful to safety management in the future.

*5 The training is intended to improve employees' sensitivity toward risk, through simulations of various potential risks in their workplaces.

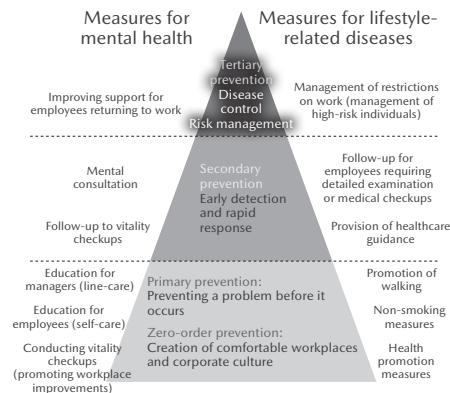
*6 The Toyukai Affiliated Corporation consists of 62 vehicle parts and equipment companies that are direct or indirect trading partners with Mazda, and is a union organization that actively engages in initiatives with a constant awareness of the need to put "quality first." It was founded in 1952 by Mazda and 20 collaborating companies that have trading relationships with the Company, with the aim of promoting friendly relations among members and improving welfare, as well as developing a system for cooperating with Mazda. The Company offers advice and support to this group from a safety viewpoint by introducing safety information and inviting safety training provided by Mazda.

Health Maintenance and Improvement

To maintain and improve the health of its employees, Mazda promotes measures to prevent and mitigate mental health problems and lifestyle-related diseases. Also, company-wide health improvement activities are under way emphasizing the reduction of health risks, by providing guidance and education based on the results of health checkups, taking aging countermeasures, supporting related activities at domestic Group companies, and offering health maintenance support for employees dispatched to other companies overseas.

Mazda is publishing health information throughout the Company with the aim of getting employees to think about their own health, and to give them a chance to act, and has set each monthly pay day as Health Promotion Day.

Measures for Health Risk



■ Mental Health Measures*¹

In 2003, Mazda declared its commitment to active cooperation between labor and management to promote employees' mental health and formulated the Mazda Warm Heart Plan. Management, respective divisions, occupational health doctors and advisors, and the Mazda Workers' Union have come together in labor-management cooperation to establish projects and rollout measures throughout the Company.

Consultation System

Mazda has established a system to provide consultations by Company doctors and health advisors. Not only for employees at Mazda Head Office, but also for employees dispatched to other companies in Japan and overseas, the Company offers onsite healthcare consultations and consultations via telephone or online conference systems (using web cameras).

Education and Training

Mazda holds "listening skills, coaching and assertion training" and "advanced training based on case studies" targeting newly appointed managers, and self-care training targeting third-year employees, on a regular basis. The Company also offers training by division on demand of the workplace. In addition, information is periodically provided to managers regarding the important points of mental health measures.

System for Supporting Employees Returning to Work

The Company is also making efforts to support employees who have taken time off from work not to be absent again by improving measures to support them in getting back to work. The measures are such as the reduce work hour system, a system of allowing them to return to workplaces on a trial basis, and follow-up consultations after their reinstatement. In addition, a contact point has been set up in order to help employees manage both their illness and work, and the information is broadly provided within the Company.

Vitality Checkups (Stress Check System)

In response to legislation requiring companies to implement the stress check system, Mazda runs occupational stress diagnoses (known as "vitality checkups") for employees, provided by the Ministry of Health, Labour and Welfare. Employees use the results of individual diagnoses to grasp and manage their own health conditions. The result for organization-level is shared with the respective divisions. Based on the results of these diagnoses, each division promotes the complete checkups for workplaces*² which will facilitate workplace improvements to prevent mental health problems.

■ Measures to Prevent Lifestyle-Related Diseases*¹

To alleviate and prevent lifestyle-related diseases, including metabolic syndrome, Mazda carries out various activities, such as non-smoking measures, promotion of walking, and holding seminars on these themes.

Promotion of Non-Smoking Measures

Mazda has set a long-term target of reducing the percentage of smokers in the Company to 25%. To achieve this target, Mazda offers full individual support and promotes a nonsmoker-friendly environment.

A Company-wide smoke-free day has been implemented once a month. In addition, the provision of outside smoking areas is promoted to prevent passive smoking.

Promotion of Walking

To help employees improve their health, Mazda promotes walking activities using the PepUp*³ personalized website for individuals. The Company has been also introducing the Eco-Walk Commuting Program, which provides those who walk to work with allowance payments.

Joint Activities with the Mazda Health Insurance Society (Collab Health)*⁴

Mazda runs the following health-promotion events in cooperation with the Mazda Health Insurance Society:

- Weight Challenge Event: To promote weight management by employees
- Health Quiz Challenge: To deepen employees' understanding on health checkup items

*1 Initiatives at Mazda Motor Corporation

*2 Activities in which all members of a workplace participate to identify points needing improvements and make proposals for improvements, and assess their working environment from a broad perspective, thereby improving it by using clear and simple procedures.

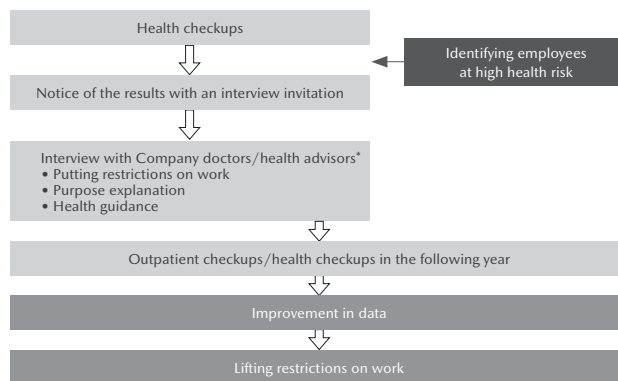
*3 Health website that supports efforts to become healthier, and which is available for use to those insured by the Mazda Health Insurance Society, or dependent spouse.

*4 Collaboration between the health insurance society and the company in promoting preventative health and health improvement for the insured in an efficient and effective manner based on the clear segregation of roles and in a good work environment.

I Health Checkups*¹

In addition to legally prescribed health checkups*² for all employees, Mazda carries out comprehensive medical checkups*³ covering a variety of areas for employees when they reach the ages of 25, 30, and 35, and when they pass the age of 40. Furthermore, the Company conducts complete physical checkups, including gastroscopy and abdominal ultrasonography, for employees when they reach the ages of 50, 54, and 58. Based on the results of these health checkups, Company doctors determine if employees can continue to work or not. Mazda also promotes employees' health by offering personal health guidance by Company doctors and health advisors.

Healthcare Guidance Data



* After the interview results are confirmed by the employee, these results are also reported to the employee's manager.

I Health Risk Measures*¹

The business climate has undergone various changes, including the globalization of workplaces and the extension of retirement age. Giving consideration to these changes, Mazda strives to establish a system to appropriately assess and deal with the health risk of employees from the perspectives of risk prevention and management.

Infection Prevention Measures

In view of various risks related to infectious diseases, Mazda takes appropriate measures in accordance with the relevant laws and regulations, including the Infectious Disease Control Law. Mazda also responds to requests by authorities and other bodies, such as on COVID-19 countermeasures, and is continuously striving to prevent infection or the spread of disease. To prevent infectious diseases, Mazda, at its expense, provides employees dispatched to other companies overseas and their accompanying spouses with necessary vaccinations, such as hepatitis A and tetanus, taking into account the risk status of each country or region. The Company also provides pre-overseas assignment education which incorporates information on how to prevent infectious diseases, such as malaria and tuberculosis. Regarding influenza, the Company launched a system to cover part of the expenses paid by employees for flu vaccinations to prevent mass flu infection at workplaces.

[Specific Examples]

- Actions against the Spread of the Novel Coronavirus (COVID-19)
- Mazda opened a portal for infection response and prevention on its intranet in order to communicate correct information to all the employees. The Company also provided education to help employees gain a correct understanding of COVID-19 and thoroughly implement basic preventative measures. If an employee was confirmed to be infected, the Company responded individually and quickly to prevent the spread of infection and clusters. Workplace vaccination drives have been also held for employees of Mazda and its Group companies and their families upon request. Vaccination has made progress and people's behavior has changed as they learn to live with the disease. As such, Mazda has undertaken reviews of work conditions in stages. Taking into account, the Japanese government's reclassification of COVID-19 as a weaker Category V Infectious Diseases from previous Category II Infectious Diseases. To response this

change, Mazda has produced internal response regarding Category V Infectious Diseases reclassification, and notified internally.

Measures for Employees at High Health Risk

Mazda has established a system to take appropriate measures for employees at high health risk for heart diseases and cerebrovascular diseases. The Company also promotes activities to clarify the assessment indexes, such as the process of determining high-risk individuals by multiple Company doctors based on relevant data, and to establish a follow-up system to care for high-risk individuals after their health checkups, through collaboration among the person in question, the Company doctor and other members of the workplace.

*1 Initiatives at Mazda Motor Corporation

*2 Checkup items: Height, chest circumference, chest X-ray, blood test, urinalysis, electrocardiogram, etc.

*3 For employees who reach the age of 30, 35, and 40 and above, breast cancer and uterine cancer examinations are available with comprehensive medical checkups upon request. Checkups of the brain, the lungs, etc., are offered as paid options.

RESPECT FOR HUMAN RIGHTS

I Basic Approach

Mazda respects for human rights as fundamental to its corporate activities. Mazda never tolerates any human rights violations of any kind in all business activities inside and outside the Company, including discrimination or bullying on the basis of race, nationality, faith, gender, social status, family origin, age, mental or physical disability, sexual orientation, or gender identity.

With this belief, in August 2023 the Company established the Mazda Human Rights Policy. Through this policy, the Company respects human rights as set out in the United Nations Universal Declaration of Human Rights or Guiding Principles on Business and Human Rights; the International Labour Organization's ILO Declaration on Fundamental Principles and Rights at Work; or other international standards such as the Ten Principles of the United Nations Global Compact.

In setting the policy, Mazda cooperated with Group companies and took on suggestions, and it was formulated through a process of reports to the Board of Directors and their approval. In the future, Mazda will work with Group companies inside and outside Japan and update the policy as appropriate. It will also strive to spread awareness and understanding of the policy.

 [Mazda Human Rights Policy](#)

Mazda Human Rights Policy

Mazda believes that respect for human rights is fundamental to its corporate activities and has maintained a stance and commitment not to tolerate any violation of human rights in its corporate activities both within and outside the company. This includes discrimination, prejudice or harassment based on race, nationality, ethnicity, creed, gender, socioeconomic status, family origin, age, mental or physical abilities, sexual orientation, gender identity or other personal attribute.

Mazda has formulated this human rights policy based on this principle, and the entire Mazda Group will work together to promote initiatives for respecting human rights as well as improving respect for human rights. This Mazda Human Rights Policy is positioned as the overarching policy regarding human rights in Mazda's business activities and applies to all people working at Mazda.

To ensure the sustainability of its business and society, Mazda is committed to enriching life-in-motion for those we serve and delivering exhilarating experiences to customers by making products, creating connections, and developing human resources that put people first.

1. Commitment to Respect for Human Rights

Mazda regards respect for human rights as a core value of our corporate activities, and makes continuous efforts to uphold and enhance respect for human rights. Mazda respects human rights as set out in the United Nations Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work (ILO core labor standards), and International Conventions on Human Rights, and this Mazda Human Rights Policy defines Mazda's responsibility in respecting human rights. Under the United Nations Guiding Principles on Business and Human Rights, Mazda promotes efforts to implement and practice the basic principles of human rights throughout its group companies.

2. Scope of Responsibility and Governance

This policy applies to all officers and employees of the Mazda Group (Mazda Motor Corporation and its consolidated subsidiaries). Mazda also expects all of its business partners to understand and uphold the principle of respect for human rights and takes active steps to ensure the protection of human rights in their activities.

Mazda has established a framework for formulating and implementing this policy under the leadership of the representative director and president, and continuously promotes activities for respecting human rights.

3. Human Rights Due Diligence

Mazda believes that respect for human rights is a core value of our corporate activities, and to fulfill our responsibility to safeguard human rights, Mazda has established and operates a human rights due diligence* system.

* Human rights due diligence: continuous implementation of a cycle of procedures to identify, prevent and reduce adverse impacts on human rights in a company's business activities.

4. Remediation

Mazda will immediately implement appropriate and effective corrective and relief measures if it is found to have caused or contributed to any adverse impact on human rights. Mazda will also establish a relief process for this purpose.

5. Dialogue and Consultation with Stakeholders

In promoting activities for respecting human rights, Mazda engages in dialogue and consults with internal and external stakeholders including third-party expert organizations.

6. Information Disclosure

Through its official website and other channels, Mazda appropriately discloses information concerning its initiatives for respecting and promoting human rights.

7. Education

Mazda conducts appropriate education and awareness-raising activities for its officers, employees and stakeholders to ensure they understand and practice this policy both inside and outside the Mazda Group.

This policy was approved by the Board of Directors of Mazda Motor Corporation on July 28, 2023.

It will be updated as necessary in light of the demands of society, including laws and regulations.

August 10, 2023

Masahiro Moro
Representative Director, President & CEO
Mazda Motor Corporation



Mazda Human Rights Policy Annex

Human Rights in Business Activities of the Mazda Group

Mazda regards respect for human rights as a core value of our corporate activities and takes active steps to ensure that human rights are safeguarded at all times. Our human rights policy sets out the fundamental principles embedded in our business operations and is reviewed from time to time in light of changes in society, laws and regulations, and activities of the Mazda Group.

○ Prohibition of harassment and discrimination

Mazda does not tolerate any form of discrimination based on race, ethnicity, place of birth, religion, creed, gender, gender identity, sexual orientation, disability, age or any other reason. Furthermore, Mazda does not tolerate any form of harassment.

○ Prohibition of child labor and forced labor

Mazda does not tolerate any form of child labor or forced labor.

○ Establishment of a safe and healthy working environment

Mazda makes every effort to ensure the health and safety of employees in performing their work and takes every reasonable precaution to prevent accidents and disasters.

○ Dialogue and consultation with employees

Mazda engages in dialogue and consults with employees and employee representatives.

August 10, 2023

I Rules / Guidelines

Even prior to formulating the Mazda Human Rights Policy, Mazda defined its policy in this area and the standards of behavior it expected of its employees, as well as promoting related initiatives, based on fundamental international principles.

Specifically, Mazda established the Guidelines for Eliminating Sexual Harassment (name later changed to Guidelines to Eliminate Human Rights Violations) in 1999 and the Rules for Eliminating Human Rights Violations, which prohibit any activities that may infringe on an employee's human rights in business activities inside and outside the Company, in 2000. These rules and guidelines are revised as needed according to law amendment and circumstances inside and outside the Company. The most recent revisions are as follows:

- June 2020: Whether it be same gender or opposite gender, Mazda working regulations were revised so that employees are treated fairly in terms of holidays, allowances, and other conditions regardless of legal marriage or marriage without registration.
- August 2020: The Guidelines to Eliminate Human Rights Violations were revised according to revisions in harassment-related laws (effective from June 2020).
- March 2021: The Rules for Eliminating Human Rights Violations were revised according to revisions in harassment-related laws so that the definition of power harassment conforms to the definition in the relevant laws.

The Guidelines to Eliminate Human Rights Violations and the Rules for Eliminating Human Rights Violations are posted on the Company's intranet and are made known to employees through educational and training programs.

I Systems for Promoting Human Rights

The Human Rights Committee, comprising executive officers and division general managers, deliberates on human rights activities, and based on their decisions the Human Resources Division promotes human rights protection activities and resolves issues throughout the Group. Each division manager leads the division's activities as the human rights promotion officer at Mazda Motor Corporation, while the person in charge of human rights leads activities at each Mazda business location as well as at Group companies in Japan and overseas.

At Group companies in Japan, a network has been established to exchange opinions on a regular basis. Serious human rights vio-

lations identified through the network are reported to executive officers and other management-level members of Mazda Motor Corporation, providing a framework that enables the implementation of Group-wide solutions.

Moreover, once a year, the Global Employee survey is conducted to check the progress in human rights protection activities in each region around the world and confirm whether there is any problem to be addressed or not. The results of the survey are fed back to each management and improvement measures are taken as needed.

As for suppliers, Mazda seeks to establish a supply chain in which suppliers are also required to fulfill their social responsibilities in the area of respect for human rights, based on the Mazda Supplier CSR Guidelines. (P105)

Human Rights Promotion System



I Activities at Group Companies in Japan and Overseas

In line with its One Mazda concept, Mazda is committed to promoting human rights activities in its Group companies.

Based on the basic principles stated in the Mazda Human Rights Declaration and with reference to the Rules for Eliminating Human Rights Violations, the Guidelines to Eliminate Human Rights Violations, Mazda Group companies are maintaining a set of rules and guidelines that take into account the conditions in each country where they are applied. Through these efforts, the Company strives to protect human rights at all companies throughout the Group. There is also regular information exchange between human rights officers at Mazda Motor Corporation and each Group company. Depending on the circumstances of the particular company, Mazda Motor Corporation may also take steps such

as providing training/education tools or dispatching instructors. Since FY March 2017, Mazda supports Group companies in establishing a system for human rights training, and providing materials of Mazda's Human Rights Meetings to Group companies. Mazda also responds to human rights consultations from employees of Group companies via the Human Rights Counseling Desk, the Female Employee Counseling Desk, the Mazda Global Hotline, etc. (P104)

I Human Rights Counseling by Dedicated Counselors

Mazda has established a Human Rights Counseling Desk and a Female Employee Counseling Desk to appropriately respond to human rights consultations from employees, through providing advice and supporting early relief from human rights violations. Since more than ten years ago, the counseling desks have responded to consultations from sexual-minority (LGBTQ+) employees and, working with workplaces, have continued to provide support.

Mazda has set out regulations mandating strict confidentiality, guaranteeing immunity from reprisals, and ensuring that no disadvantage will accrue to employees who request consultations. Counseling is offered in various forms, such as face-to-face, by telephone, or by e-mail. Mazda promptly responds to consultations, with the goal of rapidly improving the work environment for the affected employee, while taking necessary measures against the relevant violator based on factual inquiry. The Company also offers the necessary support to ensure respect for human rights throughout the entire workplace, through the abovementioned counseling desks. For example, these desks offer advice on workplace culture improvement to the employee's supervisor, and provide counseling and advice for the employees and other persons concerned.

Initiatives to Prevent Human Rights Violations

Mazda carries out various initiatives to eliminate human rights violations. In case a problem involving human rights violations occurs, the Company discloses the case on the intranet as an example of disciplinary action, and conducts educational and awareness raising activities in order to prevent a recurrence. Mazda records the results of handling these cases and manages in accordance with the stipulated procedure, and reports to the Human Rights Committee. These records are used to formulate more effective Companywide policies and to prevent the recurrence of similar problems.

Initiatives for Sexual Minorities

In 2000, Mazda brought in its Rules for Eliminating Human Rights Violations to ensure that all employees, regardless of sexuality, can be themselves, be excited to work and demonstrate their full potential, and since that time has worked to prevent discrimination against those who are same-gender-oriented. In 2012, this was revised to forbid discrimination based on sexual orientation. Next, in 2017, this was expanded to cover gender identity. Then, in 2020, the definition for “partner” in Mazda’s working regulations was changed to cover not only married spouses, but also those in relationships equivalent to marriage regardless of genders, and for employees to be treated equally whether or not they were legally married or in an unregistered marriage. Mazda will also take action in the future to prevent harassment based on sexual orientation or gender identity (SOGI*¹ harassment).

Training and Educational Activities

Mazda proactively and regularly provides awareness-raising activities and education on human rights, targeting all executive officers and employees. In March 2008, recognized for these initiatives and other human rights protection activities, Mazda became the first corporation in Japan to be awarded the Human Rights Merit Award by Japan’s Ministry of Justice and the National Federation of Consultative Assemblies of Civil Liberties Commissioners.

Human Rights Training*²

■ Collective training

Mazda holds obligatory human rights training programs for employees when they newly join the Company and they are promoted in rank or position. The Company also holds event-based training such as human rights lectures for executive officers and senior managers. Moreover, the Company also holds training programs by department that are customized to each department in response to its specific needs.

■ In-house awareness training for sexual minority issues

In FY March 2017, Mazda started to organize training programs and lectures to promote understanding of sexual minority issues. In 2017, in-house lectures were held by experts invited from outside the Group, while in 2020, Mazda informed all employees about its internal systems, procedures, and consultation desks related to sexual minorities.

■ Human rights mini-lectures and other information offered via the in-house intranet

Mazda conducts activities to raise human rights awareness by human rights minilectures through intranet, and e-learning programs and to ensure that all employees can share recognition regarding power harassment and sexual harassment.

Themes of Human Rights Mini-Lectures (examples)

- | | |
|------------------------------------|---------------------------------|
| ■ Materials on communication | ■ e-learning materials |
| • Fight or flight response | • Gender diversity (LGBT) |
| • Critical thinking | • Power harassment |
| • Assertion | • Sexual harassment |
| • Metacognition and mindfulness | • Harassment regarding |
| • Emotion, etc. | child-rearing, nursing care |
| ■ Human rights education materials | leave, etc. |
| • Discriminated communities | • Various issues and challenges |
| issues (Dowa issues) | (regarding women, people |
| • Gender diversity, etc. | with special needs, national- |
| | ity/race, the elderly, HIV-in- |
| | fectured persons, etc.) |

Senior Management’s Message During Human Rights Week*²

The Company’s senior management sends all employees a message to acquaint them with the importance of respect for human rights every year during Human Rights Week, in connection with Human Rights Day on December 10.

Human Rights Meetings*²

Mazda holds regular meetings (four times a year) at each workplace themed on familiar topics, helping employees to think for themselves about human rights and make their own insights.

Other Human Rights Education Activities*²

Mazda has held Human Rights Slogan Competitions and established a special website on its human rights protection activities.

*¹ Sexual Orientation and Gender Identity

*² Initiatives at Mazda Motor Corporation

Collaborating with External Organizations and Contributing to Local Communities

Mazda actively collaborates with local governments, companies and other external organizations to implement human rights protection activities for local communities.

Other efforts towards promoting respect for human rights include social contributions on a global basis, such as participating in human rights events in regional communities, exchanging opinions with human rights organizations, adopting measures against poverty, and supporting a HIV/AIDS care facility.*1

Fundamental Approach to Human Rights Due Diligence

As part of its human rights due diligence,*2 and taking into account the Mazda Human Rights Policy, Mazda recognizes that it must identify factors that could negatively affect human rights in its business activities, and introduce systems that assign priority levels to these, and continuously work to prevent, reduce, rectify, or make up for them. Mazda works to this end and is expanding the scope of its initiatives to include Group companies and suppliers both in Japan and elsewhere.

Supply Chain Human Rights Due Diligence: Suppliers

Identifying Human Rights Issues

Human rights issues connected to suppliers*3 are clearly specified in the Mazda Supplier CSR Guidelines, and Mazda pushes all business partners to adhere to its efforts to respect human rights.

 [Mazda Supplier CSR Guidelines](#)

Initiative Self-diagnosis and Questionnaire

In the Mazda Supplier CSR Guidelines, all suppliers are asked to diagnose their own efforts by looking at the extent to which they: grasp the current situation, have systems in place, work to prevent impacts, raise awareness in-house, regularly confirm their situation, and keep their understanding of normal situations up-to-date. From the relief viewpoint, it also clearly details the Mazda Global Hotline, set up for whistleblowing if an issue is discovered or as a communications hotline to discuss responses.

