SUSTAINABILITY REPORT 2021

(IN-DEPTH VERSION)

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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 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 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 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).

Editorial Policy

- This report presents eight social issues to be resolved by Mazda through its business, primarily regarding the approach and results of these activities in the respective areas of the Earth, People and Society.
- Aiming to satisfy the needs of readers, Mazda studied the editorial policy and content of this report in reference to the third party opinion and stakeholders' ideas and views obtained through the questionnaire survey and engagements with stakeholders.

Report Coverage

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.)

Period Covered: The report primarily covers the period from April 2020 through March 2021, although some activities after April 2021 are included.

Scope of the Report: Social, environmental, and economic data are included in this report.
∗ For more details about economic data, see Mazda's website Investor Relations & Annual Report.

Referenced Guidelines
This report has been prepared in accordance with the GRI Standards: Core option.
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), ISO26000

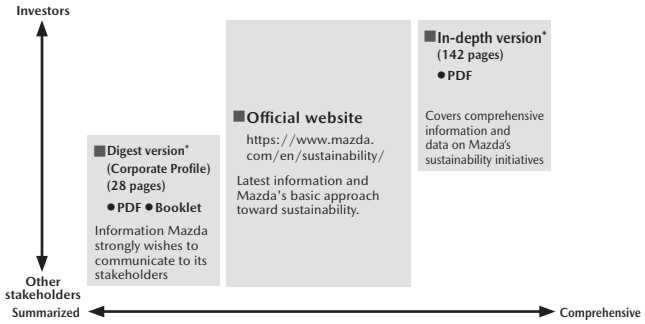
Date of Publication (In-depth version)

Japanese version: February 2022 (The previous report was published in October 2020; the next report will be published in the autumn of 2022.)
English version: March 2022 (The previous report was published in December 2020; the next report will be published in the winter of 2022.)

Approach to Reporting Information

Mazda discloses information in the following formats.*

∗ If any content errors are found after publication, a list of errata will be posted on Mazda's official website.



*Available on our website at https://www.mazda.com/en/sustainability/report/

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 resent 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.

Resolving Issues Facing the Earth, People and Society to Achieve Further Growth

Mazda Motor Corporation would first like to offer our sincerest condolences to the families and loved ones of those whose lives were taken away by the novel coronavirus (COVID-19). At the same time, our deepest sympathy goes to all those affected by the global pandemic, which continues to spread around the world. We would also like to express our profound respect to all of the people who are working every day to combat the virus, including healthcare professionals and members of the central and local governments.
The COVID-19 pandemic has brought about significant changes in our social awareness and values. In today's world, we are encouraged to address various social issues, including global environmental problems and human rights issues, by taking ownership of these challenges. As a corporate citizen, Mazda has strengthened its commitment to resolving social issues through its business activities.

Contributing to Realizing a Sustainable Society

In 2021, Mazda formulated its Basic Policy on Sustainability and clarified the eight sustainability themes to be addressed by the Company from now on. This basic policy declares that Mazda will contribute to achieving the SDGs and grow together with society by implementing initiatives to brighten people's lives through cars that are sustainable with the earth and society, as set out in our Corporate Vision. We will endeavor to resolve issues in the respective areas of the earth, people and society. Thereby, contributing to the realization of a sustainable society.

Earth: Endeavor for Carbon Neutrality by 2050

One of the current environmental challenges is to achieve carbon neutrality by 2050. This endeavor requires us to reduce CO_2 emissions throughout a vehicle's life cycle, from when it is manufactured, through to when it is shipped out, used and finally recycled/repurposed. It also requires us to switch from traditional energy sources to renewable energies at each step of these processes. To this end, it is vital to ensure that various stakeholders, including not only companies but also local governments, work in close collaboration to share the issues and solutions and promote carbon neutrality. In Japan, Mazda has participated in the Carbon Neutral Electricity Promotion Subcommittee, which was set

up as one of the special subcommittees under the Chugoku Region Carbon Neutrality Promotion Council, established by the Chugoku Economic Federation. In cooperation with member partners, the Company will henceforth discuss how to expand the supply and demand of electricity derived from renewable sources. Overseas, we will help promote the spread of renewable energies in line with the policies of the regions in which our sites are located.

People: Improving Employee Job Satisfaction

The challenge here is to improve employee job satisfaction. Changes in recent years have brought many new and sudden uncertainties for companies. Under such circumstances, in order for companies to sustain growth and accomplish their management strategies, it is becoming more important to secure a diverse range of human resources and create a working environment that enables employees to maximize their capabilities.
Mazda recognizes that people are its most important resource. Labor and management are making concerted efforts to ensure that individual employees can enjoy their work by exercising their potential to the fullest extent possible. The Company also understands the significance of fostering a corporate climate that respects diverse talents and values, and we consider diversity and inclusion to be key elements. For example, in January 2021, Mazda Motor Corporation joined the Valuable 500, an international initiative to promote active inclusion of people with disabilities.

Society: Realizing a Motorized Society Free From Traffic Accidents

Here, Mazda aims to realize a motorized society that is free from traffic accidents. This is a mission Mazda should fulfill not only as a good corporate citizen but also as a vehicle manufacturer. The Company has carried out research on and development of its safety technologies in keeping with Mazda Proactive Safety, our safety philosophy based on understanding, respecting and trusting the driver. This philosophy aims to support drivers in driving safely and help to prevent or reduce the damage resulting from an accident if it were to occur due to a driver's mistake. In 2017, we declared the Mazda Co-Pilot Concept for our human-centered advanced driving support technology. It is intended to develop a driving support system that offers peace of mind not only to drivers but also to their family and those around them. We are also hopeful that, if the system detects that the driver has suffered a sudden health complication rendering them unable to drive, which could happen to anyone, it will reduce the risk of accidents and the damage to the driver as well as the surrounding vehicles and passersby. We are going to commercialize this technology and plan to introduce its first stage, called "Mazda Co-Pilot 1.0," in the new SUV models to be launched in 2022.

Continuing to Embrace Challenges toward Becoming a Company That Can Truly Be Trusted

Under the Medium-Term Management Plan that was put in motion in 2019, we regarded the past three years as a phase for foundation-building, during which Mazda has steadily promoted the initiatives to reinforce its management base as planned, despite the impact of the COVID-19 pandemic. Now we are moving into the phase of "strong growth." To achieve further growth, the Company will continue endeavoring to resolve issues regarding the earth, people and society by accelerating initiatives in tandem with like-minded partners, based on the technologies and processes that we have cultivated thus far.
Mazda will inspire people through cars while emphasizing dialogues with its stakeholders around the world. We would like to ask for your continued support and hope to meet your continued expectations of Mazda, which remains committed to tackling all the challenges we face.

Akira Marumoto
Representative Director, President and CEO
Mazda Motor Corporation

Corporate Vision

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

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

SUSTAINABILITY

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

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Basic Policy on Sustainability

While striving to sincerely meet the needs and expectations of all stakeholders under our corporate vision, Mazda aims for sustainable growth as a company through our global business activities. We are determined to contribute to the sustainable development of society through efforts to resolve various social issues by making the most of our strengths.

Earth

Through environmental conservation initiatives, we aim to prevent global warming, realize a sound material-cycle society, and create a sustainable future in which people and vehicles coexist with a bountiful, beautiful earth.

People

Respecting diverse talents and values, Mazda understands that individuals working together each play an active role in their own way. This leads to innovation in products and services that offer true driving pleasure and emotional enrichment to our customers.

Society

We will realize vehicles and a society where all people, wherever they live, can enjoy unrestricted mobility that offers safety and peace of mind and contributes to enriching lives and the sustainable development of local communities.

Management

While working to build a good relationship with all stakeholders, we will continue our efforts to enhance corporate governance by ensuring compliance and making fair, transparent, prompt, and decisive decisions.

SUSTAINABILITY INITIATIVES

Reviewing and Identifying Key Issues (Materiality)

Mazda has worked to identify the social issues that the Mazda Group should address while reflecting the external opinions of experts and various other stakeholders and taking into account opinions from both management and the relevant divisions. In July 2016, Mazda identified and disclosed the key issues (materiality). In subsequent years, which saw growing worldwide interest in environmental, social, and governance (ESG) issues, expectations from stakeholders became more specific and the social environments surrounding the Mazda Group underwent some changes. Given these circumstances, in FY March 2018, the Company started to review materiality. In FY March 2021, Mazda identified the social issues that the Mazda Group should resolve through its business and clarified the relationship between these issues and the Sustainable Development Goals (SDGs) and targets adopted by the United Nations.

Materiality Review and Identification Process

In reviewing materiality, Mazda took into account two perspectives. One is the stakeholders' perspective in reference to the SDGs adopted by the United Nations and the details of surveys conducted by global ESG rating organizations. The other perspective is the importance to the Mazda Group, for instance, business initiatives toward realizing the Medium-Term Management Plan Revision*1, which was announced in November 2020.

Step 1 Extraction of social issues

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

Step 2 Evaluation of the impact / prioritization of social issues

Mazda identified potential priority issues to be tackled by evaluating the social issues selected in Step 1 according to two axes: Impact on stakeholders*2 and impact on the Mazda Group.*3 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.