In terms of evaluations into the effectiveness of such initiatives, the yearly questionnaire for suppliers verifies that they are appropriately carrying out the self-diagnosis described above. In FY March 2023, no issues, including those related to human rights initiatives, were found.

Responsible Mineral Procurement Efforts

Mazda understands that the conflict mineral*4 problem is one of the most serious social issues in its supply chains. The Company, therefore, aims not to use conflict minerals or any other raw materials that may cause social issues and it has clarified this view in the Mazda Supplier CSR Guidelines, to which it requests all suppliers follow. In FY March 2023, based on a request from a company to which Mazda supplies vehicles, Mazda conducted a conflict minerals survey of around 300 companies from which Mazda orders components or materials used in the finished supplied vehicles. For the surveys, Mazda used the format designated by the EICC (now the RBA).

*1 Social contribution initiatives

<https://www.mazda.com/en/sustainability/social/>

*2 Human rights due diligence: continuous implementation of a cycle of procedures to identify, prevent and reduce adverse impacts on human rights in a company's business activities.

*3 Mazda identifies nine human rights issues suppliers should work on: abolition of discrimination, respect for people, prohibition of child labor, prohibition of forced labor, non-use of conflict minerals or other raw materials that may cause social issues, wages, working hours, dialogue with employees, and safe and healthy working environments.

*4 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.

CHAPTER

4

SOCIETY

Mazda is making an active commitment to solving social issues of primary importance to automobile manufacturers, including traffic safety.

We also promote activities to help enrich people's lives by capitalizing on Mazda's technologies and resources.



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-  P64 [Issue] Realizing an Automotive Society that Offers Safety and Peace of Mind
-  P75 [Issue] Creating a System that Enriches People's Lives

Society

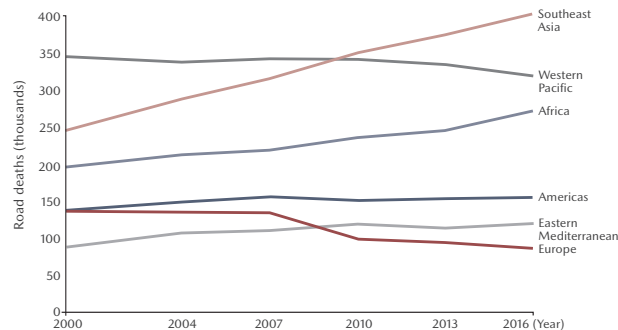
REALIZING AN AUTOMOTIVE SOCIETY THAT OFFERS SAFETY AND PEACE OF MIND

Recognizing Social Issues

The number of traffic fatalities has been leveling off or decreasing in developed countries. In emerging countries, however, the number has been on the rise along with the progress of motorization (widespread use of private passenger cars). As of 2016, the annual number of people killed in traffic accidents reached approximately 1.35 million worldwide.

The automotive industry working to promote vehicle safety measures with a view to reducing the number of fatal road traffic accidents to zero by securing the safety of pedestrians and vehicle occupants, preventing serious accidents, and encouraging the effective and proper use of autonomous driving-related technologies.

Trends in the number of traffic fatalities worldwide (2000-2016)



Mazda created the graph above in accordance with the guidelines of the World Health Organization (WHO)



Death on the roads based on WHO Global Status Report on Road Safety 2018

Mazda's Approach to Resolving Issues

Reasons for Addressing Social Issues

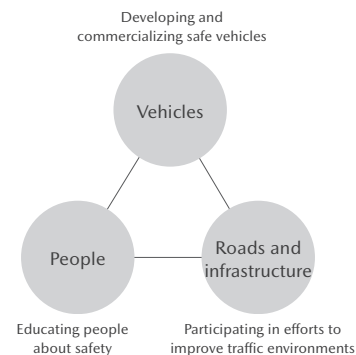
Around 2030, Mazda expects that advanced safety technology will have further evolved and become widespread, which will lead to a declining number of traffic accidents and help realize a society where people can move safely with peace of mind on a global basis.

With the goal of realizing an automotive society that offers safety and peace of mind, Mazda aims to create a system that enriches people's lives by offering unrestricted mobility to people everywhere.

Approach to Resolving Social Issues

Aiming to achieve an automotive society that offers safety and peace of mind, Mazda promotes safety initiatives from the three viewpoints of vehicles, people, and roads and infrastructure.

Three viewpoints of safety and peace of mind initiatives



Initiatives in Vehicles

In addition to refining its safety technologies, Mazda promotes technical development with the belief that the very act of spreading these technologies throughout society is a way of demonstrating the value it offers. Based on an original safety concept, Mazda Proactive Safety, Mazda is continuing to develop advanced driving support technologies that utilize IT. The Company is also working to create vehicles that enhance safety and peace of mind for drivers, passengers, and everyone else around. In terms of what Mazda can achieve between now and 2040 through automotive technologies, it aims for zero deaths resulting from its new vehicles.

Mazda Proactive Safety: Mazda's Safety Philosophy

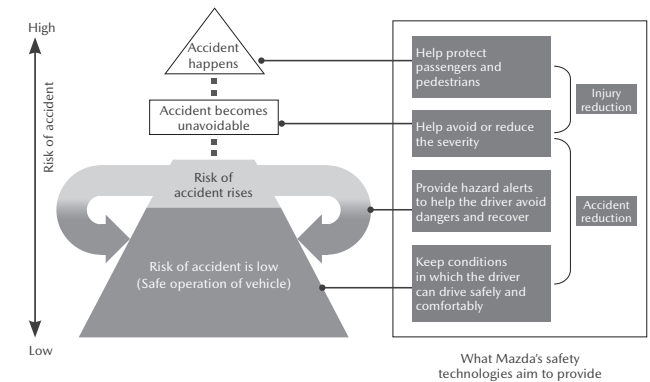
Mazda Proactive Safety is the Company's safety philosophy based on understanding, respecting, and trusting the driver. Mazda places this philosophy at the heart of its research on and development of safety technologies.

To drive safely it is essential to recognize potential hazards, exercise good judgment and operate the vehicle in an appropriate fashion. Mazda aims to support these essential functions so that drivers can drive safely and with peace of mind, despite changing driving conditions.

Since drivers are human beings, and human beings are fallible, Mazda offers a range of technologies which help to prevent or reduce the damage resulting from an accident.

If the risk of an accident increases, the sensing functions on the vehicle provide hazard alerts to help the driver avoid danger, thereby supporting safer driving. Moreover, understanding that human nature means that mistakes cannot be totally eliminated, Mazda offers safety functions on its vehicles that help prevent such human errors as much as possible, and if an error occurs, help prevent an accident or reduce the resulting damage. Mazda places the highest focus on improving ordinary driving conditions to remove possible causes of an accident rather than on a "what if"-based approach (preparing for possible results). Through providing these safety technologies based on a respect and understanding of human nature, Mazda supports driver's safer and more secure driving.

Mazda Proactive Safety: Mazda's safety philosophy



Continuously Evolving Basic Safety Technologies as Standard for All Vehicles

Aiming to realize an automotive society that offers safety and peace of mind, Mazda promotes continuous evolution of basic safety technologies, such as the ideal driving position and pedal layout, excellent visibility, and human machine interface, and will install these in all vehicles as standard.

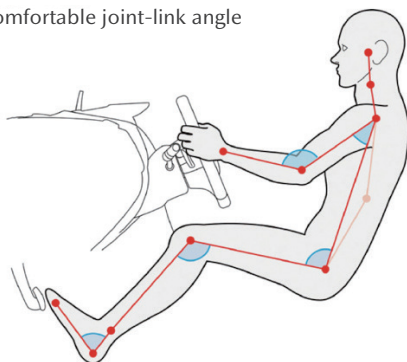
Ideal Driving Position

The major driving operation devices, including the pedals and the steering wheel, which are interface between man and vehicle, are located in an ideal position for a driver to operate them with ease and without fatigue.

Pursuing the Ideal Joint Angle for Comfortable Driving

The driving position is designed based on the theory of the "comfortable joint-link angle," the joint angle at which the driver of any physical type can exert strength quickly and properly. For Mazda3, which was introduced in 2019, the adjustable range of the telescoping mechanism*1 has been extended and the driving position adjustment accuracy has been improved to provide the driver with a more comfortable driving position. The above design modification has reduced the tightness a small driver feels when he/she moves the seat forward. The front console layout has also been renewed. In particular, the cup holder position has been moved to the front of the shift lever.

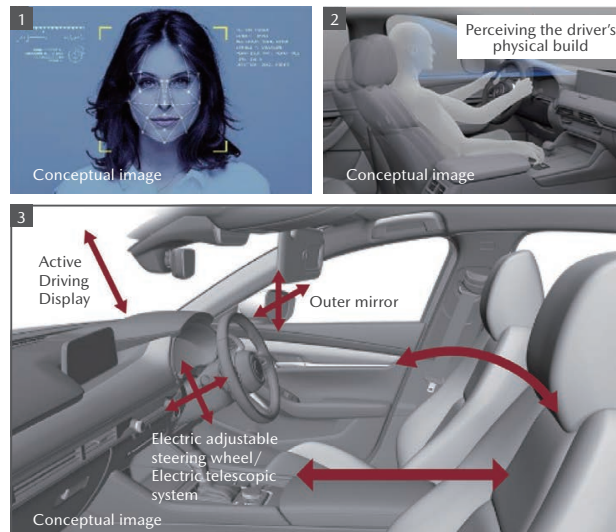
Image of comfortable joint-link angle



Helping Drivers Assume the Ideal Driving Position

Mazda believes that the ideal driving position not only allows drivers to properly control a vehicle, but also can improve their handling in emergency collision avoidance and reduce injury to occupants even if a collision occurs. Therefore, the Company has offered driving position lectures by experts at the Mazda Driving Academy (P74) and other events.

The CX-60 has incorporated an automatic driving position guide so that many more people can drive the car in the driving position that Mazda considers ideal.*2 As one of the driver personalization systems, this feature perceives the driver's physical build by detecting the positions of his/her eyes with a camera, as well as based on the body data that he/she has inputted in advance. Then this feature automatically adjusts the positions and angles of the driver's seat, the steering wheel, the Active Driving Display, and the outer mirrors. The driver can also make fine adjustments on his/her own.




TOPICS

Selected as a JAHFA 2022–2023
Car Technology of the Year

The driving position support and driver emergency reaction technologies used in the CX-60 were recognized under the 2022–2023 Car Technology of the Year initiative by the Japan Automotive Hall of Fame (JAHFA). This is the fourth time that a Mazda vehicle has been chosen for inclusion.*1

Three technological systems were singled out for praise:

(1) Driver monitoring, which uses cameras fitted with infrared sensors to protect drivers, by detecting various conditions such as by detecting if the driver is falling—or has fallen—asleep by checking whether his or her eyes are open, or sensing sudden changes in physical condition by looking at changes to sitting or head position; (2) the Driver Emergency Assist (DEA) system, an advanced safety technology that automatically reduces the speed of the vehicle and contacts emergency services should the driver lose consciousness—for example as a result of ailments such as with the heart, brain blood vessels, epilepsy, or due to low blood sugar or similar—and the vehicle determine that the driver is unable to maintain control; and, (3) the Driver Personalization System, which offers support to ensure that anyone can easily match the recommended driving positions by automatically adjusting factors such as seat position, steering wheel position, and side mirrors, according to automatic driving position guides to promote safe driving and minimize harm to everyone in the vehicle in the event of a crash.

 Selected as a Japan Automotive Hall of Fame (JAHFA) 2022–2023 Car Technology of the Year

*1 Previous models recognized: Demio/Mazda2 Skyactiv-G 1.3 in 2011–2012, CX-5 Skyactiv-D 2.2 in 2012–2013, Demio/Mazda2 Skyactiv-D 1.5 in 2014–2015

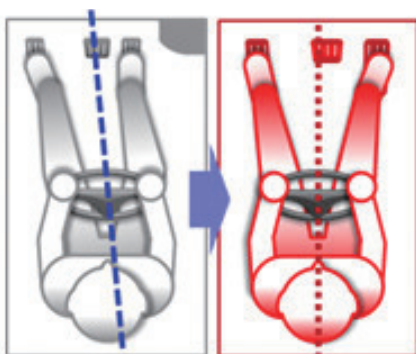
*1 A mechanism to move the steering wheel back and forth.

*2 Some grades only.

Ideal Pedal Layout

To enable pedals to be pressed in a natural position (i.e., an ideal pedal layout where the driver can stretch his/her foot forward and naturally rest it on the accelerator pedal when he/she sits in the seat), the front tires and tire houses have been repositioned farther forward. The distance between the accelerator pedal and the brake pedal has also been reviewed and optimized. As a result, the driver can enjoy driving more comfortably for many hours in a relaxed posture while operating the pedals more smoothly. These design improvements reduce both driving fatigue and the possibility of the driver stepping on the wrong pedal when braking in an emergency.

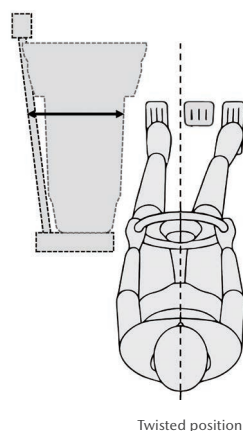
Comfortable layout enabling easy operation



Ideal Pedal Layout in Both Front-engine, Rear-Wheel-Drive (RWD) Cars and All-Wheel-Drive (AWD) Cars

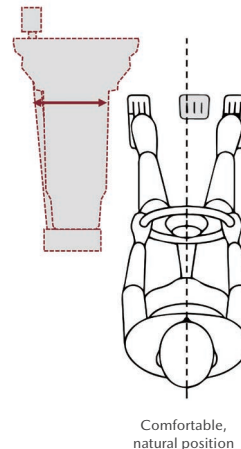
The CX-60, the first among the new SUV models, uses a longitudinal-engine power unit. Although its transmission layout posed challenges to be solved to realize the ideal pedal layout, those challenges have been overcome by downsizing the transmission. In addition, Mazda developed a lightweight, compact AWD system with a well-designed layout of the front-wheel-drive shaft, thereby realizing the ideal pedal layout even in AWD cars. Creative development ideas were put into practice to make a sufficient space available for the pedals and realize a pedal layout that allows the driver to press a pedal in a natural position whether in an RWD car or in an AWD car, resulting in the ideal driving position that provides a *Jinba-ittai* (sense of oneness between driver and vehicle).

In the case of an AWD car
Conventional rear-wheel-drive-based AWD platform



Twisted position

CX-60 AWD

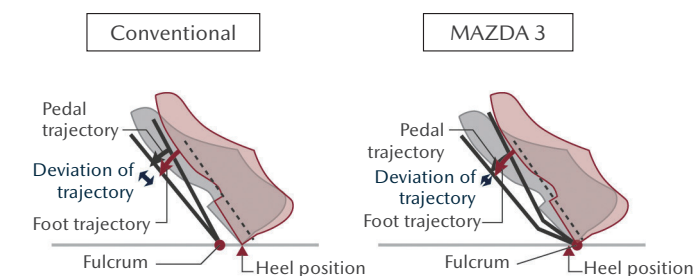


Comfortable,
natural position

Organ-type Accelerator Pedal

With an organ-type accelerator pedal, the driver's heel is placed on the floor, and the driver's foot and the pedal follow the same trajectory. This makes accelerator pedal control easier because the heel position is stabilized. For the 2019 Mazda3, Mazda has developed a new organ-type accelerator pedal structure in which the pedal fulcrum is positioned more closely to the driver's heel when compared with conventional accelerator pedals of this type. The new accelerator pedal minimizes the deviation of its trajectory when depressed, enabling the driver to use his/her calf muscles more efficiently.

New and conventional organ-type accelerator pedal



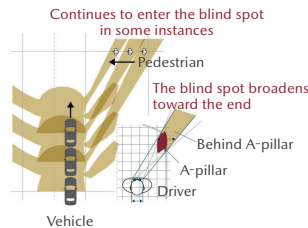
Excellent Visibility

Mazda considers it important to secure good visibility to help the driver prevent accidents by supporting his/her ability to predict and react to his/her surroundings, such as road environment, other vehicles, obstacles, and pedestrians including children. To expand the vision through the door mirror so as to improve the visibility of pedestrians and obstacles, door mirrors of all Mazda passenger vehicles currently available on the market are installed on the outer door board in a lower position. For the 2019 Mazda3 and subsequent models, the visibility has been further enhanced by a combination of the inherent slenderness and the well-devised shape of the A-pillar. Visibility for children is especially cared.

Opening angle enlarged by improved A-pillar

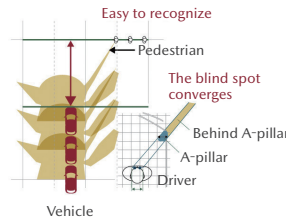
In the case of an A-pillar where the blind spot broadens toward the end

A pedestrian is often continuously hidden behind the A-pillar, preventing the driver from recognizing him/her.



In the case of Mazda's A-pillar where the blind spot converges

Sufficient visibility is provided by a combination of the slenderness of the A-pillar itself and its well-devised shape, making the blind spot smaller than in the case of a conventional pillar.



Introducing the See-Through View Technology, which Helps the Driver Check the Surroundings

The See-Through View technology has been introduced in the CX-60 to allow the driver to check the surroundings with a stronger feeling of security.*1 This technology uses a camera system that has the three functions of detection, identification and collision prediction. With this camera system, the technology complements the driver's vision by displaying an image of the surroundings as if they are seen from inside the car in order to enable the driver to not only find an object or pedestrian as early as possible but also park or start the car without concern.

- Detection: Broadening the field of vision by integrating a front-view (or rear-view) image with part of a side-view image
- Identification: Making the integrated image show an object in a larger size and three-dimensionally so that it seems like a diagonal view (from the driver's seat)
- Collision prediction: Displaying the outermost side of the car and its predicted line of course

*1 Some grades only

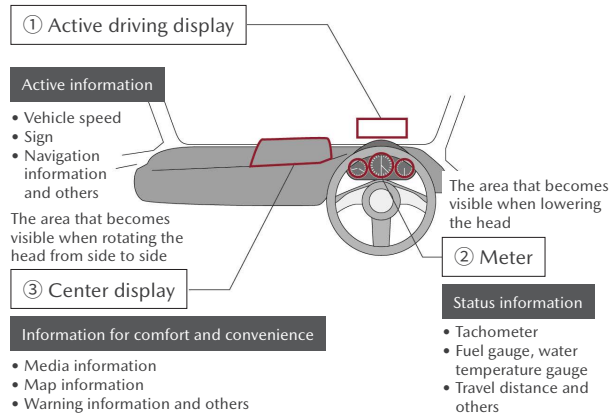
"HMI Concepts" to Minimize Causes of Careless Driving

Mazda has been committed to developing Human Machine Interface (HMI), which denotes equipment and mechanisms that facilitate communication of information about various things occurring during the drive between the driver and the vehicle, based on the concept "Heads-up Cockpit." Equipped with thoroughly human-centered HMI, the cockpit is designed to minimize three risk factors for careless driving*¹ (cognitive distraction, visual distraction, and manual distraction) to enable the driver to concentrate on driving.

The information necessary for driving is presented in order of priority, so that the driver can concentrate his/her attention on driving and thus reduce cognitive distraction. Indications in front of the driver's seat have been simplified to make the display easier to see and thus reduce visual distraction. Indicators and other intuitively operable devices are installed to reduce manual distraction.

Designing a cockpit that enables the driver to concentrate his/her attention on driving

The area that becomes visible when moving the eyes



1. Vehicle speed and other "active information that should be checked at every moment" are shown in the active driving display.
2. The amount of fuel and other "status information necessary for checking the status of the vehicle" are shown by meters.
3. Media information and other "information for comfort and convenience" are shown in the center display.

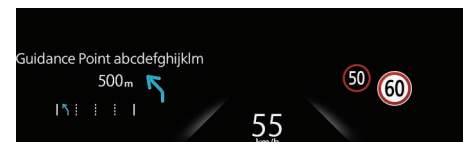
More Advanced HMI Based on an Enhanced Human-Centered Design Philosophy

The CX-60 is the first model to be equipped with HMI that features an advanced indicator system based on an enhanced human-centered design philosophy.*² The most prominent advancement lies in the increased area of the Active Driving Display (ADD), which is three times larger than ADDs in preceding models, including the Mazda3. In response to the enlarged ADD, the indicator layout has also been reconstructed to make displayed information more recognizable and more quickly readable. More specifically, the indicators are laid out optimally, grouped more appropriately, and enlarged.

■ Optimal indicator layout

When Mazda Radar Cruise Control (MRCC) or other driving support systems start working, the indicator layout will change from the usual one. Now that necessary information is displayed in the optimal layout according to the situation, the driver can read the indicators in a minimum time in each setting and recognize the state of the vehicle intuitively.

[Usually] Speed indicator displayed in the center



[When a driving support system is working]
Information about the surroundings detected by the sensor displayed in the center



■ More appropriate indicator grouping

The ADD is divided into zones each of which shows indicators for similar kinds of information in a group, thereby making the indicators more recognizable and reducing the time required to look for necessary information.



■ Enlarged indicators

In order to provide a safer and enjoyable driving experience for drivers of various age groups, the size of letters and graphics has been increased to improve visibility. Changes in information that should be recognized can be easily noticed without having to pay close attention to the ADD by devising color and shape changes.

*1 The following are three factors that cause careless driving.

- Cognitive distraction: The driver is distracted by something other than vehicle control, such as checking the position of a switch and its operation method.
- Visual distraction: The driver takes his/her eyes off the road to check the information or for other purposes.
- Manual distraction: The driver strongly moves his/her body and adopts an awkward posture to operate a device.

*2 Some grades only

i-ACTIVSENSE Advanced Safety Technologies*¹

Mazda is committed to continuous evolution of i-Activsense advanced safety technologies, to deliver safer, more reliable cars to a greater number of customers, from beginners to elderly drivers. Mazda's i-Activsense is an umbrella term covering a series of advanced safety technologies, developed in line with Mazda Proactive Safety. They include active safety technologies that support safer driving by helping the driver to recognize potential hazards, and pre-crash safety technologies which help to avert collisions or reduce their severity in situations where they cannot be avoided.

In 2022, the following new safety features were added to the CX-60:

- Smart Brake Support (SBS):

<Junction> <Front Crossing> (SBS-FC)

- Blind Spot Monitoring (BSM):

<Vehicle Exit Warning>

- 360° View Monitor:

<See-Through View>

- Mazda Radar Cruise Control (MRCC):

<Speed Limit Assist>

The Company has completed application of six technologies, including the collision damage reduction brake (Advanced Smart City Brake Support or Smart Brake Support) and an acceleration suppression device that functions when the driver depresses the wrong pedal (AT Acceleration Control), for all 12 major models*² sold in Japan, as standard equipment. Under the new vehicle safety concept Safety Support Car S (Suppocar S)*³ recommended by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, these models qualify for the "Wide" Suppocar S category (as of August 2023).

Driving Support Plus,*⁴ a System That Supports Safe Driving with an Electronic Key

Drivers in all age groups can cause an accident by stepping on the wrong pedal. To allow all drivers to enjoy driving with a feeling of security, Mazda has introduced Driving Support Plus, starting with the CX-60. If this new system detects the driver suddenly stepping on the accelerator pedal and judges this to be a pedal misapplication, the system will prevent the vehicle from suddenly accelerating and will reduce damage by suppressing the acceleration even if there is no obstacle in front of the vehicle, as well as informing the driver of the pedal misapplication with the warning buzzer and the indicator. Driving Support Plus is automatically started by unlocking the doors with the optional dedicated keyless entry system and starting the engine. In addition to AT Acceleration Control, this system helps prevent accidents caused by pedal misapplication and reduces damage from such errors.

«Conditions for system functioning»

- When the select lever is at any position other than "P" or "N"
- When the vehicle is moving forward at a speed of about 30 km/h or lower or reversing at a speed of 15 km/h or lower

Human-centered Advanced Driving Support Technology

Mazda has conducted extensive research into humans. By understanding and modeling physical bodies and brain mechanisms, the Company has come up with the Mazda Co-Pilot Concept, an advanced driving support technology that can help to reduce risks associated with the driver becoming sleepy or unwell. Based on this concept, people enjoy driving and are revitalized mentally and physically through the process. Meanwhile, the car knows all the movements of the driver and the car is driving "virtually" in the background at all times. If the unexpected occurs, such as the driver suddenly losing consciousness, the car takes control to help prevent an accident and reduce potential injuries. It also automatically contacts emergency services and drives to a safer location. The Company aims to develop technologies of the Mazda Co-Pilot Concept, which uses autonomous driving technologies to allow drivers to enjoy any drive with peace of mind, and make these technologies standard.

*1 i-Activsense technologies are designed to help reduce damage and/or injuries resulting from accidents. However, each system has its limitations, and no safety system or combination of such systems can prevent all accidents. These systems are not a replacement for safe and attentive driving. Please drive carefully at all times and do not rely on technology to prevent an accident.

*2 Applied models: Mazda2, Mazda3, Mazda6, CX-3, CX-30, CX-5, CX-60, CX-8, MX-30, MX-30 (EV model), Roadster/MX-5, and Roadster RF/MX-5 RF

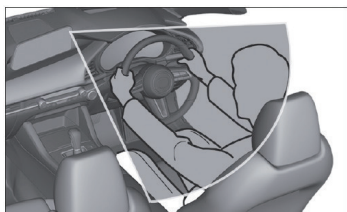
*3 A popular name for a safe-driving support car designed to prevent traffic accidents, a societal problem in Japan. It is particularly recommended for use by aged drivers.

*4 Warning concerning Driving Support Plus:

- Since Driving Support Plus is a driving support system, its functions have limitations. For your safe driving, please do not rely solely on this system. Excessive reliance on this system may expose you to danger of an unexpected accident. Be sure to confirm that the situation surrounding your vehicle is safe while you are driving.
- Please note that Driving Support Plus may not function in some situations.
- Driving Support Plus is not a collision prevention system. In addition, since it has no function of automatically stopping the vehicle, the vehicle will move by inertia even after the system functions. Be sure to check the surrounding traffic situation and apply the brakes on your own.
- Please do not test the acceleration control function of the system by trying suddenly stepping on the accelerator pedal on your own. The system may not properly function in some situations, exposing you to danger of an unexpected accident.

Driver Monitoring

For Driver Monitoring, which was introduced in the Mazda3 in 2019 for the first time, two new functions have been added: step-by-step warnings issued when the driver's drowsiness is detected, and an earlier frontal collision warning issued when careless driving is detected. More advanced technologies are applied to the CX-60, detecting drowsy driving with the driver's eyes closed and noticing a sudden change in the driver's condition based on changes in his/her posture or the position of his/her head, in addition to issuing a warning against careless driving. The accuracy of Driver Monitoring's detection of both drowsiness and changes in the driver's condition has been increased through comprehensive judgment based on various factors, including the state of driving.



Driver Monitoring

Detecting the driver's condition by Driver Monitoring

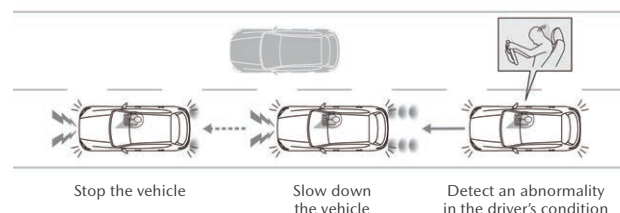
MAZDA 3 (from 2019 onward)	Detection of careless driving		Directions of the eyes and face	Detecting careless driving from the directions of the driver's eyes and faces
	Detection of drowsy driving		Movement of the eyelids	Detecting drowsy driving from the movement of the driver's eyelids
CX-60 (from 2022 onward)	Detection of the driver's abnormal conditions		Closed eyes	Detecting the driver's closed eyes from the distance between his/her upper and lower eyelids
			Steering	Detecting the driver not holding the steering wheel from his/her abnormal position
	Abnormal position		Position (location and angle)	Detecting abnormalities in the driver's position in comparison with his/her usual driving position

Driver Emergency Assist (DEA) System*1

The CX-60 is equipped with the Driver Emergency Assist (DEA) system, an advanced safety technology that can detect abnormalities in the driver's condition to help avoid an accident or reduce damage and injuries. Working with Driver Monitoring, the DEA system will slow down and stop the vehicle if it becomes difficult for the driver to continue to drive due to a sudden sickness or for other reasons, regardless of whether the vehicle is running on an expressway, an automobile road, or an ordinary road. This system therefore helps avoid an accident or reduce accident damage and injuries. In April 2023, the system was recognized with an Ichimura Industrial Achievement Award at the 55th Ichimura Industrial Awards (organized by the Ichimura Foundation for New Technology).

Ichimura Industrial Achievement Award at the 55th Ichimura Industrial Awards
(organized by the Ichimura Foundation for New Technology)

Steps in the operation of the DEA system



- Step 1: Monitor the state of the driver and detect an abnormality
- Step 1-1: After detecting an abnormality in the driver's condition, start the hazard lights blinking to inform the passenger that the vehicle will make an emergency stop soon
- Step 2: If the driver cannot resume driving, slow down and stop the vehicle while blinking not only the hazard lights but also the brake lights and sounding the horn repeatedly to warn others
- Step 3: Automatically make emergency contact with an external party as needed

* Some functions of the DEA system are available only for customers who have contracted for the connected services and inserted an SD card in their navigation system.

TOPICS

First in Japan to respond to latest UN regulations on DEA systems

In September 2022, the CX-60*1 was designated by the Minister of Land, Infrastructure, Transport and Tourism as the first vehicle in Japan to clear the revised safety regulations of the Act on Special Provisions of the Road Transport Vehicle Act Incidental to Enforcement of the Convention on Road Traffic*2 that take UN Regulation No. 79, Revision 4 (the latest*3 revision) into account.

This governs vehicles fitted with emergency functions that under certain conditions can automatically, and as safely as possible, stop or steer the vehicle should the driver become unresponsive. These risk-reduction functions of the DEA system meet the technical requirements of the UN regulation from which the Japanese safety regulations above are set. The minister's designation was received prior to the technologies' introduction to new vehicles from September 2023. In the future, Mazda will utilize advanced driving support technologies to help protect drivers and support the fun and freedom of driving, enrich their lives, and create excitement.



CX-60 fitted with the DEA system

Details on Mazda becoming the first in Japan to respond to the latest UN regulation on DEA systems

*1 For Japanese-specification e-Skyactiv D, Skyactiv-D 3.3, and e-Skyactiv PHEV Skyactiv-G 2.5 models

*2 For more details, please view the MLIT press release via the link below
https://www.mlit.go.jp/report/press/jidosha10_hh_000260.html (Japanese only)

*3 As of November 2022

*1 This system is designed to complement the driver's safe driving; it will function only under certain conditions, and its functions have limitations. No safety system or combination of such systems can prevent all accidents. This system is not a replacement for safe and attentive driving. Please drive carefully at all times and do not rely on technology to prevent an accident. For details, please ask dealer staff or refer to Mazda's website.

Technologies for Mitigating Injuries and Damage from an Accident

In anticipation of an accident, Mazda has been developing technologies for mitigating injuries to the driver, passenger, and pedestrians and damage to other vehicles involved in the accident, mainly focusing on analyzing various real cases of accidents and various forms of accident-caused injuries and damage in the market, as well as human-engineering mechanisms for causing injuries to human bodies.

The Company has been dramatically enhancing the collision safety performance of Mazda vehicles by utilizing a sturdy body structure that can absorb energy more efficiently and minimize cabin deformation in the event of a collision in any of the various directions and a protective structure developed based on the human characteristics of drivers, passengers, and pedestrians to reduce injuries to them from various kinds of accidents. Mazda's major safety technologies are described below.

Lightweight collision-safety body:

Mazda has developed a sturdy vehicle body structure that can absorb energy very efficiently by introducing highly strong material for pillars and frames, reinforcing skeleton joints, and designing the optimal forms of skeleton joint sections. This body can absorb and disperse impacts in various directions to support the cabin and mitigate its deformation.

Occupant protection:

Mazda has developed a technology for reducing injuries based on research on the human characteristics of people who are different in terms of build, including elderly people. Mazda vehicles use an occupant-protection structure in anticipation of various forms of accidents and injuries.

Pedestrian protection:

As a technology for mitigating injuries to not only drivers and passengers but also pedestrians in the event of an accident, Mazda vehicles use a pedestrian-protection structure designed in anticipation of injuries in various spots in pedestrians' bodies.

Technologies Introduced in 2022 for the CX-60 and Subsequent Models

The following technologies have been used in the CX-60, which was launched in Europe in April 2022.

Lightweight Collision-Safety Body

Ultrahigh-tensile steel plate

The percentage of steel panels with an ultrahigh tensile strength of 980 MPa or more used in a vehicle has increased from about 13% for the previous model to about 21% for the CX-60. The CX-60 is Mazda's first model to use 1,470-MPa-class cold-stamped steel and 1,800-MPa-class hot-stamped steel for body structural parts, thereby achieving light weight.

Frontal collision safety performance

The bumper beam and the perimeter beam have been elongated at both sides to protect the vehicle from a collision in any of the various directions and reduce damage to other vehicles involved in the collision.

Side collision safety performance

A highly strong underbody structure is used to provide a protective space for the drive battery under the floor in anticipation of a collision against a tree, a utility pole, etc.

Occupant Protection

Front seat

To reduce possible neck injuries from a rear-end collision, the front seats are designed not to lean backward at the initial stage of the collision, using seat frames with increased rigidity and bend-resistant seat sliders. In addition, the seat back cushions, featuring the optimized hardness of each part, are designed to securely hold the head as early as possible to mitigate the opposite-direction movements of the head and the torso.

Seatbelt lap anchor

To minimize the slack of the belt irrespective of the forward-backward position of the seat, the lap anchor of each front seat is now attached to the seat, instead of the floor, to which the previous type of lap anchor was attached. This change helps the seat firmly hold the occupant's body as soon as possible in the event of a collision.

Driver's seat knee airbag

The driver's seat knee airbag has been introduced to protect the front parts of the driver's knees. It helps to prevent the driver's body from moving forward to reduce possible injuries to his/her chest, stomach and legs.

Front seat side airbag

The front seat side airbag has been improved with novel ideas for folding and packaging so that it can open more quickly to firmly hold the driver's and passenger's body. Its ability to hold the driver's and passenger's body has been optimized by effectively utilizing the stroke of energy absorption with the aim of reducing possible injuries to aged drivers and passengers who are less resistant to impacts.

Pedestrian Protection

Head protection measures

To reduce injuries to the head of a pedestrian in the event that his/her head hits the hood in a collision, a space has been secured inside the hood so that his/her head will be softly supported by the structure inside the hood and prevented from touching hard objects inside the engine compartment, such as the engine and structure parts.

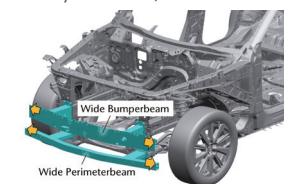
Lower-back and leg protection measures

To reduce the severity of possible bone fractures in a pedestrian's lower back and legs, as well as injuries to his/her knee ligaments, the CX-60 is designed so that, even if his/her lower back and thighs hit the front bumper, the face upper will softly support them with a reduced impact after that, while the lower stiffener will work similarly on his/her lower legs, thereby preventing the eversion of his/her knee joints and their resulting abnormal bend.

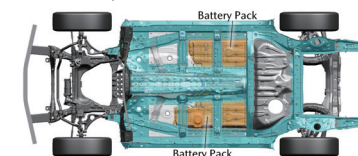
Lightweight, safer body



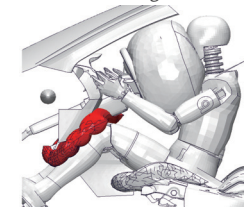
Frontal collision safety performance
(Front body structure)



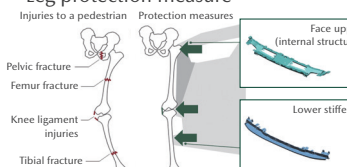
Side collision safety performance
(Under body structure)



Driver's seat knee airbag



Leg protection measure



External Evaluations for Mazda's Safety Technologies

Mazda has earned high evaluations for its safety technologies.

Third-Party Safety Evaluations

Rating by vehicle model

(As of the end of May 2023)

		DEMIO/ MAZDA 2	MAZDA 3	ATENZA/ MAZDA 6	CX-3	CX-30	CX-5	CX-50	CX-60	CX-8	CX-9	MX-30	ROADSTER/ MX-5
Japan	J-NCAP*1 (Collision Safety Performance Tests)	5★ (2014)	—*6	5★ (2013)	5★ (2015)		5★ (2017)			5★ (2017)	—*5	—*6	—*6
	J-NCAP*1 (Advanced Safety Vehicle (ASV) Technology Assessment)	ASV+ (2014)	—*6	ASV+++ (2018)	ASV+++ (2018)	5★ (2021)		—*5	4★ (2022)				
US	US-NCAP*2	—*5	—*6	—*5	—*5	—*6	5★ (2023MY)	—*6	—*5	—*5	5★ (2023MY)	—*6	—*6
	IIHS*3	—*5	23TSP	—*5	—*5	23TSP	23TSP	23TSP	—*5	—*5	23TSP	—*6	—*6
Europe	Euro-NCAP*4	5★*8 (2020)	5★ (2019)	5★ (2018)	—*6	5★ (2019)	5★ (2017)	—*5	5★ (2022)	—*5	—*5	5★ (2020)	—*6

Recent NCAP Evaluations*7

(As of the end of May 2023)

		Vehicle models evaluated	Number of vehicle models receiving the highest possible (5★) rating/number of vehicle models evaluated
Japan	J-NCAP*1	CX-60	0/1
US	US-NCAP*2	CX-5, CX-9	2/2
Europe	Euro-NCAP*4	CX-60	1/1

*1 Japan New Car Assessment Program: Vehicle collision safety performance evaluations conducted by the National Agency for Automotive Safety and Victims' Aid. For collision safety performance, 5★ is the highest possible rating.
For Advanced Safety Vehicle (ASV) Technology Assessment, ASV+++ is the highest possible rating (from 2018 to 2019).

*2 National Highway Traffic Safety Administration's 5★ Safety Ratings program. 5★ is the highest possible rating.

*3 Insurance Institute for Highway Safety: Safety performance evaluations by an independent, nonprofit organization funded by auto insurers. Top Safety Pick + (Plus) is the highest possible rating.

*4 European New Car Assessment Programme: An independent agency comprised of the transport authorities of European countries, etc. 5★ is the highest possible rating.

*5 Not yet introduced as of the end of May 2023.

*6 Not evaluated.

*7 Excluding OEM vehicles.

*8 Mazda2 Hybrid.

Initiatives with People

It is said that most traffic accidents are caused directly or indirectly by human behavior.

Mazda endeavors to raise safety awareness among adults and children through various means of communication.

Raising Traffic Safety Awareness

In cooperation with local municipalities and organizations, Mazda and its Group companies in Japan and overseas conduct various activities to raise safety awareness.

In FY March 2023, Mazda participated in the Traffic Safety Challenge Festa held at Numaji Transportation Museum and conducted safety-awareness raising activities, which it had continued in cooperation with the Hiroshima Branch of the Japan Automobile Association (JAF) since 2017 to increase the seatbelt usage rate. The importance for all car occupants to wear a seatbelt was explained through the simulation of a collision at a speed of 5 km/h, quizzes to raise children's safety awareness, and shock absorption experiments with toy cars. In addition, a safe driving seminar for aged drivers was held at a local community center.



Raising awareness of using a seatbelt and child seat

Safe Driving Demonstration

Starting from FY March 2015, Mazda has held the Mazda Driving Academy, an experience and training program to help customers in Japan learn the theories and techniques to control their cars easily, comfortably and safely. A variety of curriculums tailored to the needs and level of the customers are offered, from basic driver training of drive, turn, and stop, to the exciting experience of driving on a racing circuit, with the aim of improving their driving skills and raising the awareness of safe driving. In FY March 2023, the Mazda Driving Academy was held seven times.



Driving position lecture



Experiencing sudden braking

Initiatives with Roads and Infrastructure

Initiatives toward Realizing a Safe Automotive Society with ITS*1

Traffic accidents and congestion are serious social problems in many countries and cities. To solve these problems, worldwide efforts have been taken to introduce advanced technologies for roads and automobiles. As an automobile manufacturer, Mazda has been proactively supporting the ITS project driven by the government and private sector, and working collaboratively with the national and local governments and related companies in order to realize a society where the road traffic is safe and accident-free.

Technology to Notify the Driver of Unseen Dangers

Mazda is promoting research and development of ITS as a means to monitor the objects in a distant position that cannot be detected by Mazda's advanced technology i-Activsense or the areas in an intersection that cannot be seen from the driver.

ITS Projects Mazda Participates

Project	Description	Organizer
ASV (Advanced Safety Vehicle)	Research and development to realize a system to assist safer driving utilizing cutting-edge technologies, including communication-based driving safety support systems. In 1991, the project's first phase was launched, and currently discussions are under way as to the seventh phase.	Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism
ITS Connect*	The ITS Connect Promotion Consortium promotes practical application and widespread use of a driving support system combining automobile-related technology with new ITS communication technology. The consortium aims to achieve a safe anxiety-free transportation society, by studying the fundamental technology for the driving support system (ITS Connect), which utilizes ITS dedicated frequency band, and carrying out operation support.	ITS Connect Promotion Consortium

* Website of ITS Connect Promotion Consortium (<https://www.itsconnect-pc.org/en/>)

*1 ITS: Intelligent transport system uses telecommunications technology to bring together vehicles, people, and the traffic environment, with the aim of easing traffic congestion and reducing the number of accidents throughout Japan.

Society

CREATING A SYSTEM THAT ENRICHES PEOPLE'S LIVES

Recognizing Social Issues

According to the 2020 White Paper on Information and Communications in Japan (published by the Ministry of Internal Affairs and Communications), Japan has been called as a country with advanced challenges. The country began to experience a declining population and aging society prompted by a falling birthrate sooner than other countries, while also facing the increasing concentration of its population in urban centers. In recent years, various issues have become apparent. In urban areas, daily traffic jams and congestion have caused extended traveling and commuting times and other problems that lead to social losses. Meanwhile, areas in rural Japan where no public transportation is available have expanded, due to reduced and discontinued public transportation services such as trains and buses. As a result, freedom of mobility in everyday life is limited for people who have difficulty using private vehicles as their main means of transport. As measures to effectively fulfill these mobility needs of local

communities with different characteristics and issues, expectations are running high for Mobility as a Service (MaaS).*1 Amid ongoing discussions nationwide about MaaS in Japan, the automotive industry is striving to develop related technologies and create mobility service systems.

Mazda's Approach to Resolving Issues

Reasons for Addressing Social Issues

Mazda predicts that around 2030, against the backdrop of global digitalization and widespread use of work efficiency improvement tools, the automotive industry will seek to increase convenience by linking cars and communications systems, offering various services one after another. Making the selection of which convenience-oriented services to provide a decision of significant value. Metropolitan areas with advanced infrastructure built to accommodate a greater concentration of people should be able to resolve any concerns or inconveniences regarding mobility with little difficulty, thanks to the development of shared services as well as expanded vehicle use and services, which will become comparable to those of public transportation systems. On the other hand, depopulated areas in hilly and mountainous regions of Japan will continue to suffer a lack of transportation means due to the disappearance of public transportation services, making it harder for local residents—particularly the elderly and

people with special needs—to get around. This issue will also involve regional revitalization, which cannot be resolved by merely providing relevant services alone. Mazda will leverage available car and connectivity technologies to help create a community where local residents help one another and facilitate human interaction, assisted by drivers from both within and outside the community.

Approach to Resolving Social Issues

Mazda aims to evolve connectivity technologies to further cultivate connections among people and between people and society, thereby building a social contribution model that will enrich lives in the region by offering safe, secure, and unrestricted mobility to people everywhere. At the same time, the Company will move forward with initiatives to enhance brand value through active social contributions capitalizing on the strength of a vehicle manufacturer.

Five Types of Regions Identified to Promote Japanese-style MaaS

	(1) Metropolitan area	(2) Metropolitan suburban	(3) Local urban	(4) Suburb/Depopulated area	(5) Tourist destination
Regional characteristics	<ul style="list-style-type: none">Population size: LargePopulation density: HighTransport system: Primarily trains	<ul style="list-style-type: none">Population size: LargePopulation density: HighTransport system: Trains/cars	<ul style="list-style-type: none">Population size: MediumPopulation density: MediumTransport system: Primarily cars	<ul style="list-style-type: none">Population size: SmallPopulation density: LowTransport system: Primarily cars	<ul style="list-style-type: none">Population size: —Population density: —Transport system: —
Regional issues	<ul style="list-style-type: none">Response to diversifying mobility needsLack of information about potential demandDaily traffic jams and congestion	<ul style="list-style-type: none">Lack of first-/last-mile transportation services and connectivityLocal congestion due to events, weather, etc.	<ul style="list-style-type: none">Reliance on private carsDecrease in convenience and profitability of public transportationInsufficient transportation for non-car owners and elderly people who have returned their driver's license	<ul style="list-style-type: none">Reliance on private carsDecline in local transportationExpansion of areas where no public transportation is availableIncreasingly insufficient transportation for non-car owners and elderly people who have returned their driver's license	<ul style="list-style-type: none">Lack of secondary transportation and provision of tourism transportation in rural areasNeed to facilitate smooth movement of foreign visitors to Japan, whose numbers are rapidly increasingFinely tuned response to diversifying tourism needs

The above table was created by Mazda based on the "Outline of the Interim Report from the Roundtable on New Mobility Services for Cities and Rural Areas of the Ministry of Land, Infrastructure, Transport and Tourism."

*1 Mobility as a Service (MaaS): An integrated transport service of search, reservation, payment, etc. that optimally combines multiple public transportation and other travel services in response to the travel needs of each local resident or traveler on a trip-by-trip basis

Social Contributions Capitalizing on the Strength of a Vehicle Manufacturer

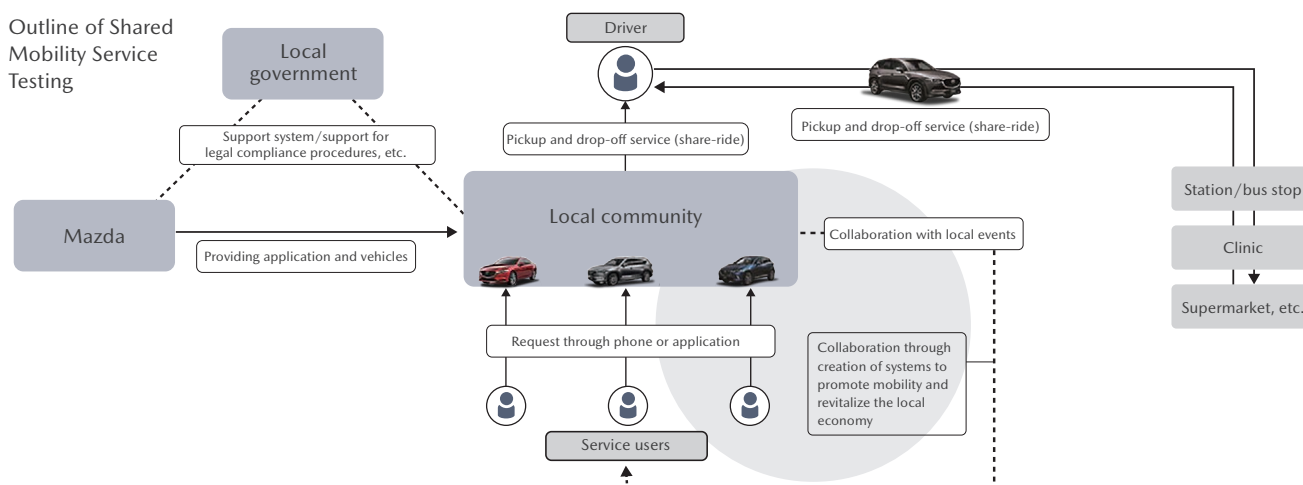
Mazda promotes various initiatives to help resolve social issues, taking advantage of technologies and skills that the Company has cultivated thus far. While valuing dialogues and co-creation with its stakeholders, Mazda aims to achieve sustainable development of society.