Initiatives to address the issues regarding "Earth"	Initiatives to address the issues regarding "People"	Initiatives to address the issues regarding "Society"
•Endeavor for carbon neutrality by 2050 •Resource circulation	•Contribution to people's mental wellness •Improving employee job satisfaction	•Realizing a motorized society free from traffic accidents •Creating a system that enriches people's lives

Common initiatives to address the issues regarding "Earth," "People," and "Society"

- Quality improvement
- Exploring partnerships for "co-creation with others"

*1 For details, refer to the following URL: https://www.mazda.com/en/investors/policy/mid-term/
*2 Expectations for the Mazda Group and the automotive industry
*3 Risks and opportunities for the Mazda Group

Sustainability Promotion Organization a b

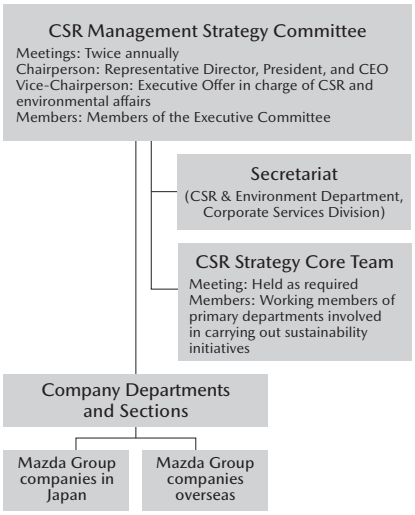
Each department carries out its operations based on goals and plans formulated with an understanding of the policies and guidelines determined by the CSR Management Strategy Committee, which the president chairs, and in cooperation with other Group companies. From FY March 2016, the Board of Directors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

CSR Management Strategy Committee

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

- Establishment of CSR targets and follow-up of the progress in efforts (see pp.120-122)
- Performance evaluation of the mid-term environmental plan (Mazda Green Plan) (see pp. 123-124)
- Reviewing and identifying key issues (materiality) (see p. 9)
- Discuss social needs and trends, external evaluation analysis results, and etc.

a Sustainability Promotion Organization



b History of the Sustainability Structure

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

Sustainability Promotion throughout the Entire Value Chain

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

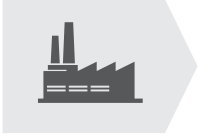
Research and Development

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 1,061 major suppliers in Japan and overseas, aiming for harmonious coexistence and co-prosperity

Manufacturing



Pursuit of high-level manufacturing in a total of 7 countries, including 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 more than 130 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, society, and people.

Sustainable Zoom-Zoom 2030

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

People

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

Earth

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

Society

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

Earth

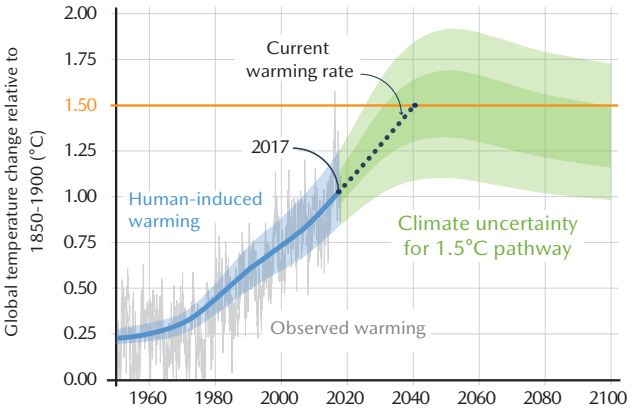
Endeavor for Carbon Neutrality by 2050

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, 124 countries (including Japan) and one region* 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.

*As of January 20, 2021

Average anthropogenic temperature increase since the industrialization



"Frequently Asked Questions", Coordinating Editors: Sarah Connors, Ros Pidcock, p8, https://www.ipcc.ch/site/assets/uploads/sites/2/2019/05/SR15_FAQ_High_Res.pdf

Mazda's Approach to Resolving Issues

Reasons for Addressing Social Issues

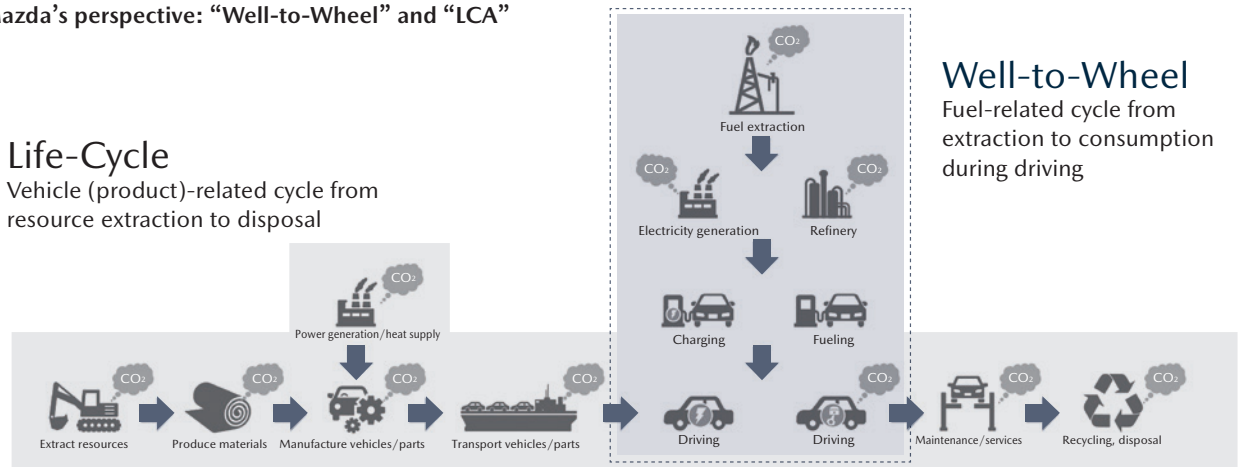
As for the trends regarding vehicles around 2030, Mazda predicts that the fuel economy of vehicles as a whole will be further improved though the combination of highly efficient combustion engines, electric device technologies, highly efficient transmission systems and reduced body weight. Mazda also 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 CO_2 emissions, the entire transport sector contributes approximately 20%, with the automotive industry accounting for about 90% of CO_2 emissions from the sector. Mazda understands that, as a company belonging to the automotive industry, it has a duty to reduce CO_2 emissions with the aim of curbing global warming. In order to preserve our beautiful planet 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 by 2050.
To accomplish this objective, the Company recognizes the importance of reducing CO_2 emissions throughout a vehicle's life cycle. For this reason, Mazda considers it necessary to provide multiple solutions that enable 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 CO_2 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.*

* For details of the activities carried out by the Carbon Neutral Electricity Promotion Subcommittee in the Chugoku Region, refer to the following URL: https://newsroom.mazda.com/ja/publicity/release/2021/202111/211130a.pdf (Japanese only)

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

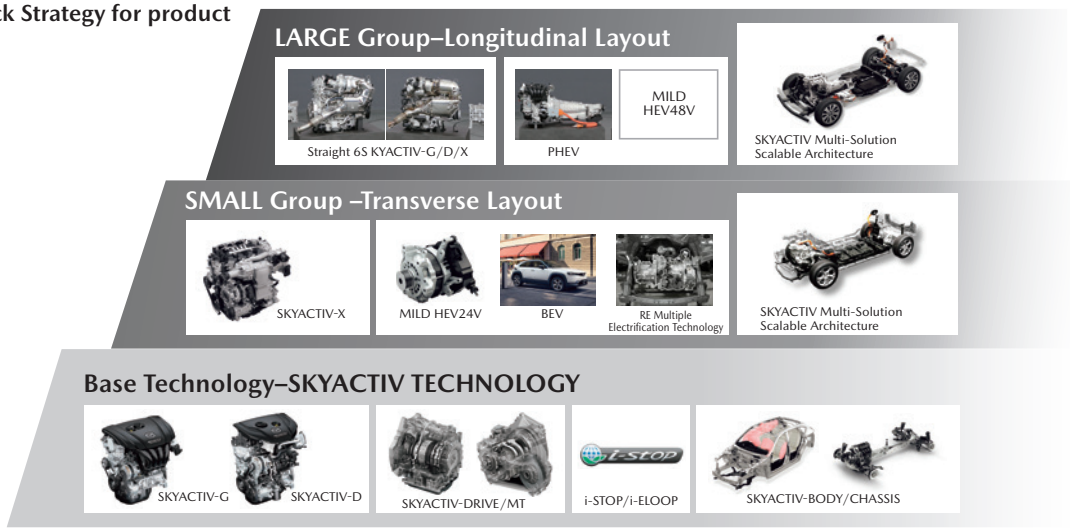


Mazda's Initiatives

Accumulation of technological assets in line with Mazda's Building Block Strategy and their utilization for highly efficient manufacturing

Mazda has consistently followed its Building Block Strategy to efficiently deliver more superior technologies by building up electrification technologies in stages while refining fundamental technologies, including engines, transmissions and vehicle bodies. Mazda is continuously enhancing its internal combustion engines and electrification technologies as part of the "Skyactiv Multi-Solution Scalable Architecture." Based on this architecture, the Company will deliver multiple electrification solutions to meet various customers' needs, environmental regulations and the electric power generating infrastructure in each market. Mazda expects that 100% of its products will have some level of electrification, and its ratio of EVs will account for 25% of its models by 2030. In addition, the Company plans to introduce its unique EV platform "Skyactiv EV Scalable Architecture" in 2025 for EVs with various vehicle sizes and body types. Based on these strategies, Mazda will refine its highly efficient development methods, namely Common Architecture, Bundled Planning and Model Based Development, to enrich its technological assets for the full-scale electrification era in collaboration with other companies.

Building Block Strategy for product technologies

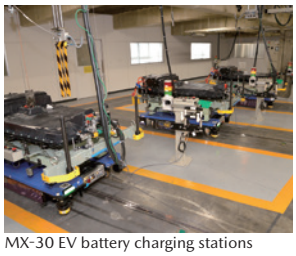


TOPICS

Installation of Solar Power System at Hiroshima Plant

Mazda has been actively introducing and utilizing green electricity in its constant endeavors to achieve carbon neutrality by 2050. As part of its efforts to promote green manufacturing lines and offices at factories, the Company has installed solar panels at its plant in Hiroshima. In July 2021, Mazda initiated operation of the solar power generation system, which boasts an output of 1.1 MW of electricity. The power generated by the solar panels is used to charge the batteries of MX-30 EV models produced at the plant and for other manufacturing processes there.


Hiroshima Plant's rooftop solar panels


MX-30 EV battery charging stations

For the state of power generation, refer to the panels exhibited at the Mazda Museum and the following URL:
https://www.mazda.com/globalassets/ja/assets/sustainability/pv_system/pv_generated_energy.pdf (Japanese only)

Contribution to the SDGs

Goals and Targets

- (3.9) Reduce illnesses and death from hazardous chemicals and pollution
- (7.2) Increase global percentage of renewable energy
- (7.3) Double the improvement in energy efficiency.
- (7.a) Enhance international cooperation to facilitate access to clean energy research and technology, and promote investment in clean energy technology.
- (9.4) Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
- (11.6) Reduce environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- (13.2) Integrate climate change measures into national policies, strategies and planning.

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.