Testing a Shared Mobility Service Leveraging Connectivity Technologies

Mazda will leverage the car and connectivity technologies to help create a community where local residents help one another, assisted by drivers from inside and outside the community, and promote real-life discoveries, experiences and growth through human interactions. Surely that is the way to create a more human world that allows people to really experience the joy of life. Recent years have witnessed the dilapidation of public transportation systems in depopulated areas in hilly and mountainous regions of Japan, and this has made it harder for the elderly and disabled to get around. To help resolve such social issues, in December 2018 in Miyoshi City, Hiroshima Prefecture, Mazda started testing a shared mobility service utilizing its connectivity technologies, in co-operation with local residents and prefectural and city authorities. The Company is in charge of developing a transportation service

management system and application software for users. Mazda is in the process of coming up with ideas to improve the convenience of the service through dialogues with the local community while having residents of the testing sites—the Kawanishi district and Sakugi-cho of Miyoshi City—continue using the service. The Company is currently implementing various measures to ensure seamlessly connected mobility of people and goods inside and outside the community by linking the shared mobility service with regional information on local exchange events, shipping/collection of agricultural products, etc. Through such measures, Mazda strives to realize a sustainable service used by many more people, thereby leading to community invigoration in the future. Moreover, since December 2021, Mazda has expanded its activities to include Higashihiroshima City, and in addition to helping to resolve mobility issues through a shared mobility service, the Company aims to bring about a richer society through more sustainable lifestyles and a circular economy by utilizing its renewable energy and mobility technologies, such as EVs. To this end, it is moving forward with studies that involve the people of the region. Through these efforts, Mazda aims to build a social contribution model that will support regional revitalization and enrich lives in the region by offering safe, secure and unrestricted mobility to people everywhere.

Outline of Shared Mobility Service Testing



Trial of a shared mobility service

Photo courtesy of Kawanishi Residents Association

Helping Disaster Evacuees Spend the Night in a Car

By leveraging its knowledge as an automobile manufacturer in response to recent frequent disasters beyond expectation, Mazda has launched a Mazda original kit of emergency items that are useful for disaster evacuees in spending the night in a car. The kit includes goods that enable evacuees to spend the night as comfortably as possible in a car, such as pressure socks, which help reduce the risk of suffering from economy class syndrome, as well as portable toilets and a water bag. The kit also includes a booster cable, which will be helpful when the car battery dies. In the aftermath of a disastrous torrential downpour in Japan in July 2020, Mazda sent quantities of this kit to disaster-affected areas so that it would be used for support and recovery activities. Moreover, in July 2022, a more affordable low-price variety of this emergency kit (5 L) was added to the lineup with a view to having many more people use it.



Mazda original emergency kit for spending the night in a car

Social Contribution Tailored to National and Local Needs

Mazda is fulfilling its responsibilities as a good corporate citizen through ongoing involvement in socially beneficial activities tailored to the needs of local communities.

Basic Policy on Initiatives

Basic Principles

As a company engaged in global business, Mazda is fulfilling its responsibilities as a good corporate citizen through ongoing involvement in socially beneficial activities tailored to the needs of local communities, in order to ensure that its business activities contribute to the building of a sustainable society.

Plans for Future Activities

- Proactive, ongoing responses to social needs through the core business activities of the Mazda Group in Japan and overseas
- In collaboration with local communities, contribute to the development of a sustainable society through activities tailored to the needs of communities
- Emphasize and provide support for self-motivated volunteer activities by employees, and incorporate diverse values to foster a flexible and vibrant corporate climate
- Proactively disclose the details of activities and engage in a dialogue with society

Three Pillars

Mazda promotes activities that are strongly rooted in local communities. Its social contribution activities are underpinned by the three pillars of environmental and safety performance, human resources development, and community contributions. (P79-80)

Three Pillars in Basic Policy on Social Contribution Initiatives



Promotion Framework

In May 2010, Mazda established the Social Contribution Committee. The role of this committee, which meets regularly (twice a year), is to discuss issues facing the entire Mazda Group and share information, in line with the social contribution policy decided by the CSR Management Strategy Committee. (P9)

The details of the actual activities are considered by a Working Group comprised of related divisions.

Through the activities of the committee undertaken since 2010, Mazda continues to enhance information collection and utilization from a global and Group standpoint. Individual activities are carried out based on the budget plan in each region or department.*1

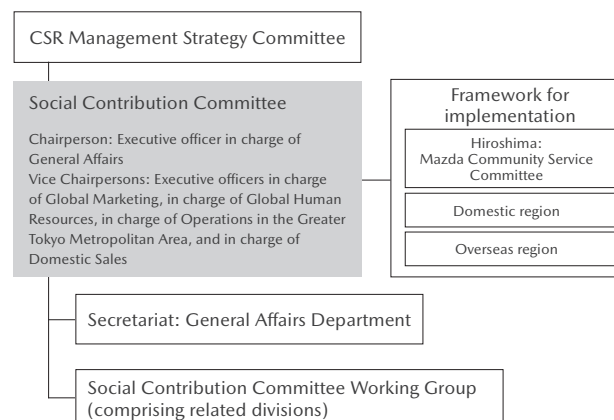
FY March 2023 Major Results:

- Carried out over 700 activities*2 in Japan and overseas*3 (cost of social contribution activities: around 2.06 billion yen in FY March 2023). (P121)
- Established the Mazda Social Contribution Prize, selected based on evaluation indexes for social contribution programs, and continued implementing the PDCA (plan-do-check-act) cycle process.

Evaluation Indexes for Social Contribution Programs

In FY March 2015, Mazda established the evaluation indexes for social contribution programs. These indexes are used to evaluate and promote programs which resolve social issues and improve cor-

Promotion Framework



porate values. Mazda also created the PDCA (plan-do-check-act) process. They are designed to evaluate these social contribution programs from three perspectives: effect on society; effect on the Company; and Mazda uniqueness. (To be more specific, the indexes comprise eight categories such as "the number of beneficiaries," "the number of participating employees," "conformity with the Three Pillars in Basic Policy on Social Contribution Initiatives," etc.)

Mazda Social Contribution Prize

In January 2015, Mazda established the Mazda Social Contribution Prize as a commendation system to recognize outstanding social contribution activities. The objective of the prize is to raise in-/external recognition of the outstanding social contribution activities and support for increasing excellent social contribution activities. Based on the evaluation indexes for social contribution programs, members of the Social Contribution Committee Working Group, the Mazda Workers' Union and the Federation of All Mazda Workers' Unions collaborate to evaluate candidate activities. The Social Contribution Committee then selects prizewinning activities, each of which will be presented with a certificate of recognition in the name of the Company President on the anniversary of Mazda's foundation in January every year.

The 9th Annual Mazda Social Contribution Prize

The FY March 2023 prize winning activities were selected from the social contribution activities introduced in the Mazda Social Contribution Activities Report*3 (from April 2021 to March 2022).

The 9th Annual Mazda Social Contribution Prize

	Activity name
Grand Prize	Toy drive by Mazda de Mexico Vehicle Operation
Special Prize	Humanitarian aid for Ukraine by Mazda Motor Europe
Special Prize	Learning support for children by Mazda Motor Corporation
Honorable Mention	Paper crane project by Mazda Motors of New Zealand

*1 In Japan, the United States, Australia, New Zealand, and South Africa, the Mazda Foundation in each country separately undertakes various activities.

*2 Social contribution activities: Consolidated basis, Mazda Motor Corporation and its major subsidiaries. Monetary donation, goods donation, facility sharing, employee participation and dispatch, voluntary programs, and support for disaster-stricken areas.

*3 "Social Contribution Initiatives" on the Mazda Motor Corporation Global Website. <https://www.mazda.com/en/sustainability/social/>

I Volunteering by Employees

Mazda offers support to help employees become actively involved in volunteer activities.

- Providing volunteer opportunities (Mazda Specialist Bank, Mazda Volunteer Center, etc.)
- Subsidizing part of the cost of activities (Mazda Flex Benefits^{*1}), etc.)
- Enabling employees to take leave for activities (volunteer leave included in the Special Warm Heart leave system (📄 P118), etc.)
- Providing volunteer training opportunities





I Support for Disaster-Affected Areas

The Mazda Group provides various supports for the early recovery and restoration of areas affected by natural disasters. Mazda Head Office coordinates with its production/business sites in the affected area to provide appropriate support in case of natural disasters such as an earthquake and abnormal weather.

Recent support cases: Great East Japan Earthquake/Northern Kyushu heavy rain in July 2017/heavy rain in July 2018/Typhoon Jebi (No. 21) in 2018/Hokkaido Eastern Iburi Earthquake in 2018/Typhoon Hagibis (No. 19) in 2019/heavy rain in July 2020 (Japan), hurricanes (United States), Mexico Earthquake (Mexico), flooding in southern Thailand (Thailand), Turkey and Syria earthquakes, etc.

I Support through Mazda Foundations


Mazda and its Group companies have established Mazda Foundations in five countries, to promote support activities tailored to each region.

Country	Name	Support activities / objectives	Year of establishment	Amount of grants (donations) in FY March 2023
Japan	 Mazda Foundation	Support activities to promote science and technology and the sound development of youth.	1984	Around ¥51,120,000
U.S.	 Mazda Foundation U.S.A. (MFUS)	Provide funds to various initiatives for education, environmental conservation, social welfare, cross-cultural understanding, etc.	1990	Around US\$498,000
Australia	 Mazda Foundation Australia (MFA)	Provide funds to various initiatives, including education, environmental conservation, technology promotion, and welfare.	1990	Around A\$1,254,000
New Zealand	 Mazda Foundation New Zealand (MFNZ)	Provide funds to various initiatives, including education, environmental conservation, and culture.	2005	Around NZ\$222,000
South Africa	Mazda South Africa	Provide funds to various initiatives, including education, career development, technological development, and environmental conservation.	2017	Around R1,045,000

TOPICS

Support for the Turkey and Syria earthquakes

To help with support activities for the communities and people affected by the Turkey and Syria earthquakes, Mazda donated 10 million yen through the Japanese Red Cross Society. Dealerships in neighboring countries have also donated to charitable organizations to help support humanitarian aid activities in the region.

 [Support for the Turkey and Syria earthquakes](#)

^{*1} This is a selective benefit system. Individual employees can seek the type of assistance that most suits them by choosing from a number of preset benefit options within the points they have.

Initiatives Based on the Three Pillars

Mazda promotes activities that are strongly rooted in local communities. Its social contribution activities are underpinned by the three pillars of environmental and safety performance, human resources development, and community contributions.

Environmental and Safety Performance

Mazda's business activities have a relationship with and impact social issues, such as global warming, energy and resource shortages, and traffic accidents. To resolve these issues, the Company attaches importance to the environmental and safety perspectives, not only in conducting its main business, but also when making social contributions.

- Hosting environmental awareness-raising programs at various events, dispatching lecturers to environmental education programs, and carrying out volunteer activities for biodiversity conservation and various other environmental protection initiatives
- Offering lectures on traffic accident issues at various events, and holding safer driving seminars

[Environment]

Japan: Community Cleanup Activities

Mazda, Group companies, and dealerships throughout Japan have been working to beautify their communities, through regular cleanup and weeding activities in their local areas. In FY March 2023, Mazda, in collaboration with Group companies and local authorities, has been running volunteer cleanup activities as part of its community contribution.



New Zealand: Assisting in the Development of Hands-on Learning

Since 2004, Mazda Motors of New Zealand Ltd. (MMNZ) has been supporting the activities of Project Crimson Trust, one of New Zealand's leading conservation organizations. In 2022, MMNZ ran the "TREEmendous" project—which was previously organized in conjunction with the Project Crimson Trust—on its own for the first time. The project teaches kids to learn hands-on in nature, to consider the environment, and ways they can protect it.



[Safety]

Japan: Flying the Flag for Safety

Players from the adult rugby team Mazda Skyactivs Hiroshima, originally part of Mazda, took part in Hiroshima Prefecture Summer Traffic Safety Week in July 2022. They worked with the city and prefectural police as well as traffic volunteers, to raise awareness about how to prevent traffic accidents. Dealerships in Japan also conduct traffic safety patrols around their neighborhoods. This activity is aimed at reducing traffic accidents by distributing reflectors and flags to raise awareness of traffic safety among local residents.



Japan: Cleaning Convex Traffic Mirrors

During the Road Safety Week, among other opportunities, local dealerships have regularly participated in the cleaning and inspection of convex traffic mirrors, to contribute to traffic safety. These dealerships work in collaboration with local police stations and other parties. This activity is aimed at preventing traffic accidents involving passing vehicles by ensuring visibility of convex traffic mirrors and by reporting their damage and other issues to the competent police stations.



Human Resources Development

Mazda emphasizes the perspective of human resources development, based on the idea that fostering people who will be future leaders in the foundation of society and in business is important.

- Holding seminars and lectures by employees with specialized knowledge and skilled techniques such as manufacturing
- Accepting students for internship programs, supporting to learn about vehicles using facilities in the Company, etc.

Community Contributions

Mazda promotes community contribution activities to cope with specific issues of each local community, in the countries/regions where the Company conducts its business operations.

- Making monetary/vehicle donations to charities and participating in various charitable activities
- Promoting sports and culture

[Human Resources Development]

Japan: Learning Support for Children

The Mazda Group offers students from elementary school age to university students the chance to visit its factories or attend vocational lectures. Mazda has now conducted plant tours for local elementary and junior high school students, who previously hadn't been able to go on field trips because of the pandemic. In addition, every year Mazda participates in the "Kids Engineer" program for elementary school students, sponsored by the Society of Automotive Engineers of Japan. In FY March 2023, Mazda held events at public facilities in its home region and at a venue in Yokohama as part of a program entitled "Make your own muffler: discover the secrets of sound."



South Africa: Support for Kids' Education and Healthy Lifestyles

Since FY March 2021, Mazda Foundation Southern Africa has been supporting Butterfly House, an NGO that carries out various initiatives to ensure that children who face various educational or childhood problems can enjoy healthy lives. Butterfly House focuses on developing places where children can play in safety, and plan to expand these. In FY March 2023, Mazda Foundation Southern Africa donated sunshade nets to protect kids from direct sunlight and heat so they can have fun in their playgrounds.



[Community Contributions]

Japan: Food Drive

Mazda, Group companies, and dealerships in Japan have, with the help of many employees, been carrying out activities to reduce food loss and promote good relationships with their communities. At Mazda, food donation boxes were placed at Hiroshima Plant and at the Company's dormitories, and after sorting, the food collected was donated to various organizations involved in running food banks.



Worldwide: Paper Crane Projects

Mazda has collected strings of paper origami cranes from sales companies around the world, and made an offering of them at Peace Memorial Park in the city of Hiroshima. This initiative came about after a request for help from the Gojinsha Wendy Hito-Machi Plaza because of a dramatic drop in the number of paper cranes being donated due to the pandemic. It has now become an activity where Mazda and sales company employees, as well as customers, around the world can pray for peace and feel the global ties that bind us all. In FY March 2023, ten countries took part, and between them they created around 24,000 cranes. These were collected and then strung together at welfare facilities and presented to Hiroshima City.



CHAPTER

5

EARTH, PEOPLE,
AND SOCIETY

Mazda believes that both quality improvement and the exploration of partnerships for “co-creation with others” provide an essential foundation for its endeavors to solve issues faced by the earth, people, and society.



CONTENTS

-  P82 [Issue] Quality Improvement
-  P88 [Issue] Exploring Partnerships for “Co-Creation with Others”

Earth, People, and Society

QUALITY IMPROVEMENT

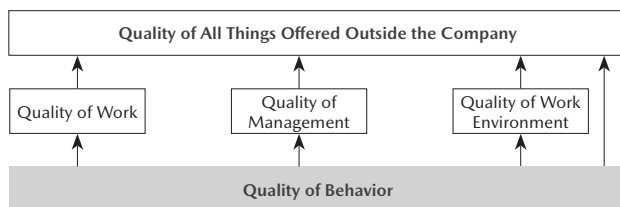
Basic Approach

Toward the realization of its Corporate Vision,*1 Mazda believes that it is important to enhance the quality of "all things offered outside the Company," including products and services, to satisfy customers. The Company defines the Five Types of Mazda Quality: "quality of work," "quality of management," "quality of work environment," "quality of behavior," and "quality of all things offered outside the Company," which is underpinned by the preceding four. In line with its quality policy, Mazda further advances the efforts it has made and promotes united collaboration among all areas, continuing to enhance Mazda's unique value.

Mazda Quality Policy

To enrich the lives of our customers
by providing products and services
that reflect steady and uncompromising work

[Five Types of Mazda Quality]



[Mazda Way]

Integrity, Basics/Flawless Execution, Continuous Kaizen, Challenger Spirit, Self-Initiative, Tomoiku, One Mazda

Approach to Quality Improvement

To deliver customers safety, trust and excitement through automotive lifestyles, and to have customers continuously realize the value of its products, Mazda positions customers as the starting point of all of its business activities and makes Groupwide efforts based on the three principles below:

1. Establishing consistent quality, from planning to production
2. Early detection and early solution of market problems
3. Quality assurance does not conclude unless the quality includes not only the outward appearance of products but also the processes used by customers

To put the above into practice, Mazda works hard to develop personnel who thoroughly understand its customers, and can think and act in accordance with the belief that everything starts with the customer.

Vision for Quality Assurance

Vehicle production based on the "100-1=0" belief

1. Establishing consistent quality from planning to production:

"100-1=0" expresses Mazda's strong desire to provide good quality to all customers under the belief that if even only one out of 100 vehicles is found to be defective, the car has no value for the customer. Mazda pursues a kind of vehicle production that respects each vehicle as a certain customer's "one-and-only," and aims to achieve zero defects. In keeping with the basic principles of manufacturing and based on a full understanding of its mechanisms, all related departments work in close collaboration to establish consistent quality in all processes, from planning to production.

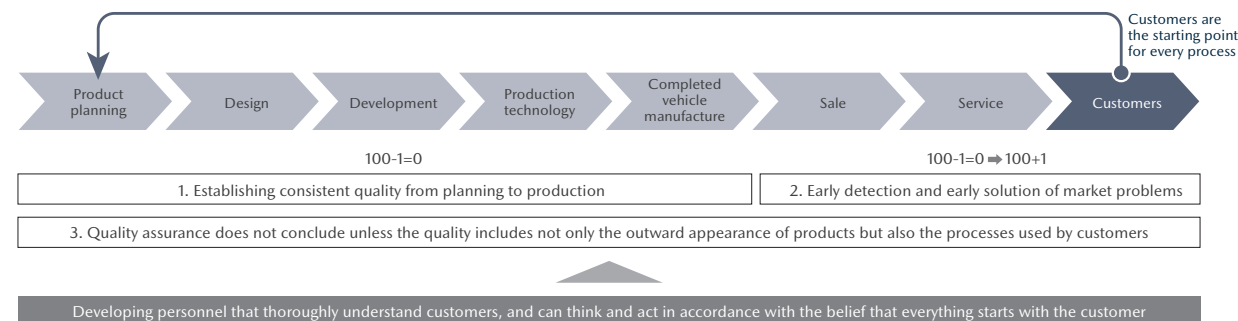
Initiative for the process to change "100-1=0" to "100+1"

2. Early detection and early solution of market problems:

If an unpredictable problem arises in the market, it may result in loss of trust from customers ("100-1=0"). To avoid this, Mazda promotes quality assurance activities for the early detection and early solution of any trouble pointed out by customers.

3. Quality assurance that covers every process up to use by the customer:

To provide customers with satisfaction through an enriching car ownership experience, Mazda values customer voices all over the globe as its greatest asset. The Company is working to store this feedback in knowledge databases, and to reflect it in product planning, development, and elsewhere.



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

I Mazda Quality Management System (M-QMS)*1

To make faithful and unceasing efforts and constantly ensure quality in products, sales and after-sales services that can always satisfy the expectations and trust of customers, Mazda has established the Mazda Quality Management System (M-QMS) based on ISO 9001,*2 and has applied it to the series of processes from product development to production, sales and after-sales services. At overseas production sites, Mazda also promotes the establishment of systems that encourage local employees of new sites to make self-reliant efforts to improve quality, and encourages them to acquire ISO 9001, thereby promoting the quality improvement of Mazda vehicles, which are produced and sold worldwide.

Acquisition of ISO 9000 Series

Year of Acquisition	Types of ISO Certification	Certified Organization, Product, Service, Etc.
1994	ISO 9002	Mazda Motor Corporation: Vehicles produced at Hiroshima Plant and Hofu Plant (First to be certified as Japanese automaker)
1996	ISO 9001	Mazda Motor Corporation: Engineering, product development, manufacturing and after-sales service
2001	ISO 9001	Mazda Motor Corporation: Accessories, KD, product planning, design Mazda Engineering & Technology Co., Ltd.: Specially equipped vehicles (TESMA), etc. (Application range expanded)
		Auto Alliance (Thailand) Co., Ltd.
2007	TS 16949 (ISO 9001 Sector certificate)	Changan Ford Mazda Automobile Co., Ltd. (now Changan Mazda Automobile Co., Ltd.), Changan Ford Mazda Engine Co., Ltd. (now Changan Mazda Engine Co., Ltd.)
2015	ISO 9001	Mazda de Mexico Vehicle Operation, Mazda Powertrain Manufacturing (Thailand) Co., Ltd.
2016	ISO 9001:2015	Mazda Sollers Manufacturing Rus LLC
2018	ISO 9001:2015	Mazda Motor Corporation: Head Office, Hiroshima Plant and Hofu Plant, Mazda de Mexico Vehicle Operation, Auto Alliance (Thailand) Co., Ltd.
	IATF 16949:2016 (ISO 9001 Sector certificate)	Changan Mazda Automobile Co., Ltd., Changan Ford Mazda Engine Co., Ltd. (now Changan Mazda Engine Co., Ltd.)

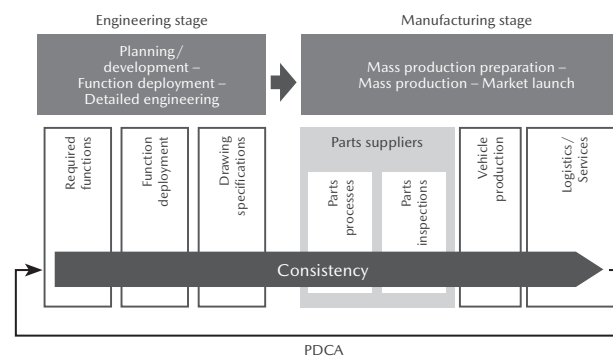
Establishing Consistent Quality, from Planning to Production

To satisfy the diverse needs of customers and offer greater trust, joy and excitement, Mazda is engaged in establishing a consistent quality level to be assured at all stages from planning/development to the delivery of products to customers.

I Establishing Stable Quality

Not only to improve the performance of products but also to enhance the quality of new technologies to respond to regulations and electrification, Mazda is committed to "process assurance." Process assurance is the approach of ensuring a consistent quality level at all stages from engineering (planning, product development) to manufacturing (purchasing, vehicle production, logistics, after-sales services). Based on the correct understanding of customer needs and expectations, the important elements necessary to ensure each function and performance are identified. The Company has established a system to maintain and manage them in every stage from engineering to manufacturing. Furthermore, to allow customers feel the joy of driving through its products, Mazda identifies the functions and performance that embody the joy of driving for each stage from before getting in the car to after starting driving, so as to enhance consistency in establishing quality.

Consistent Process Assurance Based on Major Characteristics



I Monotsukuri Innovation

Looking five to ten years into the future, Mazda has implemented Monotsukuri Innovation for efficiently developing and manufacturing products. Shared development methods and manufacturing processes are made possible by using bundled product planning for models to be introduced in the future, spanning market segments and model classes.

Optimized structures for each function are shared across all car lines and laterally spread to each car line based on bundled product planning. A flexible production system is used to produce products engineered based on a common architecture concept in a highly efficient and flexible manner. Mazda is aiming to raise operational efficiency by building a flexible production process that can handle changes in volumes and can quickly introduce new models with a minimum of investment.

Through Monotsukuri Innovation, the Company's products since the CX-5, launched in 2012, and Skyactiv Technology have achieved the efficiency improvement in terms of both product development and manufacturing facility investment as well as significant improvements in vehicle costs.

Through design based on common architecture under Monotsukuri Innovation, Mazda is able to promptly apply the latest technologies and designs to all of its products. In new-generation technology development, the Company is working to enhance the efficiency of development processes through bundled planning and computer modeling-based development.

*1 M-QMS: Stands for Mazda Quality Management System

*2 ISO: Stands for International Organization for Standardization. ISO 9001 is a set of international standards for quality management and assurance.

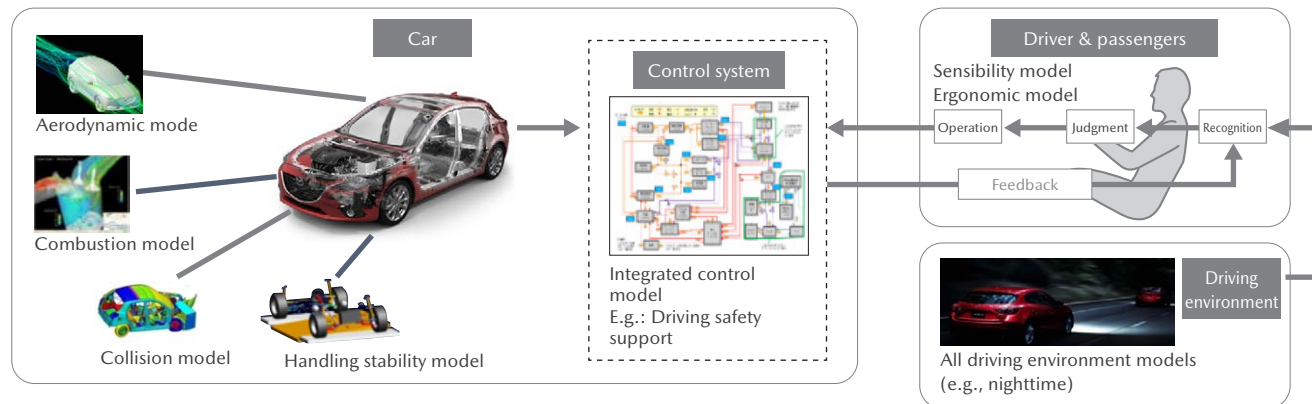
I Model-Based Development (MBD)

Cars are being called on to provide increasingly advanced and diverse functions, while vehicle architecture and control systems are becoming more and more complex. Model-based development, which uses computers to efficiently replicate development processes, is essential to keep developing complex systems quickly and with limited resources. Model-based development involves creating computer models of the vehicle, control systems, drivers, passengers, driving environments and other development subjects, and conducting development via thorough computer simulation. It is an efficient method of optimization. By carrying out model-based powertrain and vehicle development through simulations from design to vehicle evaluation, Mazda strives to reduce the number of prototype parts and actual unit verification, in

order to develop complex, highly sophisticated technologies and products with minimum resources while also ensuring quality. Mazda believes that to further promote model-based development, universities working on cutting-edge technologies, automobile manufacturers and suppliers that cooperate in manufacturing must concretize the SURIAWASE 2.0 concept (P85), which seeks to enhance development efficiency by using virtual models across the engineering chain. To that end, Mazda is taking an active role in activities by the Japan Automotive Model-Based Engineering center (JAMBE). To spread the SURIAWASE 2.0 concept (P92) throughout the automobile industry nationwide, Mazda is engaged in joint activities with OEM companies and suppliers.

Model-Based Development

A technique to develop outstanding products by modeling (quantifying) and connecting all four elements of (1) the car, (2) control systems, (3) the driver & passengers, and (4) the environment without using an actual vehicle



TOPICS

Mazda receives an award from the Minister of Education, Culture, Sports, Science and Technology in 2023

In April 2023, Mazda received the Award for Science and Technology (Development Category) of the 2023 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology for its development of rust-prevention evaluation technology. This year was the first time Mazda received a commendation in three years, and the eighth time overall.

The technology that earned this award is a way to establish consistent quality in all processes, from planning to production, and was developed to revolutionize the rust-prevention development process. It rates the rust-prevention capabilities of painted components using an electrochemical method, which enables the required functions to be quantified and as a result can make technical development more efficient. This helps to make Model-Based Development (MBD)*¹ possible. Another advantage is that by using computer modeling, manufacturers can predict quality defects and aggregate big data. While this technology was developed for vehicles, it was recognized by the ministry due to expectations for its application in a wide range of other fields, including transport, electrical appliances, factories, civil engineering, and housing.

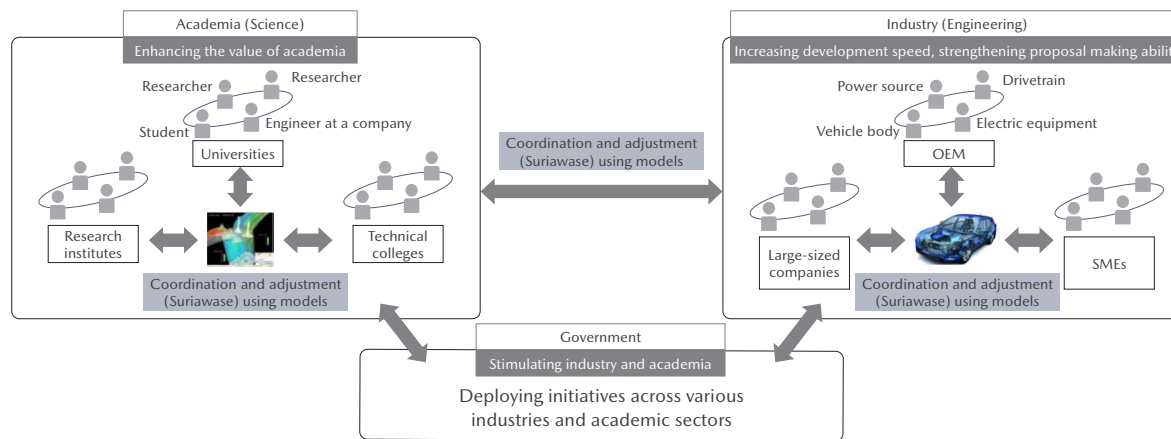
*¹ An efficient method of optimization that involves creating computer models of vehicles, control systems, drivers, passengers, driving environments and other development subjects, and conducting development via thorough computer simulation

 Commendation for Science and Technology in 2023 from the Minister of Education, Culture, Sports, Science and Technology (Japanese only)

What is Advanced Matching Development SURIAWASE 2.0?

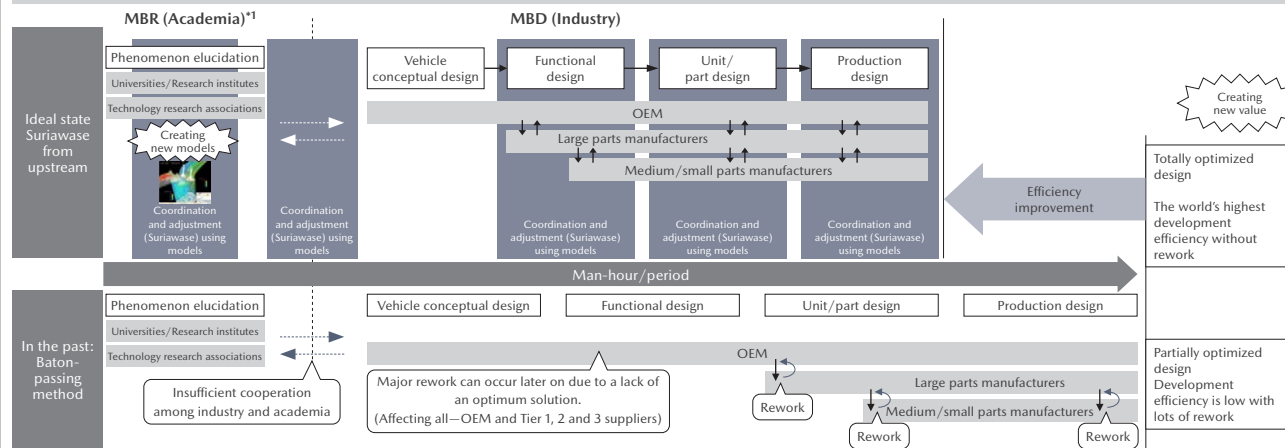
Created based on the SURIAWASE 2.0 concept presented in the materials prepared by the Ministry of Economy, Trade and Industry of Japan in 2017

SURIAWASE 2.0 is an initiative to enable academia and businesses (parts manufacturers and OEMs of all sizes) to share digital models across the board, linking academic research with development of parts, systems and vehicles, thereby allowing both sides to coordinate and make adjustments (Suriawase in Japanese) digitally from the initial stages of development, without using physical machines. This approach makes it possible to create the most-advanced development community in the mobility sector, able to carry optimal and high-grade monozukuri (engineering and manufacturing) efficiently and without rework.



Goal: Concretize SURIAWASE 2.0

Achieve the most efficient development processes in the world and create new value by innovating the research, development and production processes



*1 Model-Based Research: An approach that applies model-based concepts to research

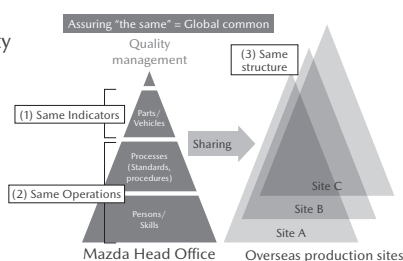
Referred to the October 2022 issue of "Introduction to JAMBE"

Global Quality Assurance

To ensure the same quality on a global scale, Mazda has adopted the "global common" concept, under which overseas production sites establish the same quality by employing the same indicators, the same operations, and the same structures as those of the Mazda Head Office.

With the aim of achieving and maintaining the same quality into the future, the roles and responsibilities of the Mazda Head Office and overseas production sites have been clarified for management. As part of its efforts to secure the same quality on a global basis, Mazda works to establish common indicators of quality achievements and processes (standards and procedures) to be shared when conducting quality control of purchased parts or quality evaluation of finished vehicles. At the same time, initiatives are under way to develop human resources who can properly operate these processes. As part of its global quality assurance efforts, in cooperation with Mazda North American Operations, Mazda has developed a quality assurance system for Mazda Toyota Manufacturing, U.S.A., Inc. (MTM) in the United States. Under this system, Mazda commenced mass production of a new model in 2022.

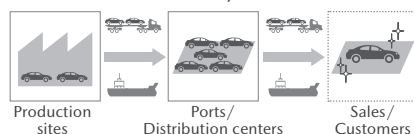
Initiative for Global Quality Assurance



Quality Assurance after Shipment

To ensure that the high quality at factory shipment is maintained until delivery to customers around the world, Mazda has introduced the same quality evaluation indicators to be applied, from production plants to distributors and dealers, with the aim of delivering products maintaining high quality to customers around the world under a consistent evaluation system.

Consistent evaluation system



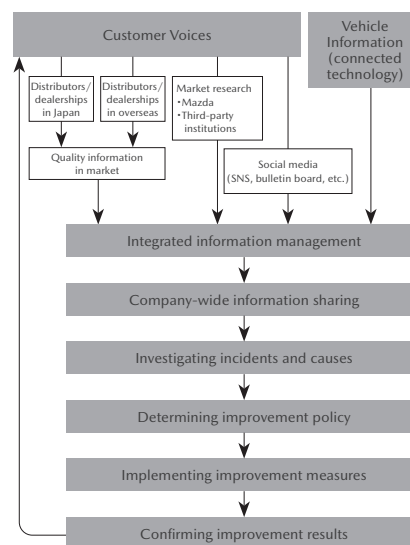
Early Detection and Early Solution of Market Problems

Mazda strives to offer an enriched car ownership experience, in which customers can feel satisfied with the car and realize the value of the product. While respecting each vehicle as a certain customer's "one-and-only," the Company endeavors to ensure stable and speedy quality improvement and enhance the quality of present and future products.

Comprehensive and Speedy Quality Improvement

To enable early detection and early solution of market problems, Mazda has established a system for unified management of all items of quality information. Such information is gathered from distributors and dealerships in Japan and overseas and by employing the results of surveys by external institutions and conducting the Company's own market research. Under the system, the collected information is shared company-wide in real time. By using the system and closely monitoring daily progress, Mazda investigates quality related incidents and their causes, determines and implements improvement measures, and confirms the results. In

Quality Improvement System



this manner, Mazda works to achieve comprehensive and speedy improvement.

The Company also carries out quality improvements, capitalizing on the vehicle information collected through the utilization of connectivity technologies, in addition to conventional initiatives based on customer input.

<Examples of Surveys/Analyses>

- Gathering customer voices through Mazda-unique market survey
- Market surveys conducted by third parties
- Analysis of customer voices on social media
- Analysis of vehicle information obtained through connected technologies

Corporate Activities with Highest Priority on Customer Safety and Comfort

Mazda prioritizes safety and comfort of vehicles above all. Under a strict quality assurance system, Mazda conducts inspections on conformity with laws and regulations of each country and on functions to be used by customers, with a view to manufacturing vehicles that customers feel safe using.

This quality assurance system is maintained and managed by the development, production and quality divisions auditing each other from independent standpoints.

Recall Procedures (Overview)*1

- Registration with authorities in each jurisdiction, according to the laws and regulations of each country and region
- Disclosure to customers via direct mail, telephone, and other methods, and explanations at dealerships
- Disclosure of information on recalls on the Mazda Official Website

Number of recalls in FY March 2023: Japan (P121)

*1 Recall procedures may vary among countries/regions.

Quality Assurance That Covers Every Process up to Use by the Customer: Developing Personnel That Thoroughly Understand Customers, and Can Think and Act in Accordance with the Belief That Everything Starts with the Customer

To provide customers with satisfaction through an enriching car ownership experience, Mazda has to gain a deeper understanding of the ways in which customers use their cars and the value they expect. Mazda values customer voices all over the globe as its greatest asset. The Company is working to store this feedback in knowledge databases, and to reflect it in product planning, development, and elsewhere. Moreover, through activities such as those to educate about or raise awareness of quality, Mazda strives to continue developing personnel who think of customers as their first priority and think and act accordingly.

<Understanding Customers>

Activities to Turn Customer Voices into Knowledge

Customer voices from all over the globe are fed into a knowledge database, Mazda is working toward vehicle development that reflect these quality criteria and optimization of product quality standards.

Sharing Past Cases

Mazda has undertaken an initiative to share lessons learned from past cases through exhibits of actual defective products and videos. This program is intended to encourage employees to think about past issues as issues concerning themselves and to improve their attitudes and behavior. Since its launch in FY March 2019, a total of 27,000 employees have experienced this initiative.



Employees share past cases

<Think from the Customer's Perspective>

Quality Awareness-Raising Activities

Mazda holds quality meetings on a regular basis. At these meetings, top management communicate their commitment to compliance and quality in their own words to all employees. This provides opportunities for individual employees to reflect on and think about their work, thereby enhancing their compliance and quality awareness.

Quality Education

For the purpose of developing human resources capable of proactively finding/solving problems from a customer viewpoint and working for continuous improvement, quality control education is provided for employees. Quality education courses taught by internal instructors are offered, and employees take appropriate courses when their job type or management level changes.

Group-wide Quality Education Courses

	Course	Objective (FY March 2023)
1	Quality education program for freshmen	To understand basic quality control concepts (customer-oriented attitude, continuous improvement efforts)
2	Quality education by level	To understand quality management approaches tailored to different management levels or job roles
3	Quality management methods course	To become capable of applying and practically implementing specialized quality management techniques

<Behavior That Puts the Customer First>

QC (Quality Control) Circle Activities

Mazda promotes QC circle activities to encourage members of each workplace to find and solve problems by themselves. QC circle activities, which have been implemented for over 60 years as key activities for the company, have evolved into global activities, being conducted not only inside Mazda but also at its suppliers and dealerships. The All-Mazda QC Circle Competition held



FY March 2023 All-Mazda QC Circle Competition President's Award
Tool & Die Production Department Speed Circle

every year at the Head Office in Hiroshima is now participated in by QC circles of Japanese dealerships and overseas sites such as those in China, Thailand, and Mexico; it is taking root as a truly global initiative.

Results of Quality Improvement Initiatives

Mazda's initiatives to improve quality have been highly praised worldwide.

FY March 2023 Results

Country	Name of the Study	Vehicle Type and Rankings ¹	Name of Company
Japan	2022 IQS ^{*1}	4th of 14 brands	J. D. Power
		Mazda3: 3rd among mid-size vehicles	
	2022 APEAL ^{*2}	CX-5: 3rd among mid-size SUVs	
		CX-3: 3rd among compact SUVs	

^{*1} The J.D. Power Japan 2022 Initial Quality StudySM (IQS) is based on responses from around 20,000 purchasers of new cars. The study was carried out between May and June 2022.

^{*2} The J.D. Power 2022 Japan Automotive Performance Execution and Layout (APEAL) StudySM, is based on responses from around 20,000 purchasers of new cars. The study was fielded between May and June 2022.

Earth, People, and Society

EXPLORING PARTNERSHIPS
FOR “CO-CREATION WITH
OTHERS”

To ensure that Mazda will continue to thrive and grow, we must cherish and co-create Mazda's uniqueness together with everyone involved with it. While enhancing alliances with existing partners, Mazda will continue to explore new partnerships—even outside the auto industry.

Open Innovation

Mazda has promoted collaboration with companies, universities and government authorities, aiming to efficiently resolve business issues by obtaining new knowledge from outside the Company and to achieve the sustainable growth of society and businesses (open innovation).

The business environment in which companies operate is becoming increasingly competitive due to stricter environmental and safety regulations, new competitors from other industries, and diversification of the mobility business. Through open innovation, the Company will achieve the growth of the Mazda Group and contribute to society, thereby fulfilling the Corporate Vision.*1

Objectives of Open Innovation

[Achieve the growth of the Mazda Group]

- Improve engineering capabilities, improve the brand value, and increase R&D efficiency

[Contribution to society]

- Achieve a sustainable society, advance monozukuri or product development and manufacturing (share knowledge and skills), and enhance regional empowerment

Inter-Company Collaboration

Mazda has been promoting inter-company collaboration with other automakers and suppliers, etc., to enhance their manufacturing and engineering capabilities and create synergies.

Collaboration with Partners Who Work with Mazda

While working hard together with its partners to realize our shared dreams, the Company wants to enable them to feel proud of their connection with Mazda, and emotionally attached to the brand. This will turn Mazda into the brand it wants it to be, connected to all stakeholders, including customers, by the strongest of bonds. On the basis of mutual trust with Toyota Motor Corporation and various other companies, the Company plans to promote active collaboration.

[Collaboration Examples]


March 2019: Participated in D-Call Net*2

June 2019: Concluded a capital and business partnership agreement with MONET Technologies Inc.*3

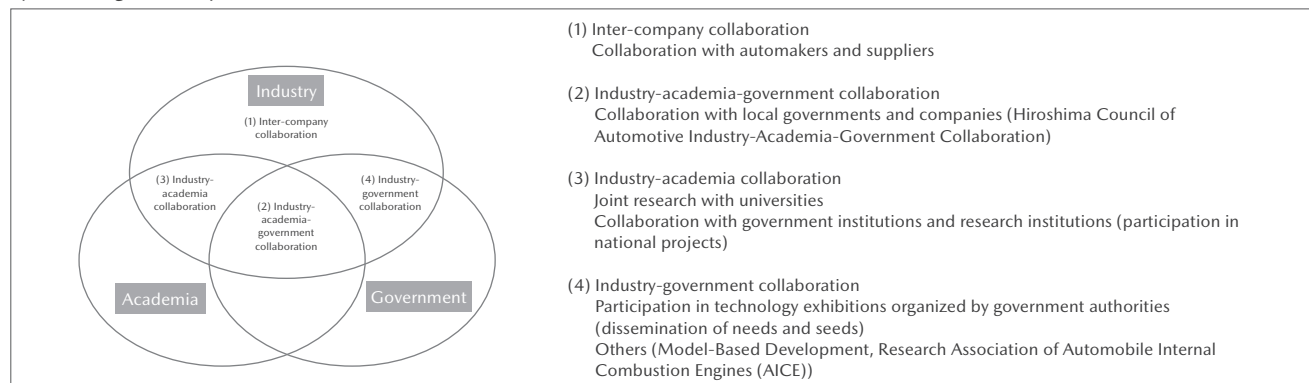
April 2021: Reached an agreement to jointly develop technical specifications for next-generation vehicle communications devices and to promote the common use of communications systems*4

September 2021: Participated in the Japan Automotive Model-Based Engineering center (JAMBE)*5

November 2021: Participated in the Carbon Neutral Electricity Promotion Subcommittee in the Chugoku Region*6

 For information on technologies for carbon-neutral fuels (P17)

System Diagram of Open Innovation



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

*2 An advanced automatic collision notification system that uses vehicle connectivity technology

*3 A company that works to create an environment to promote MaaS (Mobility-as-a-Service), aiming to encourage the widespread use of next-generation mobility services and to resolve Japan's social mobility issues.

The MONET shareholder structure is as follows: SoftBank Corp., Toyota Motor Corporation, Hino Motors, Ltd., Honda Motor Co., Ltd., Isuzu Motors Limited, Suzuki Motor Corporation, Subaru Corporation, Daihatsu Motor Co., Ltd., and Mazda Motor Corporation.

*4 An agreement between Suzuki Motor Corporation, Subaru Corporation, Daihatsu Motor Co., Ltd., Toyota Motor Corporation, and Mazda Motor Corporation that the five companies will jointly develop and share safer and more convenient connected services with the aim of providing such services as early as possible.