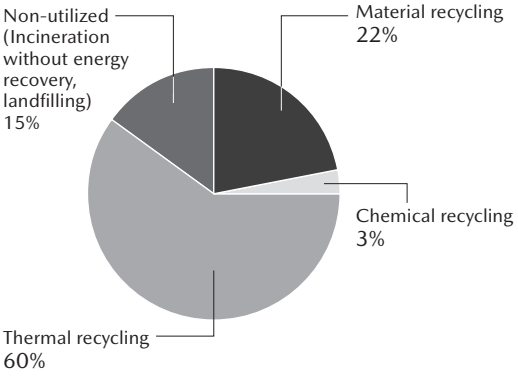
Resource Recycling for Water

Of the total volume of water existing on the planet, 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*.

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.

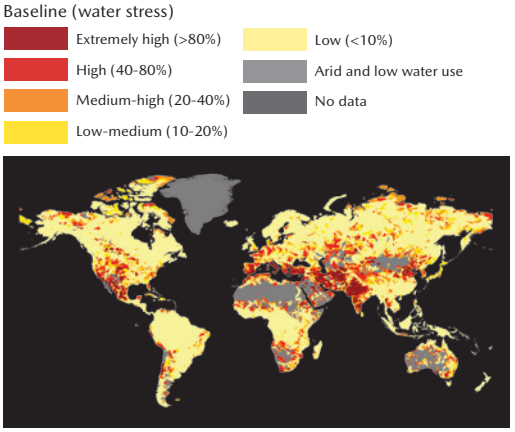
* Term that refers to the ability, or lack thereof, to meet human and ecological demand for water

Breakdown of plastic waste recycling by type (Japan)



The above pie chart was created by Mazda, based on "An Introduction to Plastic Recycling 2021" published by the Plastic Waste Management Institute.
An Introduction to Plastic Recycling 2021, edited by Plastic Waste Management Institute, 2021, p7

Water stress around the world



"17 Countries, Home to One-Quarter of the World's Population, Face Extremely High Water Stress", World Resources Institute/ Aqueduct, https://www.wri.org/insights/17-countries-home-one-quarter-worlds-population-face-extremely-high-water-stress

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. 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.

Mazda's Initiatives

Resource Recycling Initiatives for Products

Mazda is steadily increasing the recyclability of its new vehicles, drawing on the following 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* by weight

* 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.

Resource-Recycling Initiatives at Business Sites

Mazda will pursue and promote environmental technologies that will contribute to resource/energy value maximization (by minimizing consumption and fully utilizing resources/energy without any waste) and resource/energy diversification.

Resource Recycling for 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 combustionbased recycling methods, and augment material recycling.

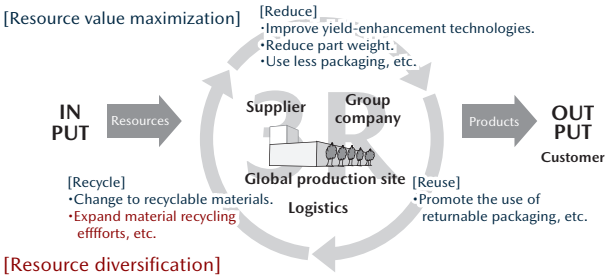
Resource Recycling for Water

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.

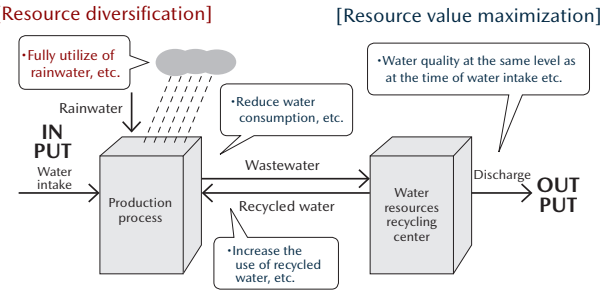
2030	2050
Implement an optimal approach to water resources recycling and circulation at model plants* in Japan. ・Fully utilize water without any waste, as a valuable resource that is a natural blessing. ・Circulate water as a valuable resource that is a natural blessing, by treating used water so that it is the same quality as before it was used, and returning it to nature.	Implement an optimal approach to water resources recycling and circulation in global manufacturing processes. ・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



Ideal vision



TOPICS

Reducing Disposable Containers and Promoting the Use of Returnable Containers

Mazda is moving forward with 3R initiatives by such means as promoting the use of returnable containers, simplifying packaging specifications, and encouraging the reuse of materials. Since FY March 2013, the Company has been continuing activities to reflect logistic needs at the beginning of product development. These activities aim to optimize parts specifications and structures by taking into account these logistic needs in all work processes, from design to production and shipment. Furthermore, as for parts to be exported to overseas assembly plants, in 2015 Mazda started to use the same returnable containers to transport parts from the supplier to its transmission plant in Thailand, where these parts are assembled, so as to eliminate the need for repackaging these parts into cardboard boxes at a distribution center. In FY March 2021 this method enabled the Company to cut down around 850 tons of packaging and wrapping materials that would be discarded. Mazda is considering introducing this method at its plant in North America. The Company will continue its endeavors to reduce the use of packaging and wrapping materials, primarily by expanding the introduction of returnable containers.

Introduction of returnable containers

Contribution to the SDGs

Goals and Targets

(6.3) Improve water quality through various measures.

(9.4) Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

(12.4) Achieve the environmentally sound management of chemicals and all wastes, and significantly reduce their release in the air, water and soil.

(12.5) Substantially reduce waste generation.

People

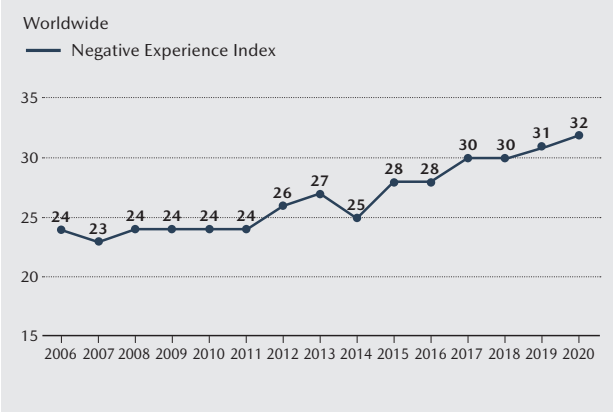
Contribution to People's Mental Wellness

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 2020, 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, 2006-2020

Negative Experience Index, 2006-2020



The above graphs were created by Mazda with permission from Gallup, Inc., based on the graphs in the Gallup Global Emotions 2021 report.
"Gallup Global Emotions 2021", Gallup, Inc., https://www.gallup.com/analytics/349280/gallup-global-emotions-report.aspx

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 enhance customers' mental well-being with the satisfaction that comes from protecting the planet and contributing to society with a car that offers true driving pleasure.

Approach to Resolving Social Issues

Mazda hopes to enrich the lives of customers by offering new forms of car ownership and automobile culture through its unique human-centered approach.

- 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 revitalizes them mentally and physically
- Enhancing events and experiences for customers to build special bonds with Mazda by providing a comfortable space and through other means

Mazda's Initiatives

Building Special Bonds

With a view to building special bonds with customers in more than 130 countries and regions where Mazda vehicles are sold, the Mazda group push forward with various initiatives in cooperation with local distributors/dealerships to provide customers with a Mazda brand experience in all stages of their car ownership.

To build special bonds 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.

For example, in the United States, a Group company carried out a program in partnership with participating dealers. The program was to provide a free oil change as well as interior and exterior vehicle cleaning for healthcare workers nationwide in 2020 and for educators nationwide in 2021. Not only Mazda owners but also for most makes and models from other manufacturers were covered by the program.

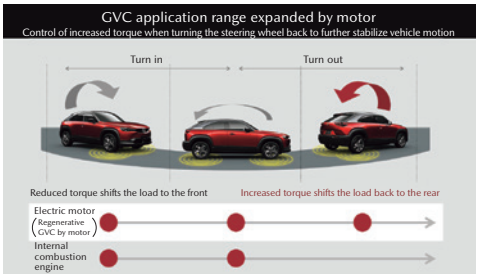
In the area of products, through its vehicles, Mazda aims to offer driving pleasure and an enriched life to an even greater number of customers. The Company is building on its strengths by further pursuing a *Jinba-ittai*—or sense of oneness between driver and vehicle—driving feel through the use of G-Vectoring Control* and other technologies, as well as by 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 lives.

Other than products, Mazda holds various events, including online programs not only for its customers but also for many other people, to help them understand the Company's passion for and commitment to vehicle manufacturing as well as driving pleasure. In addition, Mazda offers its official merchandise that makes users feel close to Mazda in their everyday life.

* 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). In FY March 2021, Mazda developed its proprietary control technology for electric vehicles, electric G-Vectoring Control Plus (e-GVC Plus), which was incorporated into the MX-30 EV models.

CX-30 featuring further evolved Kodo design

Mazda official merchandise "Mazda Essential Collection
https://www.mazda.com/ja/collection/essential/ (Japanese only)



Technology adopted in the MX-30 EV model: electric G-Vectoring Control Plus

TOPICS

CLASSIC MAZDA

Thus far, the Classic Mazda website has provided information about restoration services and restoration parts for the first MX-5 (Roadster in Japan), 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.

In December 2020, the website was updated in conjunction with the release of restoration parts for the RX-7.

The first MX-5 (Roadster in Japan)

The third RX-7 (left) and the second Savanna RX-7 (right)

Classic Mazda website (Japanese only) :
https://www.mazda.co.jp/carlife/classicmazda/

Contribution to the SDGs

Goals and Targets

(3) Ensure healthy lives and promote well-being for all at all ages.