*5 An organization aimed at spreading Model-Based Development (MBD) technology widely to the automobile industry nationwide. It was established in order to create the most-advanced development community in the mobility sector, with capabilities to carry optimal and high-grade monozukuri efficiently and without rework.

*6 Set up as one of the special subcommittees under the Chugoku Region Carbon Neutrality Promotion Council, established by the Chugoku Economic Federation. The subcommittee carries out discussions to expand the supply and demand of carbon-neutral electricity in the Chugoku Region.

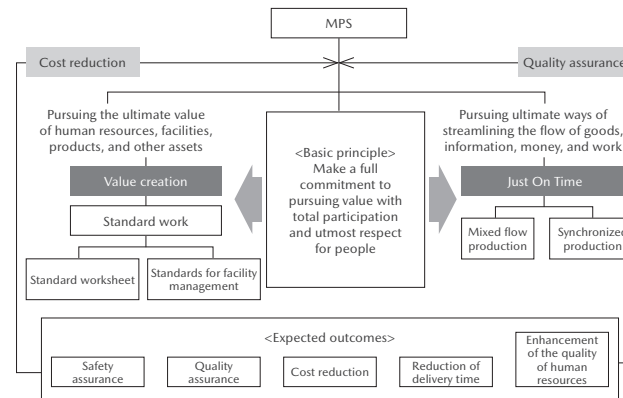
Implementation of the Autonomy Development Program That Supports the Autonomous Growth of Local Suppliers

Mazda has conducted the Autonomy Development program aimed at promoting the autonomous growth of local suppliers since 2019. This program was created for local suppliers based on the approach adopted in the Global Manufacturing Network (GMN), which has been promoted since 2013 to enable each production site in Japan and overseas to autonomously carry out high-quality and highly efficient production activities that improve the Mazda brand value and to learn from each other at the same time. The program is designed to enhance human resources development as the key to the autonomous growth of local suppliers, for which the Jiba Achieve Best Cost (J-ABC) program as a forerunner was not clearly intended. In the Autonomy Development program, promoters are assigned to play a leading role in promoting understanding of the approach in the MPS through top management training and promoter training. Local suppliers are encouraged to create a system to develop human resources through practical project work toward the company-wide operation of the system. Launched at three model suppliers in August 2019, the program is being conducted at a total of 22 suppliers (as of March 2023), with sixteen Mazda Production System (MPS) Master Trainers appointed from seven of those suppliers to lead other supervisors toward full in-house implementation of the program.

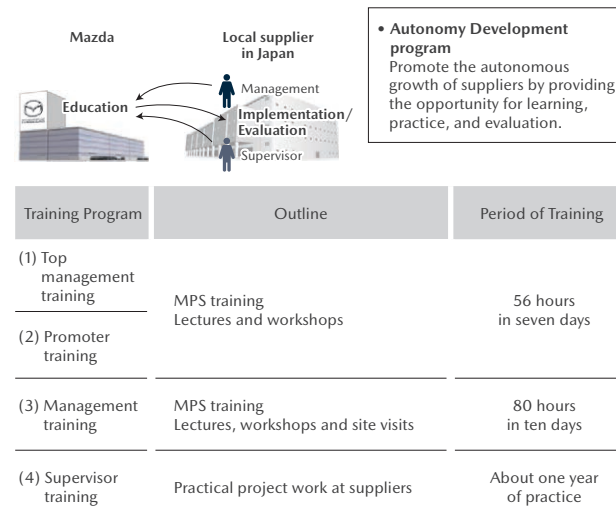
Vision to Promote MPS



MPS Flow Chart



Program Developed for Local Suppliers



Implementation of the Autonomy Development Program at Overseas Production Sites and Their Local Suppliers

In the course of transition to the Autonomy Development program in Japan, the Company has adopted the Global Manufacturing Network (GMN) at overseas production sites toward the autonomous growth of local suppliers. The five overseas production sites including AutoAlliance (Thailand) Co., Ltd. (AAT), Mazda Powertrain Manufacturing (Thailand) Co., Ltd. (MPMT), Changan Mazda Automobile Co., Ltd. (CMA), Changan Mazda Engine Co., Ltd. (CME), and Mazda de Mexico Vehicle Operation (MMVO), engage in activities with 18 local suppliers in total as of March 2023. A total of 19 members from 18 suppliers have been appointed as MPS Master Trainers.

Industry-Academia-Government Collaboration

Mazda, in establishing the Industry-Academia-Government Collaboration Secretariat, has promoted collaboration with local companies, universities and government authorities. Through collaboration among government, academia and industry, the Company has contributed to the local community in terms of developing new creative technologies and nurturing human resources capable of bringing about innovation.

Hiroshima Council of Automotive Industry-Academia-Government Collaboration (Hirojiren)*1

As a company which has its research & development and production facilities mainly in Hiroshima Prefecture, Mazda believes that cooperation with local business and industry is very important. Under this belief, Mazda is collaborating with the Chugoku Bureau of Economy, Trade and Industry, Hiroshima Prefecture, Hiroshima City, Hiroshima Industrial Promotion Organization, and Hiroshima University to support local automobile-related companies and promote innovation and the vitalization of the region. Toward achieving the 2030 Industry-Academia-Government Collaboration Vision established in 2015, various activities have been conducted, such as creating new frameworks to support local businesses, investigating next-generation automotive societies, and raising awareness in society. Following its selection for a subsidy under the Cabinet Office's Project for Revitalization of Local Universities and Regional Industries*2 for FY March 2019, Mazda was chosen in FY March 2024 for additional support to further expand upon its original activities and established the Digital Monozukuri Education Research Center at Hiroshima University. Mazda has been conducting R&D activities related to innovative materials technology, data-driven control technology, smart inspection monitoring, and smart battery/air-conditioning systems. Mazda will continue to accelerate activities with a view to the social implementation of development technologies in the future.

Major Initiatives

	Initiative	Details and results
Assisting elementary schools in providing programming education	Assisting local elementary schools in offering hands-on programming classes by following a curriculum designed under the leadership of Hirojiren and using videos and car-shaped robots (providing a series of educational materials, offering preparatory training to teachers, and assisting in teaching practical skill classes)	Provided support for programming education at elementary schools, which has become compulsory in Japan since FY March 2021, as an initiative to foster the next generation of innovators by assisting elementary schools in Hiroshima Prefecture in offering programming classes following a curriculum focused on the theme “Let’s think about the future of our lives and cars.” Created and provided learning videos on issues faced by automotive society and efforts to solve them, gave programming classes using crash-free car-shaped robots, and offered preparatory practical skill training to teachers working at the participating schools (with the participation of 960 students at 15 schools).
Co-creation and technology exchange with suppliers	① Co-creation activities with local companies ② Industry-academia collaboration activities ③ Administrative organs collaboration activities	① EV technical surveys and next-generation vehicle technical research, including into heat management, NVH, and weight reductions ② Training technical and digital staff ③ Investigation into government support for regional companies
Efforts for the spread and expansion of next-generation liquid fuel	① Demonstration testing of next-generation biofuels ② Studies on micro algae ③ Personnel training	① Continued testing, which started in 2020, into the use of the next-generation biofuel Susteo, made of used edible oil and micro algae by Euglena Co., Ltd., in some public and Mazda-owned vehicles. In 2022, started the use of Susteo for buses to transport players of soccer clubs Sanfrece Hiroshima and Sanfrece Hiroshima Regina to their home games, expanding the initiative in the region across different industries. ② In order to realize mass production of fuels that cannot be covered only by used edible oil, Mazda has been promoting studies on micro algae culture with the support of the Japanese government in collaboration with partners, including the Institute of Microalgal Technology, Japan (IMAT), Hiroshima University, and Tokyo Institute of Technology, which established a research base on Osaki Kamijima Island. ③ Through the Next-generation Liquid Fuel Symposium, lectures at Yamaguchi University and Hiroshima Shudo University, and presentation briefings at Hiroshima University's Homecoming Day or at carbon-neutrality-related seminars, Mazda is expanding its efforts to raise awareness toward achieving a carbon-neutral society.
Research and development of power source for vehicles	Fundamental research to support power source Model-Based Development (MBD)*1	① Expansion of research from internal combustion engines to EV devices such as batteries and motors, to support MBD. ② Exchange of research results and sharing of information at regional events and university lectures, to promote understanding of multi-solutions as a realistic approach to carbon neutrality.
Research and development in KANSEI (sensitivity) field	① Research and development of KANSEI (sensitivity) technology and basic research on sensibility in collaboration with Hiroshima University ② Joint research on sensibilities with local suppliers ③ Overall coordination of sensibility activities by relevant local groups	① Establishment and rolling out of opportunities for local suppliers to take part in activities about technologies and tools to visualize physiology and behavior for human modeling (completed). ② Implementation of joint research on sensibilities in line with plans. ・ Lectures and study seminars at Mazda for a shared understanding of human and vehicle modeling ・ Joint experiments using real vehicles to narrow down “sensitivity axes” ・ Creation of hypotheses for seven sensibility axes based on the results of experiments ・ Taking the sense of space as a representative axis, carrying out of pre-hypothesis trials using static experiments ③ Social contribution through Hiroshima's Council for the Promotion of Innovation with KANSEI. The Applied KANSEI Café on Zoom event was held seven times, with guest lecturers from Mazda and Hiroshima University
Human resources development in Model-Based Development (MBD)*1 field	Aiming to enhance the research & development capabilities of local companies, opening basic courses for the development of human resources with MBD/CAE abilities	MBD/CAE training courses were planned and organized for all manufacturing companies, including both auto suppliers and non-automobile industries, in collaboration with the Hiroshima Digital Innovation Center. In the almost eight years since 2016, a cumulative total of 5,696 individuals participated in the training (as of May 2023). Of these training courses, the MBD process training course was certified as a Course on IT-Skill Training to Meet the Era of the Fourth Industrial Revolution by the Ministry of Economy, Trade and Industry.

*1 Model-Based Development: Development process employing simulation technologies.

The 2030 Industry-Academia-Government Collaboration Vision Upheld by Hirojiren

- Transform Hiroshima into a hub that attracts people seeking innovative automotive technologies and dynamic car culture, and a place that continually produces technologies that amaze the world.
- Industry, government and education sectors work together to nurture human resources capable of innovation across all generations, and enliven the region through monozukuri (product development and manufacturing).
- Develop Hiroshima's unique Industry-Academia-Government Collaboration into a leading model for “regional empowerment” in Japan, serving also as a benchmark for the rest of the world.

*1 A council that promotes industry-academia-government collaboration. Motivated by the strong hope and enthusiasm for encouraging the manufacturing industry in Hiroshima, its member organizations have voluntarily joined Hiroshima Council of Automotive Industry-Academia-Government Collaboration, to consider what manufacturing ought to be and to leverage innovation that will lead to industrial development.

*2 The Hiroshima Prefecture Special Committee to Promote the Project for Revitalization of Local Universities and Regional Industries was set up. Chairperson: Hidehiko Yuzaki, Governor of Hiroshima Prefecture; Project manager: Kiyotaka Shobuda, Representative Director and Chairman of the Board of Mazda Motor Corporation

Industry-Academia Collaboration




Mazda has a system to efficiently offer advanced training through collaboration with educational institutions such as universities and research institutions.

Participating in World-Leading National Projects and Joint Studies

Mazda participates in world-leading national projects and joint studies with external research institutions, with the aim of solving social problems facing the automobile industry.

Collaboration with Universities

Through enhancing collaboration with universities in various fields, Mazda aims to solve a broader range of issues from a wider perspective, thereby contributing to society.

Relevant government institutions/organizations	Project name	Outline
Ministry of Economy, Trade and Industry/New Energy and Industrial Technology Development Organization/Innovative Structural Materials Association	 Development of Innovative New Structural Materials Technology (Japanese only)	Research and development on structural materials, bonding technology, etc., to fundamentally reduce the weight of automobiles and other transportation equipment, for the purpose of reducing CO ₂ emissions
Ministry of Economy, Trade and Industry/New Energy and Industrial Technology Development Organization/Thermal Management Materials and Technology Research Association	 Research and development on innovative technology to utilize unused thermal energy (Japanese only)	Research on technology to make use unused energy* ¹ released as thermal energy into the atmosphere
Ministry of Economy, Trade and Industry/New Energy and Industrial Technology Development Organization/Green Innovation Fund Projects Coordination Office	 Green Innovation Fund Projects/Development of Next-Generation Batteries and Next-Generation Motors (Japanese only)	In addition to improving the performance and reducing costs of storage batteries and motor systems, efforts will be made to improve performance and save resources from the material level and to put advanced recycling technologies into practical use.

*¹ In Japan, refers to the energy consumed in the living environment, industry, and transportation fields and released as unused heat energy into the atmosphere

University	Collaboration outline	Measures and activities
	Next-generation automotive technology joint research course (since April 2015) Mazda has set up joint research courses with the university to find solutions to long-term technological issues and to develop human resources to implement the solutions	The following facilities have been established one by one and joint researches are ongoing: internal combustion engine laboratory, aerodynamics laboratory, advanced materials laboratory, algae energy creation laboratory, and the model-based development laboratory. Industry-academia collaboration activities have been promoted to enable Hiroshima to lead Japan in monozukuri (product development and manufacturing) through human resources development and research and development.
Hiroshima University	Comprehensive collaboration agreement (since February 2011) Through collaboration in broad areas, from technologies related to research and development and production to social science fields such as planning, management, and marketing, proactively conducting joint research. Regional empowerment and open innovation Mazda contributes to regional empowerment and human resources development of the Chugoku region and Hiroshima Prefecture, and to SDGs through collaboration with Hiroshima University and local communities and participation in national projects, etc.	Proactively conducted joint research, from exploring research themes to finding solutions. Also invested in human resources via internships. Participated in the Co-Creation Consortia in the Material Model-Based Research Division and the Data-Driven Smart System Division of the Digital Monozukuri Education Research Center. (P90)
Hiroshima City University	Mazda and Hiroshima City University Faculty of Arts Co-Creation Seminar (since May 2017) Set up a co-creation seminar with the university, aiming to develop human resources who are capable of creating new manufacturing for a new era, and make Hiroshima a place to generate human resources for manufacturing that Hiroshima can boast to the world.	Implemented a co-creation seminar to conduct modeling activities with the theme “Train Station: A Beautiful Spot to Sit” to redevelopment Hiroshima Station (FY March 2023).
Kyushu University	Establishment of a joint research department (since August 2017) Mazda has set up a joint research department with the university to find solutions to long-term technological issues and to develop human resources to implement the solutions. Inter-organizational collaboration regarding next-generation automotive technologies (since May 2011) Mazda has been working together with the university to reinforce research and development projects and to encourage academic research and education activities.	Opened the Mazda Next-generation Energy Storage Joint Research Department (in August 2017). Delivered a special lecture on introduction to automotive science in the Department of Automotive Science of the Graduate School of Integrated Frontier Sciences (in May 2022).
Kindai University	Agreement concerning comprehensive research collaboration (since December 2012) Cooperating in bolstering cutting-edge research development and in strengthening the technological capabilities of local industries.	The Research Collaboration Promotion Committee held meetings to discuss the progress of joint research projects and specific measures to strengthen cooperation.
University of Hyogo	Concluded an agreement on joint research using Spring-8, a large synchrotron radiation facility (May 2016) Cooperating in the development of innovative materials and product development technologies using radiation analysis techniques.	Set up an experimental station dedicated to research into applications of advanced analytical techniques.
Tokyo Institute of Technology	Mazda's participation in Tokyo Tech's Super Smart Society Promotion Consortium (from October 2018) In the consortium, industry, government and academia collaborate in accelerating the development of both element technologies and human resources to realize a super smart society (Society 5.0). Mazda has contributed to providing cross-sectional education about the most advanced sciences and technologies, including quantum science, in order to integrate cyber- and physical-space technologies to connect people, the earth, and society. Comprehensive Security Protection Agreement (from October 2016) The agreement defines comprehensive security protection rules that apply to technical consultation and other occasions. Lecture on automotive technology Along with Toyota Motor Corporation and Honda Motor Co., Ltd., Mazda has been commissioned to teach automotive technology courses at the School of Engineering every three years on a rotating basis.	Participated in matching workshops for exchange of information about research seeds and companies' needs, held twice a year, and promoted the arrangement of new technical research and internships. Conducting joint research into practical application for research seeds for AI and technologies to predict people's movements (from FY March 2021) Simplified the procedure for security protection during technical consultation Structured and implemented the lecture based on the concept of Mazda's monozukuri

Industry-Government Collaboration

Mazda efficiently promotes cutting-edge joint research, etc., through collaboration with government authorities.

Basic and Applied Research on Technologies for Internal Combustion Engines and Cleaner Exhaust Emissions

Mazda participates in the Research Association of Automobile Internal Combustion Engines (AICE),*¹ a joint research organization dealing with new fields in the Japanese automobile industry. AICE was established on April 1, 2014, with the support of the Ministry of Economy, Trade and Industry to enable automobile manufacturers to conduct basic and applied studies jointly with universities and research institutions on themes common to automobile manufacturers, and to use the research results to accelerate their in-house development activities. AICE is currently conducting basic research under a research scenario aimed at achieving carbon neutrality by 2050. Taking advantage of its participation in AICE, Mazda is promoting its development of technologies for internal combustion engines and cleaner exhaust gases, with a view to achieving improved fuel economy and reduced exhaust emissions. Beginning in April 2019, the Company has expanded the scope of its development efforts to include mechanical resistance reduction and heat management technologies.

Promotion of Model Distribution in the Automotive Industry

Mazda has participated in the Study Group for Ideal Approaches to Model Utilization in the Automobile Industry organized by the Ministry of Economy, Trade and Industry since its launch in November 2015. The Company works on initiatives with other automakers and parts manufacturers to spread Model-Based Development (MBD), a development technique to achieve the advanced development and performance assessment process for automobiles through virtual simulation.

In April 2018, the Company agreed on the Enrichment of SURIAWASE 2.0*² for the Automobile Industry (an industry-academia-government joint strategy project policy), and announced that the Company would continue with the initiatives to enrich MBD and harmonization areas, etc. In addition, Mazda formulated the guidelines for smoothly promoting model distribution between companies, based on the results of activities implemented by the study group thus far. In December 2018, the study group and ProSTEP iVip,*³ an international standardization organization, jointly announced these guidelines to the world, as international rules originating from Japan. This study group concluded its activities in March 2021, and in order to carry on the results of the study, ten companies became operating members, and the Japan Automotive Model-Based Engineering center (JAMBE) was established in September 2021 to spread MBD technology widely to the automobile industry nationwide. Since then, the number of participating companies has grown to 133 (as of March 2023) and in March 2023 the organization was made a general incorporated association. Mazda is also participating as one of the operating member companies, and it takes full advantage of the accumulated knowledge of virtual simulation and unique MBD that have been refined through Mazda Digital Innovation (MDI) to contribute to activities for increasing the global competitiveness of the Japanese automotive industry.



Photo from the launch of JAMBE as a general incorporated association

*¹ Membership of which comprises nine Japanese vehicle manufacturers and two other organizations (as of the end of March 2023)

*² An initiative to enhance the harmonization of development processes by taking advantage of an MBD process that uses virtual simulations instead of physical machines across entire supply chains in Japan. A Study Group for Ideal Approaches to Model Utilization in the Automobile Industry was organized in November 2015 by the Ministry of Economy, Trade and Industry, to further enhance the international competitiveness of the automotive industry.

*³ An international standardization organization based in Germany. Its membership comprises 185 companies, primarily automakers in Europe, the United States and Japan, as well as airlines and software companies. ProSTEP iVip works to develop and promote international rules regarding CAD and MBD.

CHAPTER

6

MANAGEMENT

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

CONTENTS

-  P94 Management
-  P105 Implementing Social Responsibility in the Supply Chain
-  P107 Stakeholder Engagement

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.

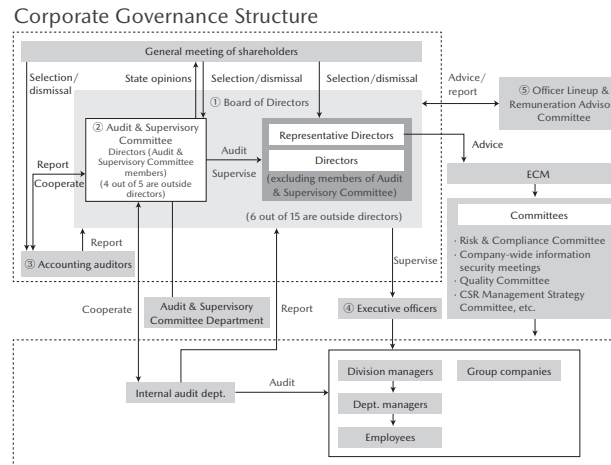
For detailed information, please see the following.

[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.

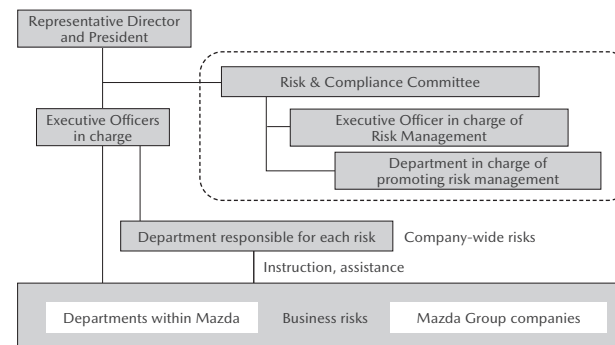
Moreover, to further enhance and strengthen risk management at the Company and related companies, Mazda has created the Risk & Compliance Committee. The committee selects risks that the whole Company should be tackling, based on major risks identified by individual departments and information on risk 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.

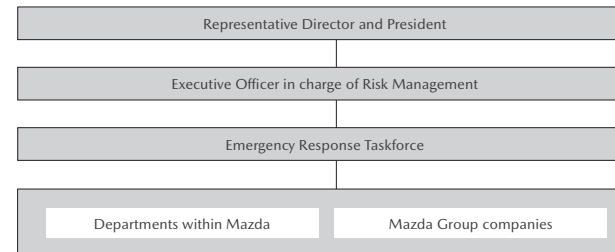
Also, to ensure that society would not be severely impacted by a halt to operations, Mazda is working to enhance its business continuity plan (BCP).

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

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.

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

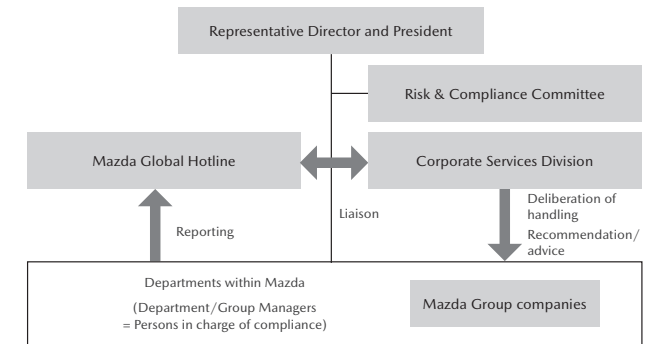
Five principles of "faithful" behavior

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)

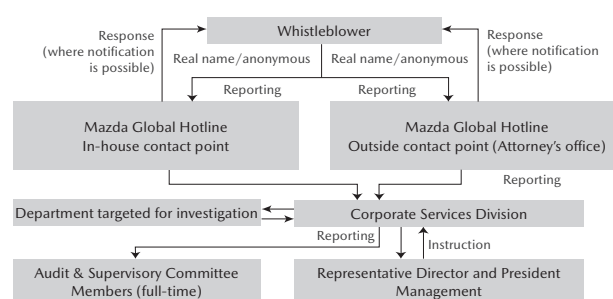
*1 In FY March 2023, the total amount of political donations was one million yen.

| 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.