(9.1) Develop sustainable and resilient infrastructure to support economic development and human well-being

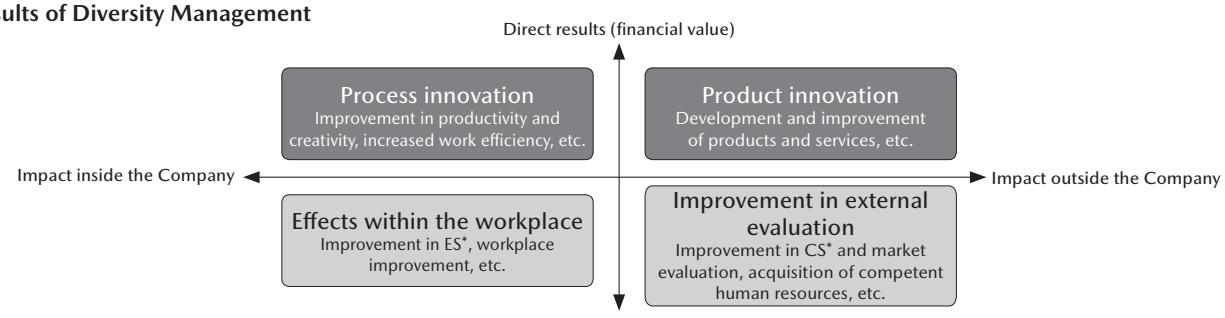
People

Improving Employee Job Satisfaction

Recognizing Social Issues

Securing a labor force is one of the challenges confronting developed countries, where the percentage of working-age population has been on the decline. On top of this, changing market circumstances as exemplified by globalization in recent years have caused numerous new uncertainties for companies and brought changes in their competitive environments. Companies are therefore required to accurately identify diversifying customer needs and innovate to seize new revenue-generating opportunities, while also needing flexibly respond to risks and making them into business opportunities.
In these circumstances, in order for companies to sustain growth, it is essential to secure a diverse range of human resources in accomplishing their management strategies. To this end, companies should pursue diversity management. Cultivating both a work climate and work-style frameworks that can motivate a diverse pool of employees, enables companies to assign the right person to the right position, and thus provide opportunities to individual employees to exercise their potential to the fullest. By doing so, diversity management aims to allow companies to achieve positive management results, including product innovation, process innovation, improvement in external evaluation and effects within the workplace.
Furthermore, companies must step up their efforts to continue to create corporate value over the medium and long term by leveraging the differences between diverse attributes to improve the company's risk management capabilities and the supervisory function of the Board of Directors.

Results of Diversity Management



*CS: Customer Satisfaction / ES: Employee Satisfaction

The above figure was created by Mazda, based on "FY March 2017 New Diversity Management Selection 100—Collection of Best Practices" published by the Ministry of Economy, Trade and Industry (https://www.meti.go.jp/policy/economy/jinzai/diversity/kigyo100sen/practice/pdf/rh28practice.pdf (Japanese only)).

Mazda's Approach to Resolving Issues

Reasons for Addressing Social Issues

Mazda recognizes that people are its most important resource and aims to be a company staffed by people who enjoy their work. The basic philosophy of the Company's Medium-Term Management Plan is "our unique co-creation with others."
In keeping with this philosophy, 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. The Company also strives to promote flexible and diverse work styles and improve working conditions and environments, thereby enhancing employees' motivation and increasing work efficiency from the viewpoint of total optimization.

Approach to Resolving Social Issues

The Company aims to foster a corporate climate in which every employee can express his/her individuality while working alongside others to contribute to the Company and society. Mazda promotes human resources training based on the Mazda Way principles that are shared throughout the entire Mazda Group worldwide. Also, the Company has established Group-wide human resources policies and measures along with promotion of various initiatives.

- New flexible work styles (remote work, satellite office)
- Reform company-wide operation system to support new work style
- Promote diversity and inclusion, etc.

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."

Mazda's Initiatives

Realization of Diversity

Mazda respects the diversity of its employees, and the Company aims to foster a corporate climate 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.

Increasing the Employment and Range of Opportunities for Female Employees

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 2016, the Company established its targets in the general employer action plan, based on the Act of Promotion of Women's Participation and Advancement in the Workplace. Due to ongoing efforts to promote the active participation of women, the number of female managers has been steadily rising (FY March 2021 results: 52, about 2.5 times the number in FY March 2014). To further accelerate these efforts, Mazda has set new targets for FY March 2022 and onward. In this manner, initiatives are under way to further strengthen the support for female participation.

Promoting Re-Employment of the Elderly, and Passing on Expertise, Skills, and Know-How

Starting in FY March 2014, Mazda has introduced a system to ensure the continued employment of all post-retirement employees who wish to continue working by revising the Company's previous re-employment system. The Company is actively re-employing retired former employees to help them share their expertise, skills, and know-how with younger employees.

General Employer Action Plan based on the Act of Promotion of Women's Participation and Advancement in the Workplace

Planning period: April 1, 2021 – March 31, 2026
Numerical targets:
① Increase the number of female managers to 80 by FY March 2026 (approximately four times the number in FY March 2014)
② Increase the number of male employees who take child-rearing leave to 80 by FY March 2026 (approximately two times the number in FY March 2021)

FY March 2021 Human Resources System and Measures (Examples)

Work-life balance
- Child-rearing paid leave / Child-rearing leave: 600 beneficiaries (including 492 male) / 287 beneficiaries (including 45 male)
- Nursing care leave: 5 beneficiaries (including 4 male)
- Special Warm Heart leave system*: 644 beneficiaries (including 345 male)

* 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

Support for employees with special needs
- Established the Physical Challenge Support Desk for consultations. Employed two certified sign-language interpreters as regular employees.

TOPICS

Mazda Joins The Valuable 500, International Initiative to Promote Disability Inclusion

In January 2021, Mazda Motor Corporation joined The Valuable 500, an international initiative to promote active inclusion of people with disabilities. 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, employment and empowerment of people with disabilities, and products and services that consider the needs of people with disabilities.

For details, refer to the following URL:
https://newsroom.mazda.com/en/publicity/release/2021/202101/210129a.html

Contribution to the SDGs

Goals and Targets

(5.1) End all forms of discrimination against all women and girls everywhere.
(5.5) Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

(8.4) Decouple economic growth from environmental degradation in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production.
(8.5) Achieve full and productive employment and decent work for all women and men, and achieve equal pay for work of equal value.

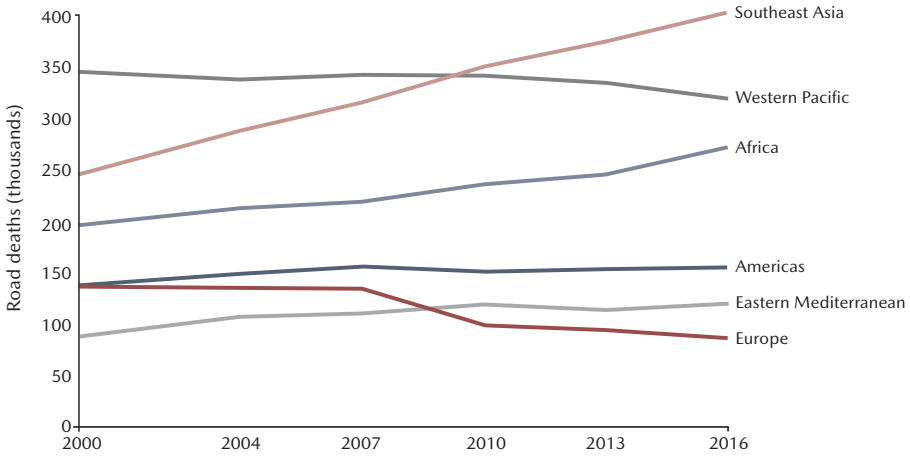
Society

Realizing a Motorized Society Free from Traffic Accidents

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)



The above graph was created by Mazda, based on the graph in the following URL, in accordance with the guidelines of the World Health Organization (WHO): "Death on the Road Based on the WHO Global Status Report on Road Safety 2018", World Health Organization, https://extranet.who.int/roadsafety/death-on-the-roads/#trends/

Mazda's Approach to Resolving Issues

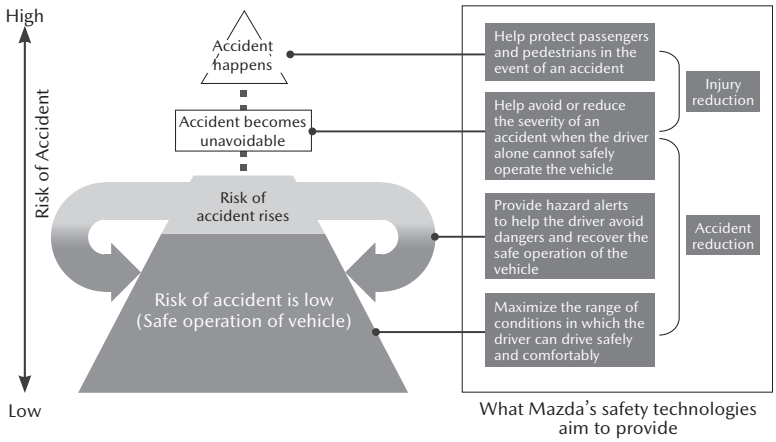
Reasons for Addressing Social Issues

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 a motorized society without traffic accidents, Mazda aims to create a system that enriches people's lives by offering unrestricted mobility to people everywhere.

Approach to Resolving Social Issues

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.

Mazda Proactive Safety: Mazda's Safety Philosophy



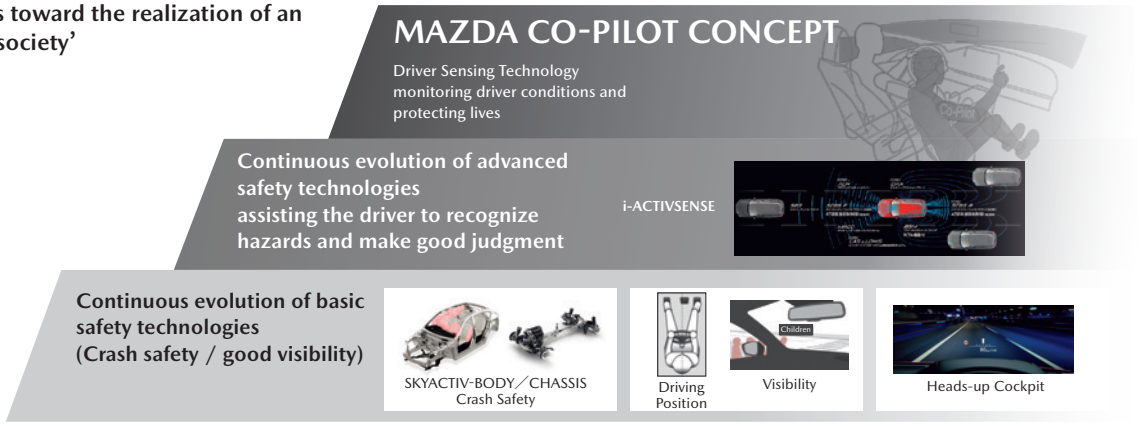
What Mazda's safety technologies aim to provide

Mazda's Initiatives

Building Blocks toward the Realization of an Automotive Society that Offers Safety and Peace of Mind

To realize an automotive society that offers safety and peace of mind, Mazda has strived to develop technologies in accord with the Mazda Proactive Safety Philosophy. The Company adopts its Building Block Strategy in developing safety technologies, as in the case of environmental technologies. The base block at the bottom of the figure below comprises basic safety technologies, such as the ideal driving position and pedal layout, excellent visibility, and human machine interface. Mazda has been committed to continuous evolution of these technologies, as exemplified by the adoption of an organ-type accelerator pedal and efforts to further enhance visibility. The middle block constitutes of i-Activsense, a series of Mazda's advanced safety technologies developed to deliver safer, more reliable cars to a greater number of customers, from total beginners all the way to elderly drivers. The features of i-Activsense include active safety technologies, which 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. Mazda also works to continuously evolve these safety technologies. The uppermost block is the Mazda Co-Pilot Concept, which the Company declared in 2017 as its development concept for advanced driving support technology.