III 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.

IV 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

MORNINGSTAR GenDi J

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

CHAPTER

7

DATA/MATERIALS

This section presents the results of major initiatives undertaken by Mazda and the Mazda Group through their business activities.
(The results other than those listed on P111-121 are also presented in each relevant item.)

CONTENTS

-  P111 Data
-  P122 Company Outline/Global Network
-  P123 Third-Party Verification

Earth

Greenhouse gas (GHG) emissions (market-based): Global*1,3,8

Emissions by Scope (1,000 t-CO ₂ e)					
	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Scope 1 (direct emissions)*4	137	122	97	97	113 (86) ✓
Scope 2 (indirect emissions)*5	913	862	736	739	754 (659) ✓
Scope 3 (other indirect emissions)*6	37,027	36,336	31,603	29,797	30,522
Total	38,077	37,320	32,436	30,633	31,389

Emissions (Scope 1 and 2) by region (1,000 t-CO₂e)

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Japan	934	869	731	731	751
Overseas	116	114	103	105	116
Total	1,050	983	834	837	867 (745) ✓

Greenhouse gas (GHG) emissions (location-based): Global*2,3,8

Emissions by Scope (1,000 t-CO ₂ e)					
	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Scope 1 (direct emissions)*4	135	119	96	95	109 (80) ✓
Scope 2 (indirect emissions)*5	537	506	438	438	461 (392) ✓
Scope 3 (other indirect emissions)*6	37,027	36,336	31,603	29,797	30,522
Total	37,699	36,961	32,137	30,330	31,092

Emissions (Scope 1 and 2) by region (1,000 t-CO₂e)

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Japan	554	509	430	426	455
Overseas	118	116	104	107	115
Total	672	625	534	533	570 (473) ✓

Scope of coverage

- Mazda Motor Corporation, 22 domestic consolidated Group companies and 8 domestic equity-method Group companies, and 14 overseas consolidated Group companies*9 and 3 overseas equity-method Group companies*10

Scope of third-party verification

(Scope 1 and 2 CO₂ emissions from energy consumption)

- Mazda Motor Corporation's 4 domestic production sites and 5 overseas production companies (2 consolidated Group companies and 3 equity-method Group companies)

Greenhouse gas (GHG) emissions (Scope 3: other indirect emissions): Global*3,6,7

(1,000 t-CO ₂)					
	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
1 Purchased products/services	4,524	4,570	3,600	3,374	3,773
2 Capital goods	93	95	93	149	172
3 Fuel- and energy-related activities not included in Scope 1 or 2	65	111	97	99	105 ✓
4 Upstream transportation and distribution	29	30	26	27	25
5 Waste generated in operations	4.7	4.4	3.8	3.4	4.0 ✓
6 Business travel	1.6	2.2	0.3	0.5	1.3 ✓
7 Employee commuting	3.4	5.2	4.9	14	14 ✓
8 Upstream leased assets	0	0	0	0	0
9 Downstream transportation and distribution	44	63	54	52	58
10 Processing of sold products	0	0	0	0	0
11 Use of sold products	31,853	31,068	27,386	25,777	26,081
12 Disposal of sold products	409	387	338	301	289
13 Downstream leased assets	0	0	0	0	0
14 Franchises	0	0	0	0	0
15 Investments	0	0	0	0	0
Total	37,027	36,336	31,603	29,797	30,522

Scope of coverage

- Categories 1, 2, 6 and 7: Mazda Motor Corporation
- Category 3: Mazda Motor Corporation's 4 domestic production sites and 5 overseas production companies (2 consolidated Group companies and 3 equity-method Group companies)
- Categories 4 and 9: Mazda Motor Corporation, 22 domestic consolidated Group companies and 8 domestic equity-method Group companies
- Category 5: Mazda Motor Corporation's 4 domestic production sites
- Categories 8, 10, 13, 14 and 15: Mazda Motor Corporation, 22 domestic consolidated Group companies and 8 domestic equity-method Group companies, and 14 overseas consolidated Group companies*9 and 3 overseas equity-method Group companies*10
- Categories 11 and 12: Domestic and major sales regions (North America, Europe and China)

Scope of third-party verification

- Category 3: Mazda Motor Corporation's 4 domestic production sites and 5 overseas production companies (2 consolidated Group companies and 3 equity-method Group companies)
- Category 5: Mazda Motor Corporation's 4 domestic production sites
- Categories 6 and 7: Mazda Motor Corporation

*1 Market-based: For within Japan, emissions factors given in the Ministry of the Environment's GHG accounting and reporting system are used. For purchased electricity by overseas companies, country-specific emissions factors given in the International Energy Agency's IEA Emission Factors 2019 are used.

*2 Location-based: For within Japan, emissions factors based on standards in the Japan Automobile Manufacturers Association's Carbon Neutrality Action Plan are used. For purchased electricity by overseas companies, country-specific emissions factors given in the International Energy Agency's IEA Emission Factors 2019 are used.

*3 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

*4 Scope 1: Direct emissions from consumption of fuels and industrial processes

*5 Scope 2: Emissions associated with consumption of purchased heat/electricity (indirect emissions from energy consumption)

*6 Scope 3: Other indirect emissions excluding Scope 1 and 2

*7 Calculated using Mazda's own calculation method, based on the Ministry of the Environment's Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain.

*8 The total figure is rounded and may not match the sum of individual items.

*9 FY March 2019: 15 companies; FY March 2020: 14 companies; FY March 2021: 15 companies; FY March 2022: 16 companies; FY March 2023: 14 companies.

*10 FY March 2019 to FY March 2022: 5 companies; FY March 2023: 3 companies.

Earth

GHG emissions intensity (Scope 1 and 2: market-based): Global*^{1,2,3,4,8}
On unit sales basis (t-CO₂e/100 million yen)

FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
29.5	28.7	28.9	26.8	22.7

Scope of coverage

- Mazda Motor Corporation, 22 domestic consolidated Group companies and 8 domestic equity-method Group companies, and 14 overseas consolidated Group companies*⁵ and 3 overseas equity-method Group companies*⁶

Energy consumption (by type): Global*^{1,4,7,8}

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Electricity	9,785	9,436	8,157	8,174	8,790
Fuel oil A	33	31	26	21	55
Fuel oil B	0	0	0	0	0
Fuel oil C	5	3	10	1	4
Kerosene	29	26	20	21	20
Diesel	42	41	38	38	45
Gasoline	70	69	56	64	96
LPG	117	111	117	98	134
City gas	1,412	1,257	1,044	1,103	1,234
Coal	0	0	0	0	0
Coke	384	324	208	200	228
Industrial steam	1,173	1,157	1,065	1,067	1,099
Total	13,050	12,455	10,742	10,786	11,707 (9,837) ✓

Scope of coverage

- Energy consumption within the premises of Mazda Motor Corporation, 22 domestic consolidated Group companies and 8 domestic equity-method Group companies, and 14 overseas consolidated Group companies*⁵ and 3 overseas equity-method Group companies*⁶

Scope of third-party verification

- Energy consumption within the premises of Mazda Motor Corporation's 4 domestic production sites and 5 overseas production companies (2 consolidated Group companies and 3 equity-method Group companies)

Amount of electricity generated from renewable energy (by region): Global*⁴
(MWh)

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Japan	87	101	89	1,297	1,935
Overseas	0	0	60	2,656	2,975
Total	87	101	149	3,953	4,910

Scope of coverage

- Amount of renewable energy generated and consumed within the premises of Mazda Motor Corporation, 22 domestic consolidated Group companies and 8 domestic equity-method Group companies, and 14 overseas consolidated Group companies*⁵ and 3 overseas equity-method Group companies*⁶

CO₂ emissions from logistics: Mazda Motor Corporation*^{9,10} (1,000 t-CO₂)

FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
73.7	69.1	59.3	58.6	60.7

Scope of coverage

- Mazda Motor Corporation

*1 For within Japan, calorific value and emissions factors given in the Ministry of the Environment's GHG accounting and reporting system are used. For purchased electricity by overseas companies, country-specific emissions factors given in the International Energy Agency's IEA Emission Factors 2019 are used.

*2 Scope 1: Direct emissions from consumption of fuels and industrial processes

*3 Scope 2: Emissions associated with consumption of purchased heat/electricity (indirect emissions from energy consumption)

*4 Figures for consolidated Group companies and equity-method Group companies are pro-rated based on the percentage equity stake held by Mazda.

*5 FY March 2019: 15 companies; FY March 2020: 14 companies; FY March 2021: 15 companies; FY March 2022: 16 companies; FY March 2023: 14 companies

*6 FY March 2019 to FY March 2022: 5 companies; FY March 2023: 3 companies

*7 The total figure is rounded and may not match the sum of individual items.

*8 Mazda has moved its calculation method from emissions factors based on standards in the Japan Automobile Manufacturers Association's Carbon Neutrality Action Plan to emissions factors based on the Ministry of the Environment's GHG accounting and reporting system and has recalculated these figures

*9 The total amount of CO₂ emissions generated by the transportation of completed vehicles, production procurement parts and service parts.

*10 CO₂ emissions from logistics are calculated using factors such as the "Joint Guidelines for Calculating CO₂ Emissions in the Logistics Sector" issued by the Ministry of Economy, Trade and Industry (METI) and the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

Earth

Consumption of raw materials (steel, aluminum, etc.):

Mazda Motor Corporation

(1,000 t)

FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
971	938	721	700	794

Scope of coverage

- Mazda Motor Corporation's 4 domestic production sites

Total amount of waste (by region): Global*¹

(t)

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Japan	265,392	242,108	188,205	180,569	198,240 (17,872)
Overseas	42,868	38,828	32,589	32,259	41,478
Total	308,260	280,936	220,793	212,828	239,718

Amount of recycled parts: Japan

(Bumpers)

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Damaged bumpers	62,920	57,126	46,515	47,939	45,399

Scope of coverage

- Dealerships (excluding some) with which Mazda has an exclusive dealership agreement in Japan

Amount of landfill waste, amount of recycled materials, recycling ratio:
Global*¹

(t)

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Amount of landfill waste	1,422	1,619	1,144	1,073	1,109
Amount of recycled materials	289,019	264,702	208,331	202,006	228,023
Recycling ratio	94%	94%	94%	95%	95%

Scope of coverage

- Mazda Motor Corporation's 4 domestic production sites and the production sites of 4 domestic consolidated Group companies, 4 domestic equity-method Group companies, 2 overseas consolidated Group companies and 3 overseas equity-method Group companies*²

Scope of third-party verification

- Industrial waste emissions from Mazda Motor Corporation's 4 domestic production sites

Consumption of wrapping and packaging materials:

Mazda Motor Corporation*³

(t)

FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
31.0	29.7	20.3	21.6	24.7

Scope of coverage

- Mazda Motor Corporation

*1 Figures for consolidated Group companies and equity-method Group companies are pro-rated based on the percentage equity stake held by Mazda.

*2 FY March 2019 to FY March 2022: 4 companies; FY March 2023: 3 companies

*3 Total materials used for packaging and wrapping for knock-down production parts sent from Japan to overseas plants, and for repair parts for domestic and overseas markets.

Earth

Water withdrawal amount (by region): Global*^{1,2} (1,000 m³)

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Japan	8,021	7,576	6,659	6,424	6,402 (4,512) ✓
Overseas	1,282	1,051	976	949	993
Total	9,303	8,627	7,635	7,373	7,394

Water withdrawal amount (by water source): Global*^{1,2} (1,000 m³)

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Water for industrial use	7,531	7,126	6,148	5,870	5,932
Clean water	1,214	1,149	1,079	962	830
Subsurface water	535	329	386	514	616
Lake water	22	23	21	27	16
River water	1	1	1	1	1
Total	9,303	8,628	7,635	7,374	7,394

Scope of coverage

- Mazda Motor Corporation, 22 domestic consolidated Group companies and 8 domestic equity-method Group companies, and 14 overseas consolidated Group companies*³ and 3 overseas equity-method Group companies*⁴

Scope of third-party verification

- Mazda Motor Corporation's 4 domestic production sites

Wastewater (by region): Global (1,000 m³)

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
Japan	7,133	6,580	5,874	5,517	5,218
Overseas* ⁵	-	805	668	770	815
Total	7,133	7,385	6,542	6,287	6,033

Scope of coverage

- Mazda Motor Corporation and production sites of domestic production companies (4 consolidated Group companies and 4 equity-method Group companies) and overseas production companies (2 consolidated Group companies and 3 equity-method Group companies)*⁶

*1 Figures for consolidated Group companies and equity-method Group companies are pro-rated based on the percentage equity stake held by Mazda.

*2 The total figure is rounded and may not match the sum of individual items.

*3 FY March 2019: 15 companies; FY March 2020: 14 companies; FY March 2021: 15 companies; FY March 2022: 16 companies; FY March 2023: 14 companies

*4 FY March 2019 to FY March 2022: 5 companies; FY March 2023: 3 companies

*5 Data not available for FY March 2019

*6 FY March 2019 to FY March 2022: 4 companies; FY March 2023: 3 companies

Earth

NOx emissions and SOx emissions: Japan*1 (t)

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
NOx	334	326	292	301	255
SOx	106	103	97	94	85

Scope of coverage

- Production sites of Mazda Motor Corporation, 4 domestic consolidated Group companies and 4 domestic equity-method Group companies

VOC waste emissions: Mazda Motor Corporation (t)

FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
2,394	2,225	1,664	1,536	1,661

Scope of coverage

- Body-painting lines of Mazda Motor Corporation's Hiroshima Plant and Hofu Plant (Nishinoura District)

Emissions of PRTR-listed substances: Japan*1 (t)

FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
981	876	726	711	661

Scope of coverage

- Mazda Motor Corporation, 22 domestic consolidated Group companies and 8 domestic equity-method Group companies

*1 Figures for consolidated Group companies and equity-method Group companies are pro-rated based on the percentage equity stake held by Mazda.

Earth

Environmental Protection Costs

		(million yen)					
Category	Major activities	Mazda unconsolidated			Mazda Group		
		Investment	Cost	Total	Investment	Cost	Total
Business area	Preventing pollution	Conforming to legal limits for air and water pollution, odor abatement, etc.					
		2,659	2,431	5,090	2,672	2,994	5,667
	Protecting the global environment	Preventing global warming, conserving energy, preventing destruction of the ozone layer, and other environmental protection activities					
		1,713	1,237	2,950	1,826	1,350	3,176
	Recycling resources	Effective resource use, recycling waste, processing and disposing of waste					
		242	3,056	3,298	254	3,837	4,091
	Upstream/downstream	Container recovery, recovery of end-of-life vehicle bumpers					
Management activity		0	143	143	0	146	146
	Employee environmental education, creating and operating environmental management systems, monitoring and measurement of environmental impact, other activities	12	1,262	1,274	130	1,791	1,921
	R&D for products, production methods and distribution, to contribute to reduced environmental impact	2,154	41,169	43,323	2,274	42,790	45,064
	Social activities	Greening, beautification, and environmental improvement; support of community residents and organizations; information disclosure; and other activities					
		0	91	92	0	99	99
Environmental damage		–					
		0	0	0	0	0	0
Total		6,779	49,390	56,169	7,157	53,007	60,164

Environmental Accounting*2

Mazda is carefully assessing the costs and benefits of its environmental activities and is working constantly to improve their efficiency.

Data collection period:

April 2022 through March 2023

Basis of data collection:

Calculated according to Mazda's own guidelines in line with Environmental Accounting Guidelines.

Boundary of data collection:

Mazda Motor Corporation, 21 domestic consolidated Group companies and 8 domestic equity-method Group companies

Overall Environmental Protection Effects

Category			Mazda unconsolidated			Mazda Group
			Environmental protection effects		Economic effect (million yen)	Economic effect (million yen)
Protecting the global environment	Global warming prevention	Production	CO ₂ emissions volume (on unit sales basis)* ¹	12.3 t-CO ₂ /100 million yen	–	–
		Distribution	Annual shipping volume	466,600 thousand ton-km	–	–
Recycling resources	Effective use of resources, recycling		Shell sand	9,580 t	27	2,521
			Steel scrap	21,251 t	2,494	
Upstream/downstream	Product recycling		Number of damaged bumpers collected	45,399 bumpers	–	35
Other	Sale of items with commercial value		Metals	88,206 t	3,742	3,797
			Paint thinner, effluent	542 t	55	
			Empty drums, wheels, discarded tires	15,754 units		
			Recovered sand, plastics, cardboard scraps	5,689 t		
			Total		6,318	

*1 Emissions factors based on standards in the Japan Automobile Manufacturers Association's Carbon Neutrality Action Plan are used.

*2 The total figure is rounded and may not match the sum of individual items.

People

Employee Data

		Unit	(Non-consolidated)		
			FY March 2021	FY March 2022	FY March 2023
Number of employees ^{*1,7,8}	Male	Employees	20,906	20,917	20,789 ✓
	Female		2,301	2,349	2,355 ✓
	Total		23,207	23,266	23,144 ✓
Average age ^{*2,7,8}	Male	Age	41.0	40.9	41.4 ✓
	Female		38.0	38.3	38.9 ✓
	Total		40.6	40.7	41.2 ✓
Number of workers re-employed after reaching retirement age ^{*7,8}		Employees	961	1,276	1,185 ✓
Average years of employment ^{*2,7}	Male	Years	17.7	17.7	18.4 ✓
	Female		14.1	14.3	14.9 ✓
	Total		17.4	17.3	18.0 ✓
Number of female employees hired ^{*8}		Employees	139	127	99 ✓
Percentage of female new graduates hired	Administrative	%	58	45	48
	Engineering		12	10	9
	Production		13	11	13
Number of mid-career hires (incl. appointments to permanent contracts)	Male	Employees	180	243	255
	Female		35	40	42
Percentage of female mid-career hires		%	19.4	16.5	16.5
Number of female managers ^{*7,8}	Assistant manager and above	Employees	277	298	323 ✓
	Middle management and above		52	55	65 ✓
Percentage of female managers ^{*7,8}	Assistant manager and above ^{*3}	%	6.5	7.2	7.5 ✓
	Middle management and above ^{*4}		3.6	3.9	4.4 ✓
Number of male managers ^{*7,8}	Middle management and above	Employees	1,380	1,349	1,422 ✓
Average age of managers ^{*7,8}		Age	52.8	52.6	52.8 ✓
			2.37	2.38	2.40 ✓
Percentage of employees with special needs ^{*5,8}		%	(Legal requirement: 2.3%)	(Legal requirement: 2.3%)	(Legal requirement: 2.3%)
Number of employees with special needs ^{*5,8}		Employees	389	394	393 ✓
Employee turnover rate ^{*2,6,8}		%	4.3	5.1	2.7 ✓
Number of new graduates hired (University, college and high school graduates) ^{*8}	Male	Employees	504	444	428 ✓
	Female		90	76	72 ✓

*1 The "Non-consolidated" numbers exclude the number of employees dispatched to Mazda Motor Corporation from other companies, but include the number of Mazda Motor Corporation employees dispatched to other companies.

*2 Exclude the number of employees rehired after retirement, including under the Expert Family system.

*3 Number of female managers (assistant manager and above)/Number of managers (assistant manager and above)

*4 Number of female managers (middle management and above)/Number of managers (middle management and above)

*5 Average number in each fiscal year

*6 In FY March 2023, due to an extension of retirement age, the number of employees leaving due to retirement decreased, the employee turnover rate rapidly decreased.

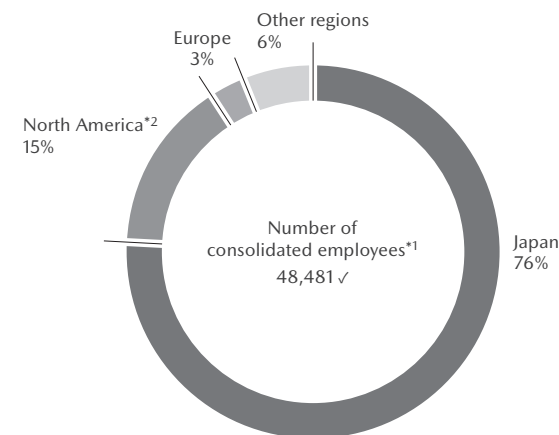
*7 Results as of the end of each fiscal year.

*8 For third-party assurance obtained for FY March 2021 and FY March 2022 figures, please refer to the Sustainability Reports for the respective years.

FY March 2023 average salary by gender

		(Non-consolidated)					
		Unit	Company-wide		Full-time employees		Limited-term employees
			Male	Female	Male	Female	Male
Total annual salary expenses		1,000 yen	135,614,102	12,857,029	134,520,653	12,407,190	1,093,449
Number of employees		Employees	20,608	2,373	20,284	2,200	324
Average annual salary		1,000 yen	6,581	5,419	6,632	5,640	3,373
Gender pay gap		%	82.3		85.0		77.2

Rate of employees by region in FY March 2023



*1 The "Consolidated" numbers exclude the number of Mazda Group employees dispatched to companies outside the Group, but include the number of employees dispatched to Mazda Group companies from outside the Group.

*2 Including Mexico

People

Major Measures and Results to Promote Work-Life Balance and Diversity in the Workplace

Major Measures and Results to Promote Work-Life Balance and Diversity in the Workplace						(Non-consolidated)		
System	Description (as of March 31, 2023)	Started		Unit	FY March 2021	FY March 2022	FY March 2023	
Maternal care paid leave	This system allows female employees who are pregnant and have difficulty performing their duties due to morning sickness or other feelings of discomfort to take paid leave for the necessary amount of time.	Aug. 2008	Number of beneficiaries	Employees (Days)	23 (600)	28 (555)	28 (427)	
Child-rearing paid leave	This system allows employees to take up to five consecutive working days off, following childbirth or for child-rearing.	Aug. 2008*1	Male Female Total		492 (2,240) 108 (522) 600 (2,762)	483 (2,239) 93 (452) 576 (2,691)	538 (2,561) 99 (493) 637 (3,054)	
Maternity/paternity leave	This system allows employees to take maternity or paternity leave for up to four weeks in the first eight weeks after a child is born.	Oct. 2022	Male		—	—	88	
Child-rearing leave*2	This system supports unpaid leave for child-rearing for children up to three years old. It is possible to take leave in installments. (Legal requirement: Up to one year old.)	Jan. 1991	Male Female Total	Employees	39 108 147	57 101 158	117 108 225	
			Rate of reinstatement Rate of retention one year after child-rearing leave		%	98 98.7	98.1 97.7	99.5 96.9
			Male Female Total	Employees (Days)	— — —	4 (12) 11 (39) 15 (51)	9 (54) 18 (72) 27 (126)	
Statutory child-nursing leave	This system allows employees to take a leave in order to nurse their children under school age when they become sick or injured, granting them to take up to five working days off per year if there is only one applicable-age child and up to ten working days off per year if there are two or more applicable-age children.	Jan. 2020	Male Female Total	Employees (Days)	—	—	—	
Special working arrangements for employees involved with child-rearing or nursing	This system allows employees involved with nursing or child-rearing (until end of child's sixth year of primary school) to reduce work hours, be excused from overtime and holiday work, etc. (Legal requirement regarding work hour reduction: until the child reaches three years old.)	Apr. 1999	Employees with reduced working hours: For child-rearing Employees with reduced working hours: For nursing care		595 22	523 17	525 14	
Statutory nursing care leave	This system allows employees to take a leave in order to nurse or take care of their family members requiring nursing care, granting them to take up to five working days off per year if there is only one applicable family member and up to ten working days off per year if there are two or more applicable family members.	Jan. 2020	Male Female Total	Employees (Days)	—	5 (20) 2 (14) 7 (34)	4 (17) 2 (6) 6 (23)	
Nursing care leave	This system allows employees with eligible family members requiring nursing care to take a leave of absence (maximum length of 1 year.) (Legal requirement: up to total of 93 days per eligible family member.)	Jan. 1992	Male Female Total	Employees	4 1 5	7 1 8	5 2 7	
Working from home*3	In line with the measures to prevent the spread of COVID-19, the Company expanded the scope of its existing work-from-home system in October 2020 and established the remote-work system to allow employees to perform their work in locations, other than company facilities, determined at the employee's discretion. While the former system enabled employees to perform up to 25% of their work hours at home for the purpose of child-rearing or nursing care, this restriction has been removed and an allowance of 200 yen per day is provided as cost assistance to employees who work remotely all day.	Oct. 2020*1	User		10,406	11,351	11,266	
Special Warm Heart leave system	A paid-leave system that covers nursing care for relatives, including those in need of long-term care, volunteer work, functions at one's child's school, infertility treatment, and disaster relief and assistance for affected relatives. *Volunteer work* here refers to the following: •Social welfare (welfare services for children, elderly people and people with disabilities, etc.) •Environmental protection (forest preservation, recycling activities, etc.) •Interaction and cooperation with communities (participation in community events, support for activities of children's associations, crime prevention activities, etc.) •International friendship activities (welcoming home stay guests, interpretation service, etc.) •Disaster relief •Health and medical volunteering (health care instructions, donor activities, etc.) •Support for sports activities (sports coaching, organizing sports events, etc.) •Acquisition of qualifications, skills and knowledge that are useful in volunteer activities	Aug. 2008*1	Number of beneficiaries (days taken) Male Female	Employees (Days)	644 (5,902) 345 (3,166) 299 (2,736)	679 (2,953) 379 (1,606) 300 (1,347)	746 (7,470) 402 (3,762) 344 (3,708)	
			Number of beneficiaries for nursing care for relatives Male Female		452 (3,510) 249 (2,138) 208 (1,372)	562 (2,646) 322 (1,461) 240 (1,185)	565 (4,742) 251 (2,066) 314 (2,676)	
Onsite daycare: Mazda Waku Waku Kids En	This daycare center was established for employees' children who have not yet entered school. A permanently stationed nurse is available to look after children who become ill.	Apr. 2002	Preschoolers		44	43	44	
Challenging Career leave	In order to increase future career potential, employees can use this system to take leave for up to three years while attending a school or other training facilities.	Oct. 2003	Number of beneficiaries		1	0	3	
Leave for employees accompanying a transferred family member	This system allows employees to take a fixed-term leave in order to accompany a spouse who has been transferred, allowing the employee to resume their career at Mazda later on.	Oct. 2003	Number of beneficiaries	Employees	21	25	9	
Re-employment Systems	This system provides an opportunity for former Mazda employees who left the Company due to marriage, child-rearing, nursing care, or other reasons to return to work if they desire.	Aug. 2008	Number of rehires		2	4	3	
Expert Family System	This system enables interested individuals who meet a certain standard of abilities and experience to be rehired as engineers, advisors to younger engineers (to pass on their knowledge), specialists or in other positions following their retirement at the mandatory retirement age.	Apr. 2006	Number of hires through reemployment		293	529	—	
Paid Leave for JICA Activities	Employees participating in Japan International Cooperation Agency (JICA) volunteer activities are entitled to take paid leave for these activities.	Apr. 2007	Number of beneficiaries	Employees	—	—	—	
Benefit program to support employees' environmental protection and social contribution activities	As part of the Mazda Flex Benefit System,*4 employees can apply their points toward compensation for the costs incurred during volunteer activities they perform. This system is also extended to employees who take a leave of absence to participate in JICA activities.	Oct. 2001	Number of applications	Cases	22	8	9	
			Amount applied	Yen	312,600	316,700	349,200	
Paid leave	Labor and management cooperate to streamline and standardize work processes, helping to create an environment in which employees take the initiative in planning for and using their paid vacation days (vacation may be taken in 0.5-day increments).	Ongoing	Rate of acquisition	%	86.3	85.7	92.1	
			Average of vacation days taken	Days	16.4	16.2	17.5	

*1 Operated under a different system before the commencement of this system.

*2 Number of employees whose leave started in the relevant fiscal year.

*3 The number of beneficiaries increased due to the effect of special measures against COVID-19.

*4 This is a selective benefit system. Individual employees can seek the type of assistance that most suits them by choosing from a number of preset benefit options within the points they have.

People

Education/Training Results		(Non-consolidated)
	Unit	FY March 2023
Average hours of training per employee	Hours/Year	46.5
Average training cost per employee	Yen/Year	68,327
Number of employees that received training	Employees/Year	15,864

Major Education and Training Programs

Name of education and training program	Duration, frequency, etc.	Target	Objective	Content of training	Remarks
Mazda Business Leader Development (MBLD)	Once a year	All Group employees in Japan and overseas	<ul style="list-style-type: none"> To communicate the intention of the top management To cultivate business leaders at all levels who have a company-wide perspective To reform the corporate culture and climate 	Regarding management issues and the future direction of the Company, message from the management team is delivered. The understanding and the future execution of the message through active participation by all employees is promoted	Commenced in 2000. Since FY March 2013, the program has been annually implemented on the theme of Brand Value Management.
Global Business Leader Program	As needed	Employees selected from Mazda Group companies around the world	To hone skills in areas including leadership, broadness of vision, and the ability to think strategically, and train the next generation of business operators to take the lead in global business	The program features practical activities such as communication with top business leaders and engagement as a team on management issues	Inaugurated in FY March 2016
Human Resource Development at Global Production Sites	As needed	Management and production staff at overseas production sites	To provide basic training by level to employees working at overseas production sites	<ul style="list-style-type: none"> Management training Supervisor education program Training for key players in three fields (production, maintenance and improvement) Technical skills training Karakuri Kaizen training 	—
Training by level ^{*1}	As needed	Administrative and engineering staff	To encourage employees to reconfirm their roles at each level, and consider how they can help improve the organizational strength of the Company	<ul style="list-style-type: none"> Training for new employees Training for third-year employees Training for band 6 employees Training for managers and team leaders Training for general managers Each training program is designed to promote changes in the employees' ways of thinking, through group discussion among members from different departments.	—
Management skill training ^{*1}	When newly appointed	Newly appointed senior managers, new band-5 employees (assistant manager level)	To develop trainees' awareness and sense of responsibility as managers and urge them to acquire a company-wide perspective, thereby altering their mindset toward their own roles	Mazda Way, sustainability, compliance, internal controls, personnel management, human rights, safety and health, etc.	—
Production Leader Training Program ^{*1}	As needed	Foreman/Assistant Foreman/Team Leader candidates	To develop trainees' abilities to recognize and resolve problems, management improvement skills, and leadership capabilities and other skills required to work as a leader at each level	<ul style="list-style-type: none"> Super leader training Senior leader training Team leader training Junior leader training 	—
WorldSkills Competition Training Program ^{*1}	Two years/28 employees	Selected employees in the production field who are under 21 years old	<ul style="list-style-type: none"> Systematic training of young engineers Training participants to compete in the regional, national and international WorldSkills competitions 	Employees are trained in special skills so as to participate in the WorldSkills competition	Results of FY March 2023 Bronze medal in Sheet Metal Technology Bronze medal and Brave Fight Award in Autobody Painting <div>11 of each</div>
Advanced Technical Skills Training course ^{*1,2}	As needed	Selected highly skilled employees	To preserve the advanced technical skills necessary for manufacturing and hand them down from one generation of craftspeople to the next	<ul style="list-style-type: none"> During the two-year program, one expert trains two apprentices After completing the course, the expert is awarded the title of Production Engineering Meister and receive the Meister Badge 	Cumulative Results since 1996 Number of employees completing the course Production Engineering Meisters <i>Monotsukuri</i> Meisters Hiroshima Prefecture award-winning skilled workers Contemporary Master Craftspeople Medal with Yellow Ribbon recipients <div>14069221719</div>
Welding Skills Training Program ^{*1}	As needed	Welding technicians	<ul style="list-style-type: none"> To train technicians to compete in the regional and national competitions To promote the growth of individual technicians, pass on skills within Mazda and raise standards 	Specialized training is conducted with the goal of sending welding technicians to complete in the national championships	Inaugurated in 1982 (Figures below are the cumulative numbers) National competition winners Prize recipients <div>1240</div>

*1 Initiatives at Mazda Motor Corporation

*2 Twenty-four courses comprising skills to pass on to new engineers are available in thirteen fields: iron and casting, die casting, casting, powder alloys, heat treatment, machining, engine assembly, axle assembly, transmission assembly, press, chassis, painting, and vehicle assembly

People

Global Lost-Time Injury Frequency Rate*

FY March 2023	0.33
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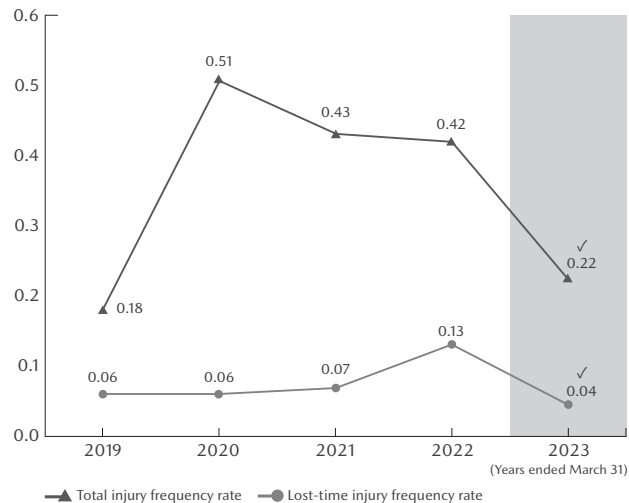
* Lost-time injury frequency rate: The number of lost-time accidents per million person-hours worked.

Scope of data collection: Mazda Motor Corporation, eight Group companies in Japan, and five overseas production sites (Subsidiaries and equity-method Group companies that promote safety and health initiatives are included in the scope of data collection.)

Injury Frequency Rate

✓ The figure for each item verified by a third party (P123)

(Non-consolidated)



* Total injury frequency rate: The number of lost-time and non-lost-time accidents in Mazda Motor Corporation per million person-hours worked.

Lost-time injury frequency rate: The number of lost-time accidents in Mazda Motor Corporation per million person-hours worked.

* For third-party assurance obtained for FY March 2019 to FY March 2022 figures, please refer to the Sustainability Reports for the respective year.

Work-related accident intensity rate*

(Non-consolidated)

FY March 2023	0.004
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* Number of work days lost per 1,000 working hours at Mazda Motor Corporation

Health Management Results

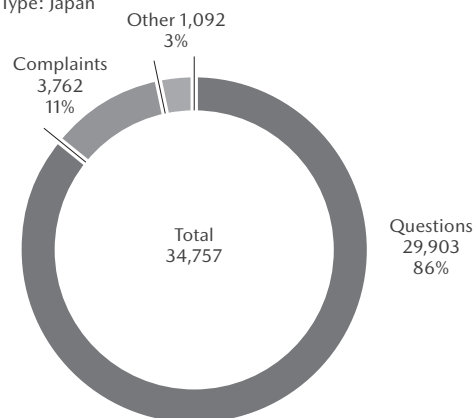
		(Non-consolidated)			
		Unit	FY March 2021	FY March 2022	FY March 2023
Organizational diagnosis in vitality checkups (stress checks)	Ratio of implementation	—	98.5	98.2	98.2
	Comprehensive health risk*1	—	87	86	86
	Comprehensive health degree of the organization*2	—	52.5	52.9	52.0
Measures for lifestyle-related diseases	Percentage of smokers	%	28	30	29
	Number of participants in Mazda Active Walking	Employees	4,224	4,249	4,440
Healthcare guidance	Personal guidance on the basis of health checkup results (including specific health guidance)	Cases	1,488	2,307	2,687

*1 An indicator of health effect (risk), based on workload/discretion/support conditions. The above figures are calculated assuming the national average value (announced by the Ministry of Health, Labour and Welfare) to be 100. (A smaller value indicates a smaller risk.)

*2 An indicator of the organization's current health degree, based on the stress response and work engagement. Expressed as a deviation value.

People/Society

FY March 2023 Breakdown of Mazda Call Center Customer Responses by Type: Japan



Recalls: Japan

Unit	FY March 2023
Cases	2
10,000 vehicles	0.1

Expenses Related to Social Contribution Activities*

	Unit	(Consolidated) FY March 2023
Cash donations (including advertising sponsorships)		1,407
Labor costs for employees who volunteer during working hours		392
Contribution in kind (in monetary terms)	Million yen	49
Operating expenses (voluntary program expenses, facility openings, etc.)		212
Total		2,060

* Boundary of data collection: Mazda Motor Corporation and major domestic and overseas consolidated subsidiaries

Breakdown of Human Rights Consultations

	Unit	(Non-consolidated) FY March 2023
Harassment		36
Human relationships in the workplace	Cases	10
Other		11
Total		57

Number of Reports to the Mazda Global Hotline*

	Unit	(Consolidated) FY March 2023
Reports regarding Mazda		34
Reports regarding Group companies		30
Unknown	Cases	1
Total		65

* Including reports and consultations related to harassment and other labor-related problems, working hours management, and suspected violations of the Mazda working regulations

Percentage of Employees with Membership in the Mazda Workers' Union

	Unit	(Non-consolidated) FY March 2023
Members		Around 90
Non-members	%	Around 10

Global Employee Survey (Positive Answer Percentage)

Contents	Survey items	Unit	(Non-consolidated and consolidated)		
			FY March 2021	FY March 2022	FY March 2023
CSR ^{*1,2}	I'm working on CSR activities.		51	54	51
Human rights ^{*1,2}	I understand my company's basic philosophy and policy for human rights.		85	86	81
	My company takes appropriate action if there is a violation of human rights.		78	78	77
Compliance ^{*3}	Legal and company policy compliance is strictly observed in this company.	%	76	80	75
Motivation ^{*3}	I feel inspired/driven to achieve more than what is expected of me.		67	66	60
	I understand my role in helping the company be successful.		69	70	60
	I propose and implement new or better ways of working that enable me to deliver Mazda's Corporate Vision. ^{*4}		49	49	48

*1 Percentage of positive responses from indirect employees (The survey was conducted on both direct and indirect employees.)

*2 Non-consolidated

*3 Consolidated

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

Number of Suppliers

	Unit	As of March 31, 2023
Automotive parts		547
Materials, etc.	Companies	141
Equipment and tools		371
Total		1,059

Purchasing Cooperative Organizations*

	Unit	As of March 31, 2023
Parts suppliers	Yokokai	167
Materials suppliers	Yoshinkai	78

* 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.

COMPANY OUTLINE/ GLOBAL NETWORK

Company Outline (as of March 31, 2023)

Company name:	Mazda Motor Corporation
Founded:	January 30, 1920
Head Office:	3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima 730-8670, Japan
Main business:	Manufacture and sales of passenger cars and commercial vehicles
Stock information:	Authorized: 1,200,000,000 Shares issued: 631,803,979 Number of shareholders: 132,385
Capital:	284 billion yen
Employees:	Non-consolidated total: 23,144 (male: 20,789, female: 2,355)* ¹ Consolidated total: 48,481* ²
Research and development sites:	Head Office, Mazda R&D Center (Yokohama), Mazda North American Operations (U.S.A.), Mazda Motor Europe (Germany), China Engineering Support Center (China)
Production sites:	Japan: Hiroshima Plant (Head Office, Ujina), Hofu Plant (Nishinoura, Nakanoseki), Miyoshi Plant Overseas: China,* ³ Thailand, Mexico, U.S.A., Vietnam,* ⁴ Malaysia* ⁴
Sales companies:	Japan: 198, Overseas: 132
Principal products:	Four-wheeled vehicles, gasoline reciprocating engines, diesel engines, automatic and manual transmissions for vehicles

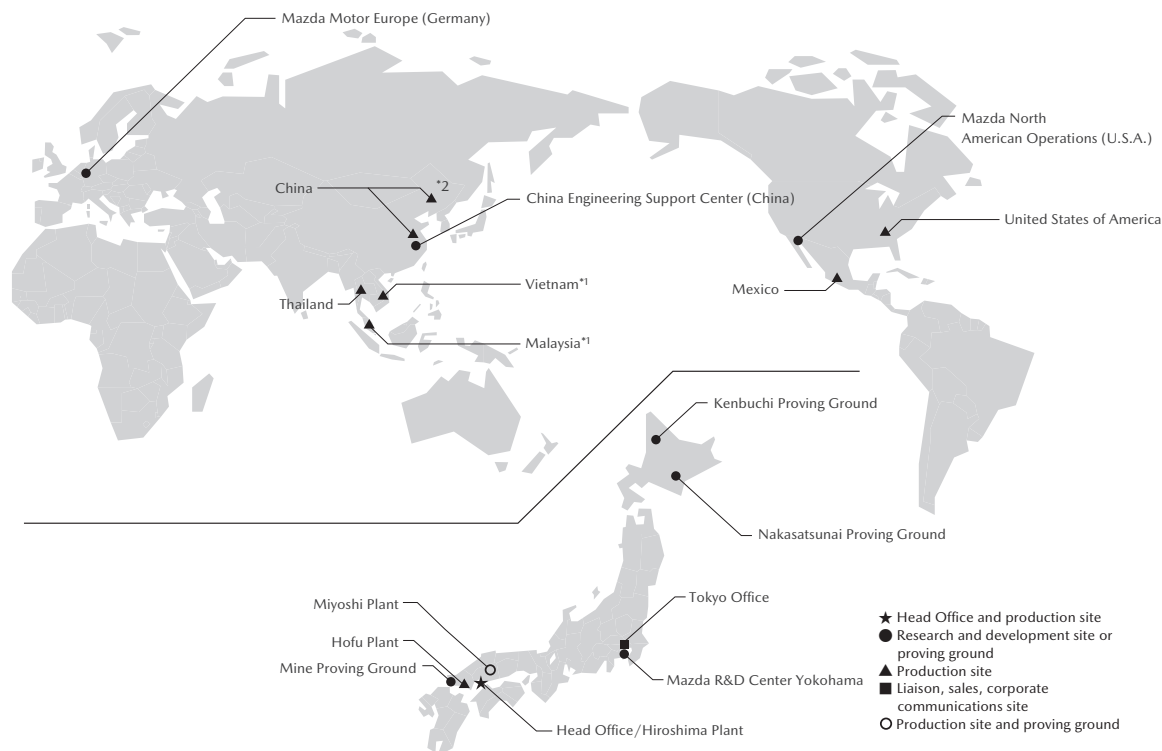
*¹ The "Non-consolidated" numbers exclude the number of employees dispatched to Mazda Motor Corporation from other companies, but include the number of Mazda Motor Corporation employees dispatched to other companies.

*² The "Consolidated" numbers exclude the number of Mazda Group employees dispatched to companies outside the Group, but include the number of employees dispatched to Mazda Group companies from outside the Group.

*³ Production outsourcing at China FAW Group Corporation Limited ended in July 2023.

*⁴ Assembly only (Volume is not disclosed.)

Global Network (as of March 31, 2023)



▶ For more details about major facilities, see Mazda Integrated Report 2023 (pp.78-86)

*¹ Assembly only (Volume is not disclosed.)

*² Production outsourcing at China FAW Group Corporation Limited ended in July 2023

Other Information

Mazda Motor Corporation Global Website

▶ Sustainability

Mazda's sustainability initiatives and other general information

Download Report

▶ Mazda Integrated Report

▶ Mazda Technical Review (For English, Summary is available)

THIRD-PARTY VERIFICATION

The Mazda Sustainability Report 2023 was verified by a third party to improve the reliability of the data disclosed in the report. Items verified by the third party are indicated by a check mark (✓).



No.1811004615-2
No.1811004736-2

Independent Verification Report

To: Mazda Motor Corporation

1. Objective and Scope

Japan Quality Assurance Organization (hereafter "JQA") was engaged by Mazda Motor Corporation (hereafter "the Company") to provide an independent verification on data listed below for FY March 2023 (hereafter "the Environmental and Social data") were correctly indicated in the "Mazda Sustainability Report 2023" (hereafter "the Report") created by the Company. The Environmental and Social data is included in the Company's calculation report assured by an independent third party on its verification report, and is indicated with the "✓" mark in the "Earth" and "People" in "Data / Materials" of the Report. The content of our verification was to express our conclusion, based on our verification procedure, on whether the Environmental and Social data was correctly indicated in accordance with the "Publish process of Mazda Sustainability Report: Environmental and Social data subject to third-party verification (dated August 10, 2023)" (hereafter "the Rules"). The purpose of the verification was to evaluate the Environmental and Social data indicated in the Report objectively, and to enhance the credibility of the Report.

*The fiscal year 2022 of Mazda Motor Corporation ended on March 31, 2023.

Environmental data

- Scope 1, 2 GHG emissions (energy-derived CO₂ emissions), energy consumption and Scope 3 GHG emission (Category 3)
Organizational boundaries:
four domestic production sites of the Company (Hiroshima Plant, Miyoshi Plant, Nishinoura district and Nakanoseki district of Hofu Plant) and five overseas production companies (Mazda Powertrain Manufacturing (Thailand) Co., Ltd., AutoAlliance (Thailand) Co., Ltd., Changan Mazda Engine Co., Ltd., Changan Mazda Automobile Co., Ltd., and Mazda Motor Manufacturing de Mexico, S.A. de C.V.)
- Scope 3 GHG emission (Category 5), water use and waste emissions
Organizational boundaries:
four domestic production sites of the Company (Hiroshima Plant, Miyoshi Plant, Nishinoura district and Nakanoseki district of Hofu Plant)
- Scope 3 GHG emissions (Category 6 and 7)
Organizational boundaries: the Company

Social data

- Injury frequency rate (Total injury frequency rate, Lost-time injury frequency rate) / Number of Employees (male, female, total) / Average age (male, female, total) / Average years of employment (male, female, total) / Number of workers re-employed after reaching retirement age / Number of female employees hired / Number of female managers and percentage of female managers (Assistant manager and above, Middle management and above) / Number of male managers (Middle management and above) / Average age of managers / Percentage of employees with special needs and number of employees with special needs / Employee turnover rate / Number of new graduates hired (University, college and high school graduates: each male and female)
Organizational boundaries: the Company
- Number of Employees
Organizational boundaries: the Company and consolidated subsidiaries

2. Procedure Performed

JQA conducted verification in accordance with "ISO 14064-3" for GHG emissions and energy consumption, and with "ISAE3000" for water use, waste emissions and social data, respectively.

The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent each of the total environmental and social data in the Report. Our verification procedure included checking the Environmental and Social data indicated in the Report against that stated in the Company's calculation report, at the JQA office.

3. Conclusion

Based on the procedure described above, nothing has come to our attention that caused us to believe that the Environmental and Social data in the Report is not materially correct or has not been prepared in accordance with the Rules.

4. Consideration

The Company was responsible for preparing the Report, and JQA's responsibility was to conduct verification of the Environmental and Social data in the Report only. There is no conflict of interest between the Company and JQA.

Sumio Asada, Board Director
For and on behalf of Japan Quality Assurance Organization
1-25, Kandasudacho, Chiyoda-ku, Tokyo, Japan
November 17, 2023

Mazda Motor Corporation
Communication Supervisory Department
Corporate Communications Division

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Issued: December 2023