Building blocks toward the realization of an 'accident-free society'

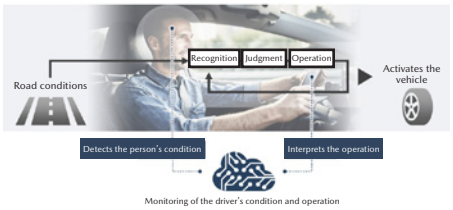


TOPICS

MAZDA CO-PILOT CONCEPT

The Mazda Co-Pilot Concept is Mazda's unique concept for human-centered advanced driving support technology. This concept envisages a driving support system that monitors the driver's condition and behavior at all times, and that stands ready to intervene to assist the driver should an emergency occur. If the system detects that a sudden change has occurred in the driver's physical condition—for example, the driver gets drowsy or loses consciousness—an alarm is issued to alert the driver. Furthermore, if the driver is deemed as unable to continue normal operation of the vehicle, the system causes the vehicle to decelerate or come to a stop and then places an emergency call if necessary. Anyone can experience a sudden complication while at the wheel. However, Mazda believes that, in such a case, this technology will be able to reduce the risk of accidents and damage to not only the driver, but also the surrounding vehicles and passersby. Thereby providing as much peace of mind to the driver and their loved ones as to others on the road or nearby. The Company plans to introduce Mazda Co-Pilot 1.0, as a first step, starting from its Large Products with 2022.

* This system is not intended to allow autonomous driving while the driver is asleep or inattentive.



Contribution to the SDGs

Goals and Targets

(3.6) Halve the number of global deaths and injuries from road traffic accidents.

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*.) Amid ongoing discussions nationwide about MaaS in Japan, the automotive industry is striving to develop related technologies and create mobility service systems.

* 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

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	• Population size: Large • Population density: High • Transport system: Primarily trains	• Population size: Large • Population density: High • Transport system: Trains/cars	• Population size: Medium • Population density: Medium • Transport system: Primarily cars	• Population size: Small • Population density: Low • Transport system: Primarily cars	• Population size: — • Population density: — • Transport system: —
Regional issues	• Response to diversifying mobility needs • Lack of information about potential demand • Daily traffic jams and congestion	• Lack of first-/last-mile transportation services and connectivity • Local congestion due to events, weather, etc.	• Reliance on private cars • Decrease in convenience and profitability of public transportation • Insufficient transportation for non-car owners and elderly people who have returned their driver's license	• Reliance on private cars • Decline in local transportation • Expansion of areas where no public transportation is available • Increasingly insufficient transportation for non-car owners and elderly people who have returned their driver's license	• Lack of secondary transportation and provision of tourism transportation in rural areas • Need to facilitate smooth movement of foreign visitors to Japan, whose numbers are rapidly increasing • Finely 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." (Japanese only) (https://www.mlit.go.jp/common/001280181.pdf)

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

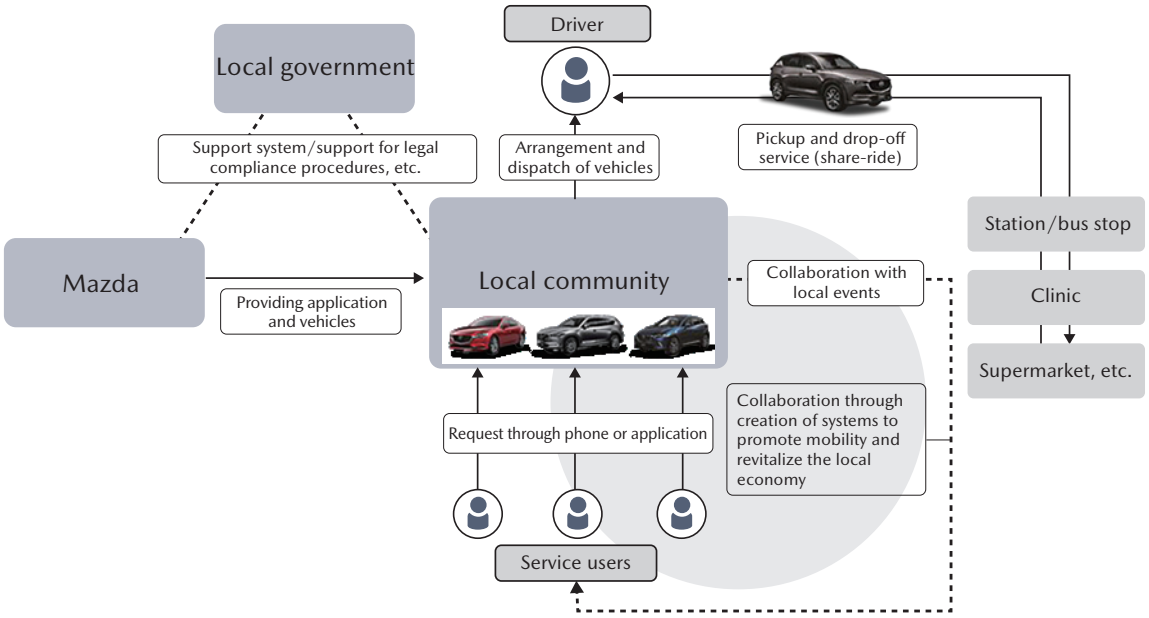
Mazda aims to evolve connectivity technologies to further cultivate connections among people and between people and society, thereby building a social contribution model that will enrich lives in the region by offering safe, secure, and unrestricted mobility to people everywhere. At the same time, the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

Mazda's Initiatives

A Shared Mobility Service Leveraging Connectivity Technologies

To deal with the issue of lack of transportation means in depopulated areas in hilly and mountainous regions of Japan, Mazda started testing a shared mobility service utilizing its connectivity technologies from December 2018 in Miyoshi City, Hiroshima Prefecture. The Company is in the process of coming up with ideas to improve the convenience of the service through dialogue with the local community while having residents of the testing sites—the Kawanishi district and Sakugi-cho of Miyoshi City—continue to use the service. Mazda is currently working to devise various measures to ensure seamlessly connected mobility for people and goods both 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.

Outline of Shared Mobility Service Testing



TOPICS

Donating Vehicles for Every Stadium Attendance Milestone

Mazda works to support the mobility of local social welfare organizations, making effective use of the Hiroshima Municipal Baseball Stadium (Mazda Zoom-Zoom Stadium Hiroshima), for which Mazda acquired the naming rights. For every one million stadium visitors, the Company donates one Mazda vehicle to a social welfare organization. When the cumulative number of visitors reached 21 million in November 2020, a Mazda vehicle was presented to an organization in Hiroshima City. As of FY March 2021, Mazda had donated a cumulative total of 21 vehicles. The vehicles are being used for various purposes, such as transporting users of the welfare facilities to their workplaces.

Refer to the following URL for details (Japanese only):
https://newsroom.mazda.com/ja/publicity/release/2020/202011/201130a.html


A Mazda vehicle being presented to a welfare organization

Contribution to the SDGs

Goals and Targets

(9.1) Develop sustainable and resilient infrastructure to support economic development and human well-being.

(11.2) Provide access to sustainable transport systems for all, improving road safety.
(11.6) Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
(11.a) Support positive economic, social and environmental links between urban, peri-urban and rural areas.

Earth, People, and Society

Quality Improvement

Mazda's Approach

Toward the realization of its Corporate Vision, Mazda believes that it is important to enhance the quality of "all things offered outside the Company," including products and services, to satisfy customers. To deliver customers safety, trust, and excitement through automotive lifestyles, and to have customers continuously realize the value of its products, Mazda makes Group-wide efforts based on the three principles below:

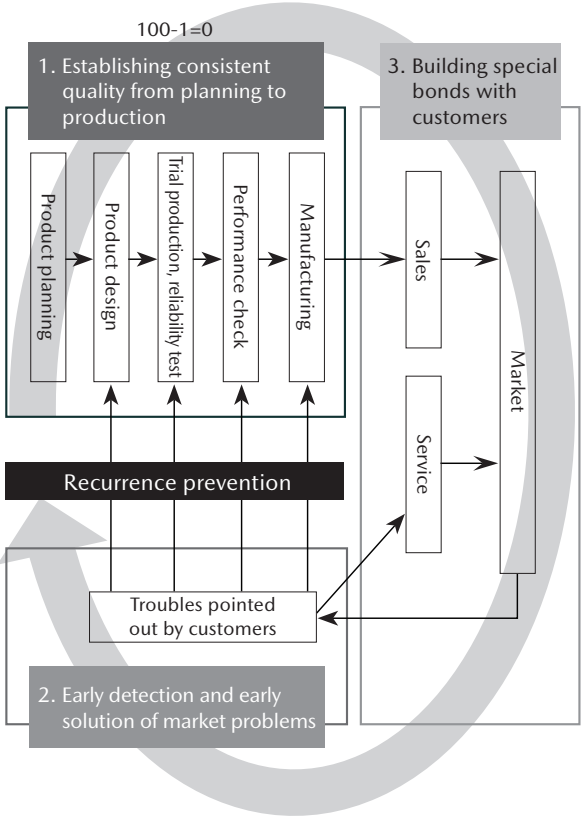
1. **Establishing consistent quality, from planning to production**
2. **Early detection and early solution of market problems**
3. **Building special bonds with customers—cultivating human resources capable of considering and acting toward the happiness of customers**

Vision for Quality Assurance

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 for an individual customer, his/her vehicle is not one out of 100 vehicles but the only one. Mazda pursues a kind of vehicle production that respects each vehicle as a certain customer's "one-and-only," and all related departments work in close collaboration to establish consistent quality in all processes, from planning to production.

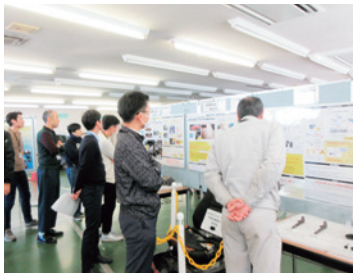
2. Early detection and early solution of market problems
If an unpredictable problem arises in the market, it may result in loss of trust from customers. To avoid this, Mazda promotes quality assurance activities for the early detection and early solution of any problem pointed out by customers.

3. Building special bonds with customers
Mazda aims to build special bonds of ever-lasting trust with its customers by keeping contact with customers in good faith and with a sense of commitment to them.



Shaping Personnel Who can Think and Act from the Customer's Perspective

Mazda promotes human resources development to enable each and every employee will be able to think and act for themselves. To cultivate a customer-oriented corporate culture/mindset, since 2018 Mazda has set up an exhibition booth to show actual defective products found in the past and videos regarding these products, enabling employees to share lessons learned from past cases. This initiative is intended to encourage employees to think about past issues as issues concerning themselves and to improve their attitudes and behavior. In FY March 2021, the Company started to provide the exhibition online due to novel coronaviirus (COVID-19), through which a total of 8,700 employees so far have shared lessons learned from past experiences.


Employees sharing past cases at the exhibition booth


An employee viewing past cases through the online exhibition

Contribution to the SDGs

Goals and Targets

(9.1) Develop sustainable and resilient infrastructure to support economic development and human well-being.

Earth, People, and Society

Exploring Partnerships for "Co-Creation with Others"

Mazda's Approach

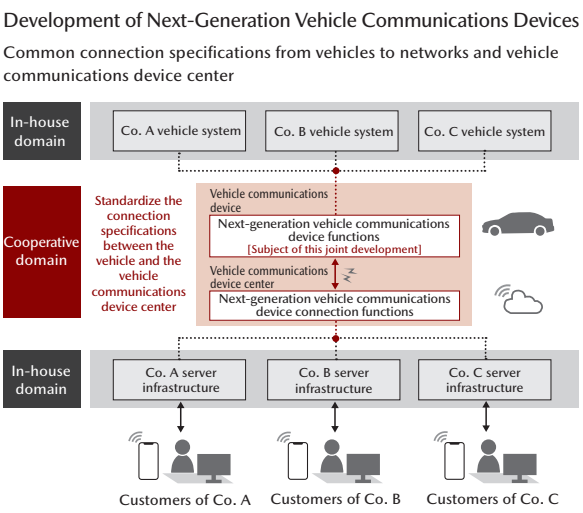
The automotive industry is currently experiencing a once-in-a-century transformation. Reform is required in numerous areas including product planning, development, production, sales, and services in order to respond to the demands of this period as represented by CASE—an acronym used to designate the new technologies of Connected technology, Autonomous driving technology, Shared services, and Electrification technology. To ensure that Mazda overcomes this time of great change, and continues to thrive and grow, the Company must cherish and co-create Mazda's uniqueness together with everyone involved with Mazda. While enhancing alliances to strengthen ties with existing partners, Mazda will continue to explore new partnerships—even outside the auto industry.

Inter-Company Collaboration: Joint Development of Technical Specifications for Next-generation Vehicle Communication Devices

While working hard together with its partners to realize shared dreams, the Company wants to enable them to feel proud of their connection with Mazda, and emotionally attached to the brand. We aim to be recognized as a brand that form strongest of bonds with all stakeholders, including customers. In April 2021, Suzuki Motor Corporation, Subaru Corporation, Daihatsu Motor Co. Ltd., Toyota Motor Corporation, and Mazda Motor Corporation reached an agreement to jointly develop technical specifications for next-generation vehicle communication devices and to promote the common use of communication systems, by using connected services to link automobiles and society with the aim of creating new appeal, value and services, to be standardized for early provision of safer and more convenient connected services. Through this agreement, the participating companies will be able to provide more convenient connected services to customers and optimize resources such as their facilities and personnel.

Refer to the following URL for more details:
https://newsroom.mazda.com/en/publicity/release/2021/202104/210427a.pdf

Conceptual Diagram of Connected Service Operation



Industry-Academia-Government Collaboration: Hiroshima "Your Green Fuel" Project

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 collaborations, such as Hiroshima Council of Automotive Industry-Academia-Government Collaboration (Hirojiren),* Mazda has contributed to the local community in terms of developing new creative technologies and nurturing human resources capable of bringing about innovation.
The Company participates in the Hiroshima "Your Green Fuel" Project, which is promoted by Hirojiren with the aim of spreading the use of next-generation biodiesel automotive fuels. To create a model for the local production and consumption of biodiesel fuels in Hiroshima, in August 2020, Mazda established a biodiesel fuel value chain—from the production and supply of raw materials to the use of the fuels—and began to use such fuels.

*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 the Hiroshima Council of Automotive Industry-Academia-Government Collaboration (Hirojiren), to consider what manufacturing ought to be and to leverage innovation that will lead to industrial development. Hirojiren implements various activities, such as studies on future energies and technology exchange with suppliers.

Image of biofuel vehicle

Refer to the following URL for details (Japanese only):
https://newsroom.mazda.com/ja/publicity/release/2020/202008/200804a.html

Contribution to the SDGs

Goals and Targets

(8.2) Achieve higher levels of economic productivity.
(8.10) Strengthen and expand access to banking, insurance and financial services.

(17.16) Enhance the global partnership for sustainable development.
(17.17) Encourage and promote effective public, public-private and civil society partnerships.

Stakeholder engagement

Basic Approach C

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.

C 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 Relationships and Opportunities for Key Dialogue and Information Disclosure (as of March 31, 2021)

Key Stakeholder	Mazda Group's Key Responsibilities and Issues	Opportunities for Key Dialogue and Information Disclosure (Frequency)
Customers	● 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	● 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 (see the website for shareholders and investors*)	● Timely and appropriate information disclosure ● Maximizing corporate value ● Strict exercise of voting rights (at the general meeting of shareholders) ● Active investor relations activities	● 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 Annual Report (once a year) ● Publication of corporate governance reports (as needed) ● Presentations and plant tours for investors (as needed)
Business partners ● Suppliers ● Domestic dealerships ● Overseas distributors	● Fair and equitable trading ● Open and transparent business opportunities ● Support for requests for collaboration on sustainability implementation ● Appropriate disclosure and sharing of information	● 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) ● Commendation of outstanding suppliers and dealerships (once a year, respectively)
Employees	● 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	● 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)
Global society and local communities ● Community people ● Government and administrative agencies ● NGOs/NPOs ● Experts and specialists ● Educational institutions	● 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	● 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 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)
Next generation people (environment)	● Consideration for the environment ● Energy-/ global-warming-related issues ● Promoting resource recycling ● Cleaner emissions ● Environmental management	● Holding and participating in environmental events (as needed) ● Setting targets and reporting the results under Mazda Green Plan 2020, midterm environmental plan (once a year)

* https://www.mazda.com/en/investors/

*1 Parties who are directly or indirectly related to the business of the Mazda Group

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. 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 2021: around 2,100*1

d Global Employee Survey (Positive Answer Percentage)

Non-consolidated

	FY March 2019	FY March 2020	FY March 2021
My workplace is engaged in CSR through their day-to-day activities. (Local item)	45%*1	46%*1	51%*1

*1 Percentage of positive responses from indirect employees (The survey was conducted on both direct and indirect employees.)

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.

Conducting the Stakeholder Survey

Since FY March 2014, Mazda has conducted a Stakeholder Survey (once a year; canceled in FY March 2021 due to the impact of the novel coronavirus (COVID-19), 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 (see p. 64). This provides these employees with opportunities to review their own actions and practices, from the perspective of implementing the corporate vision 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.

e Those Covered by Stakeholder Survey (Only in Japan)

Suppliers, distributors/dealerships, local autonomous entities, academic societies, industrial associations, etc.

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.

*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.

External Evaluations (as of August 31, 2021)

Mazda identifies key external ratings and evaluations both from within Japan and overseas. By analyzing the results, the Company evaluates its own initiatives. Mazda continuously makes active efforts to disclose information by responding to both domestic and global surveys and evaluations, such as those by socially responsible investment (SRI) and environmental, social and governance (ESG) rating organizations.

- Inclusion in the Dow Jones Sustainability Index (DJSI) Asia Pacific Index (Selected since September 2017)
- Inclusion in the FTSE4Good Index series (Selected since March 2011)
- Inclusion in the FTSE Blossom Japan Index (Selected since the index was established in July 2017).
- Inclusion in the MSCI ESG Leaders Indexes(Selected since June 2020)
- Inclusion in the MSCI Japan Empowering Women Index (WIN) (Selected since December 2019)
- Inclusion in the Ethibel EXCELLENCE Investment Register (Selected since October 2013)
- In the CDP Climate Change Report 2020, Mazda's score was A-.
- Inclusion in the S&P/JPX Carbon Efficient Index (Selected since the index was established in September 2018).
- In FY March 2021, Mazda received a Silver Medal in a supply chain assessment conducted by EcoVadis.

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

FTSE4Good FTSE Blossom Japan

2021 MSCI ESG Leaders Indexes Constituent

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.

CONTENTS

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 CO_2 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)

Philosophy and Policies

a

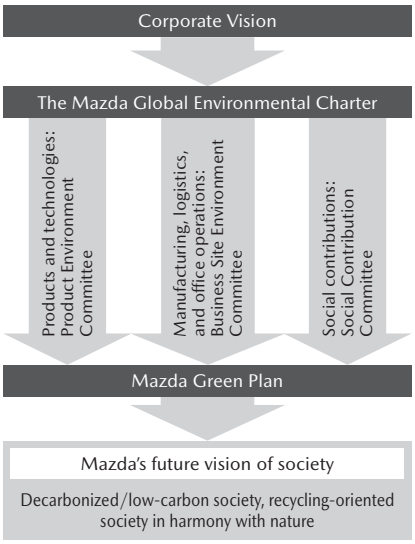
Mazda carries out its corporate activities with the aim of fulfilling its Corporate Vision (see p.6). To this end, Mazda established the Mazda Global Environmental Charter as the basic policy for environmental matters in the Mazda Group. The Charter, which states "The Mazda Group aims to promote environmental 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*1

Support and Response to TCFD

In May 2019, Mazda declared its support for the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)*2 and joined the TCFD Consortium,*3 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 throughout the entire supply chain by 2050. Mazda's major initiatives to address climate change in accordance with the TCFD recommendations*4 are as follows.
For more details, please refer to the following URL:https://www.mazda.com/en/sustainability/

TFCD recommendations		Major initiatives
Governance	Disclose the organization's governance around climate-related risks and opportunities.	• The Executive Vice President and COO oversees Mazda's carbon neutrality strategy and assigns an Executive Officer in charge of carbon neutrality. • Under the supervision of the Executive Officer in charge of carbon neutrality, the Corporate Strategy Office leads a team specializing in carbon neutrality and formulates and promotes the strategy. • The strategy proposals studied are reported to and discussed at the Board of Directors.
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	• The strategy is studied based on the scenarios from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), policies, regulatory trends, and industry trends. <Major risks> Stricter regulations on fuel economy and exhaust gas, introduction of carbon tax, increased investment and cost burden due to intensified competition in the development of technologies including electrification, etc. <Major opportunities> Expansion of sales opportunities and enhancement of corporate value through the promotion of a carbon neutrality focused manufacturing process, a Building-Block Strategy, a multi-solution strategy, etc.
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	• Risks and opportunities are identified and assessed in developing and implementing the strategy. • The strategy proposals studied are reported to and discussed at the Executive Committee Meetings and Board of Directors.
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	• It is assumed that 100% of Mazda's products will have some level of electrification, and its EV ratio will be 25% by 2030. • All emission results of Scopes 1, 2 and 3 are managed.

a Philosophy and Policies for Environmental Initiatives



*1 External organizations/international initiatives in which Mazda Participates: - Subcommittees of Japan Automobile Manufacturers Association, working groups of Global Compact Network Japan (GCNJ), Challenge Zero initiative of Keidanren (Japan Business Federation), etc.
*2 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.
*3 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.
*4 Source: https://tcfd-consortium.jp/en/about

Mazda Environmental Promotion Framework

b

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.

b Mazda Environmental Promotion Framework (as of March 31, 2021)

ENDEAVOR FOR CARBON NEUTRALITY BY 2050

Mazda announced that it would endeavor to achieve carbon neutrality by 2050. To accomplish this objective, the Company will promote efforts to reduce CO_2 emissions over a vehicle's entire life cycle through its products and business activities.

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 CO_2 emissions and help reduce the world's dependence on increasingly scarce fossil fuels. Mazda considers it necessary to develop a multi-solution approach to automobile-related environmental issues that takes into account various factors such as regional characteristics, vehicle characteristics and types of fuel.

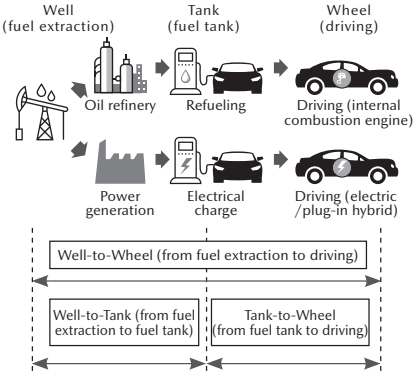
Addressing Global Warming a

Mazda sees reducing emissions of CO_2 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 CO_2 emissions reductions by region.

a The "Well-to-Wheel" Perspective

Make efforts to reduce CO_2 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.

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 (ISO14040 and ISO14044).

Multi-solution Oriented Technology Development from the Perspective of LCA b

In FY March 2019, the Company assessed the life cycle CO_2 emissions from internal combustion engine vehicles and electric vehicles (EVs) in five regions of the world. The results revealed that the significance of CO_2 emissions from internal combustion engine vehicles and EVs during their life cycles depends on the electric power supply status, fuel/electrical power cost, total mileage, and other factors in each region. In FY March 2020, these LCA results were compiled into academic papers and presented at academic conferences.

b Conference presentation/Publication of paper on Mazda's LCA

Conference presentation:
The 9th International Conference on Life Cycle Management (August 2019)
Subject: Estimation of CO_2 Emissions of Internal Combustion Engine Vehicle and Battery Electric Vehicle Using LCA

Publication of academic paper:
Sustainability magazine, 2019, Volume 11, Issue 9, p.2690
Subject: "Estimation of CO_2 Emissions of Internal Combustion Engine Vehicle and Battery Electric Vehicle Using LCA"
https://doi.org/10.3390/su11092690

The Building-Block Strategy

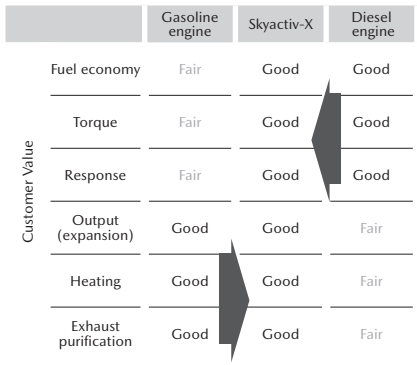
Mazda adopts the Building-Block Strategy to realize its goal of reducing CO_2 emissions and raising the average fuel economy of Mazda vehicles sold worldwide. The Building-Block Strategy calls for the commercial introduction of electric, plug-in and other electrified vehicles (EVs) with the combination of optimal control technology and efficient electrification technologies in consideration of each country or region's energy resources, regulations, power generation methods, infrastructure, and so on. Through this Building-Block Strategy and advances in process innovations, such as Model-Based Development (see p. 94), and Monotsukuri Innovation (see p. 93), Mazda will, despite limited management resources, offer products and technologies that exceed customers' expectations.

Continuous Evolution of Skyactiv Technology

c d

The term Skyactiv Technology covers all Mazda's innovative technologies. Mazda redesigned these technologies from scratch, enhancing the efficiency of powertrain components, such as the engine and transmission, reducing vehicle body weight, and improving aerodynamics. The number of models featuring Skyactiv Technology has steadily increased since the first Skyactiv-G engine was introduced in 2011 in the Demio (known as Mazda2 overseas). Following the adoption of the technology in the CX-5 in 2012, the number of models that fully incorporate Skyactiv Technology has increased. Starting in 2019, Mazda has been introducing new-generation technologies, including the Skyactiv-X engine, set to become the world's first commercial gasoline engine to use compression ignition.*1 This unique new-generation engine combines the advantages of gasoline and diesel engines to achieve outstanding environmental performance and uncompromised power and acceleration performance. In FY March 2021, Mazda introduced vehicles newly equipped with its electrification technology, e-Skyactiv. The Company will also continue development of Skyactiv Multi-Solution Scalable Architecture, a platform that supports electrification technology.

c Features of the Skyactiv-X



d SKYACTIV TECHNOLOGY

Name	Features
SKYACTIV-G	Highly efficient direct-injection gasoline engine
SKYACTIV-D	Highly efficient clean diesel engine
SKYACTIV-X	New-generation gasoline engine
SKYACTIV-DRIVE	Highly efficient automatic transmission
SKYACTIV-MT	Highly efficient manual transmission
SKYACTIV-VEHICLE ARCHITECTURE	New-generation vehicle structural technologies
SKYACTIV-VEHICLE DYNAMICS	Vehicle dynamics control technologies
e-SKYACTIV	Electrification technologies

Improving Fuel Economy

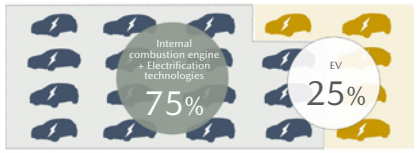
Mazda is working to improve fuel economy in order to help our customers save money and reduce the use of fossil fuels, which is a cause of global warming. Prioritizing improvements in real-world fuel economy, the Company has adopted cylinder deactivation and other technologies that suppress fluctuations in fuel consumption rooted in the way the car is used and environmental factors such as air temperature. Mazda has also employed the mild hybrid system, Mazda M Hybrid, which realizes enhanced fuel economy and a pleasant driving experience by maximizing performance of the engine that has been improved in pursuit of ultimate efficiency, through pairing with efficient electrification technologies.

Development of Electrification Technology

e

After taking into account the appropriate power source for vehicles, the energy situation, the power generation mix, and other factors in each region, Mazda is promoting the development of electrification technology to provide customers in each region with the best solution. The Company assumes that, through this initiative, 100% of its products will have some level of electrification, and its EV ratio will be 25% by 2030. In the development of electrification technology, Mazda follows its unique "human-centered" approach that sets priority on human characteristics and sensibilities in order to make the most of the advantages of electric drives.

e Globally 100% electrification in 2030
25% of total production consists of EVs



Electric Vehicles

f

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 driving pleasure 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 Mazda MX-30, which was launched globally starting in September 2020.

f Mazda MX-30 EV Model

*1 As of August 2017, according to Mazda data.

Virtual Power Plant Demonstration Experiment for Reuse Technology of Electric Vehicle (EV) Drive Batteries

Mazda, together with Chugoku Electric Power Co., Inc., and Meidensha Corporation signed a joint research contract to build a stationary-type storage battery system, which reuses driving-force batteries of electric vehicles (EVs), and conduct a demonstration experiment on a virtual power plant (VPP)*1 based on the system. The aim of the demonstration experiment is to verify the possibilities of reusing EV drive-force batteries and utilize them as VPP resources. As part of the experiment, the three companies will build a system to aggregate and control several such batteries and integrate them with other distributed energy sources, including renewable energies, to evaluate the VPP's responsiveness and the degradation properties of storage batteries, among other aspects. Through this experiment, they intend to gain technologies to optimize the use of renewable energy and control the balance between the power demand and supply. Mazda will continue these undertakings in order to develop technologies that will lead to new services derived from the fusion of vehicle elements and energy, and contribute to the global environment and local communities.

Promoting Technology Development for Alternative Fuels

One of the ways Mazda is addressing global warming through its products is by promoting the research and development of technologies compatible with alternative fuels, including biofuels and synthetic fuels, so that countries and regions can use energy sources that suit their circumstances.

Compatibility with Bioethanol and Bioethanol Mixed Fuel

Mixed fuels, which include bioethanol or biodiesel (fatty acid methyl ester [FAME]) made from plant materials, are attracting attention for their effectiveness in reducing CO_2 emissions. Mazda sells vehicles that are compatible with these fuels.

Efforts for the Spread of Next-generation Automotive Liquid Fuel

Mazda believes that, in some regions, liquid fuel will be an efficient and useful energy source for automobiles and other movable bodies equipped with internal combustion engines even in the future. Notably, next-generation automotive bio-liquid fuels (hereinafter "next-generation biofuels") and other renewable liquid fuels made from microalgae oil and waste edible oil have 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. For this reason, the Company considers next-generation biofuels to be promising energy sources that can completely replace petroleum-based fuels.

In April 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. With support of the "Program on Open Innovation Platform with Enterprises, Research Institute and Academia (OPERA)" started in 2016, sponsored by the Japan Science and Technology Agency (JST), the Laboratory advanced various research projects, including improvement in algae performance using genome editing technology, in order to create renewable bio-liquid fuel from micro algae.*2

Since June 2018, Mazda has participated in the Hiroshima "Your Green Fuel" Project, a demonstration project for next-generation biofuels jointly run by the Hiroshima Council of Automotive Industry-Academia-Government Collaboration and Euglena Co., Ltd.*3

Mazda strives to establish an entire biofuel value chain—from material manufacture and supply to the use of carbon-neutral next-generation biodiesel fuels—as a "local production for local consumption model" within the Hiroshima area. In August 2020, the Company confirmed that such fuels had the same performance as petroleum-derived diesel oil, and began to use them for company-owned vehicles equipped with diesel engines.*4

In December 2020, Mazda became a member of the Institute of Microalgal Technology, Japan (IMAT), which is conducting a NEDO project on bio-jet fuel derived from micro algae on Osaki Kamijima Island, as part of efforts to resolve issues related to the commercialization of algae biofuels based on the Company's research to date.

Mazda will continue to proactively promote industry-academia-government cooperation and tie-ups between companies to provide technical support for the spread of next-generation biofuels (see pp. 98-102).

g Sales Status of Vehicles Compatible with Bioethanol/Biodiesel Mixed Fuels*1

Japan: Compatible with B5*2 - Mazda2, Mazda3, Mazda6, CX-3, CX-30, CX-5
Thailand: Compatible with E20*3 - Mazda2, CX-8 Compatible with E85*4 - Mazda3, CX-3, CX-30, CX-5

∗1 Subject to variation depending on specifications
∗2 Diesel mixed with 5% biodiesel fuel
∗3 Gasoline mixed with 20% ethanol
∗4 Gasoline mixed with 85% ethanol

*1 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. https://newsroom.mazda.com/ja/publicity/release/2019/201910/191017a.pdf (Japanese only)
*2 https://newsroom.mazda.com/ja/publicity/release/2017/201704/170428c.html (Japanese only) Ended March 2021
*3 https://newsroom.mazda.com/ja/publicity/release/2018/201806/180613a.html (Japanese only)
*4 https://newsroom.mazda.com/ja/publicity/release/2020/202008/200804a.html (Japanese only)

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.

Offers a Bumper Which Is One of the Lightest in Its Class

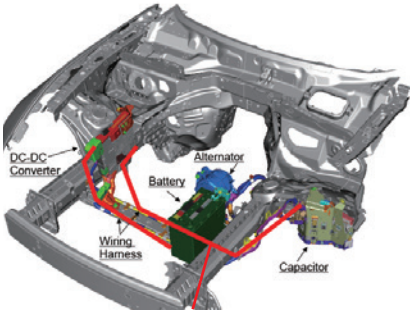
Mazda has developed a new resin material for auto parts that can maintain the same level of rigidity as conventional materials while trimming vehicle weight. Because the new resin enables the manufacture of thinner parts and thus a significant reduction in the amount of material used, when used for front 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 and to the MX-30 in FY March 2021.

h

Development of Light Weight 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 2021, the lightweight wiring harness was adopted in the MX-30.

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



Aluminum electric wire

*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 June 2021): Roadster/MX-5, Mazda3, CX-30, Atenza/Mazda6, CX-5, CX-8, CX-9, and MX-30

Efforts Regarding Manufacturing and Logistics

Mazda promotes the efficient use of energy while aiming to reduce CO_2 emissions in the areas of manufacturing and logistics.

【Manufacturing】 Energy-Saving / Measures to Reduce CO_2 Emissions

<FY March 2021 Results (compared with FY March 1991)> i j

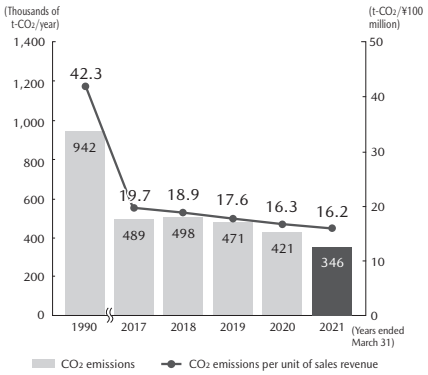
- Total CO_2 emissions from Mazda's four principal domestic sites*1 reduced by 63.3% compared with FY March 1991 (346 thousand t-CO_2)
- Emissions per unit of sales revenue reduced by 61.7% (16.2 t-CO_2/100 million yen)

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 (see p. 93).

- 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 high-efficient panting technologies, into the Ujina 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.

i CO_2 Emissions from Mazda's Four Principal Domestic Sites/CO_2 Emissions per Unit of Sales Revenue



∗ CO_2 emissions at Mazda's four principal domestic sites are calculated using the CO_2 coefficient for each year based on standards from the Japan Automobile Manufacturers Association Inc. (JAMA) (Commitment to a Low Carbon Society). Data for each fiscal year were recalculated according to the coefficient change of September 30, 2020. The power coefficient for FY March 2021 was undetermined as of July 10, 2021; the FY March 2020 power coefficient is used for FY March 2021.

∗ The figures of the amount of CO_2 emissions at Mazda's four principal domestic sites in FY March 2021 have been verified by a third party (see p. 134).

j Energy Consumption Breakdown at Mazda's Four Principal Domestic Sites

Unit: (Thousands of GJ/year)

	FY March 1991	FY March 2017	FY March 2018	FY March 2019	FY March 2020	FY March 2021
Electricity	4,921	6,124	6,248	6,115	5,790	4,946
Industrial steam	0	1,236	1,253	1,165	1,143	1,054
Coal	4,967	0	0	0	0	0
Coke	766	168	171	218	165	93
Fuel oil A	596	15	14	24	22	21
Fuel oil B	11	0	0	0	0	0
Fuel oil C	1,168	7	6	5	3	10
Gasoline	193	52	54	59	55	47
Kerosene	101	11	15	5	2	1
Diesel	81	46	48	40	38	33
LPG	989	55	56	55	53	45
City gas	45	949	955	882	775	588
Total	13,838	8,663	8,820	8,568	8,048	6,840

∗ Amount of heat emission at Mazda's four principal domestic sites is calculated using the CO_2 coefficient for each year based on standards from the Japan Automobile Manufacturers Association Inc. (JAMA) (Commitment to a Low Carbon Society). Past data was recalculated according to the change of the coefficient.

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

Use of Renewable Energy

Mazda promotes the use of renewable energy for in-house power.*1

- Solar panels were installed at the Hiroshima Plant, and operation of the solar power generation system was started in July 2021. 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 2021 was 28.1 MWh. Electricity generated by this system is used to provide power and lighting for the building, thereby continuously contributing to the reduction of CO_2 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. In FY March 2021, MMVO is using 554 units in total. Currently, 7.4% of the energies purchased by MMVO are clean energies, including renewable energies.

TOPICS **Energy Conservation Grand Prize Award in Japan: Mazda Receives the Grand Prize of the Minister of Economy, Trade and Industry and the Prize of the Chairman of ECCJ**

In December 2020, winners of the 2020 Energy Conservation Grand Prize Award of Japan (organized by the Energy Conservation Center, Japan [ECCJ] and supported by the Ministry of Economy, Trade and Industry)*1 were announced, and Mazda's "VOC recovery technology for simultaneous reduction of CO_2 and VOCs in automobile coating" won the highest honor, the Grand Prize of the Minister of Economy, Trade and Industry (Category of Energy Conservation Best Practices at Workplaces). At the same time, the Company received the Prize of the Chairman of ECCJ (Category of Energy Conservation Best Practices at Workplaces) for its "promotion of energy conservation activities for air conditioning in office buildings through the visualization of results." The VOC recovery technology, which won the Grand Prize of the Minister of Economy, Trade and Industry (Category of Energy Conservation Best Practices at Workplaces), is a technology that realizes an energy-efficient closed system by recovering and processing VOCs generated during the coating drying process using a heat pump. The "promotion of energy conservation activities for air conditioning in office buildings through the visualization of results," which won the Prize of the Chairman of ECCJ (Category of Energy Conservation Best Practices at Workplaces), is a practice of developing a new evaluation index to visualize the results of energy conservation through operational improvements, which are difficult to evaluate quantitatively. Mazda will continue to make efforts to reduce CO_2 emissions through various innovations.

*1 The Energy Conservation Grand Prize Award in Japan is an awarding program that widely recognizes excellent energy conservation activities and advanced energy conservation products achieved by technological development, etc., with the aim of contributing to the spread of energy conservation awareness and the promotion of energy conservation products.

● Grand Prize of the Minister of Economy, Trade and Industry

● Prize of the Chairman of ECCJ

*1 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 CO_2 emissions.

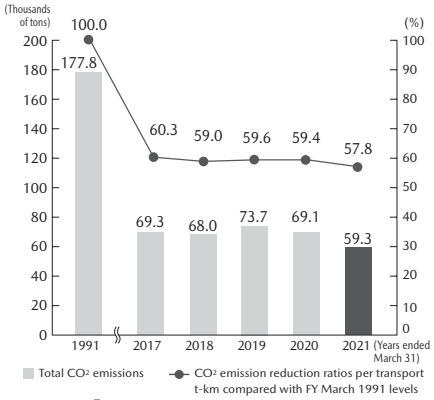
【Logistics】Initiatives for Reducing CO_2 Emissions during Product Shipment k

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 CO_2 emissions during product shipment through highly efficient logistics across the entire supply chain.

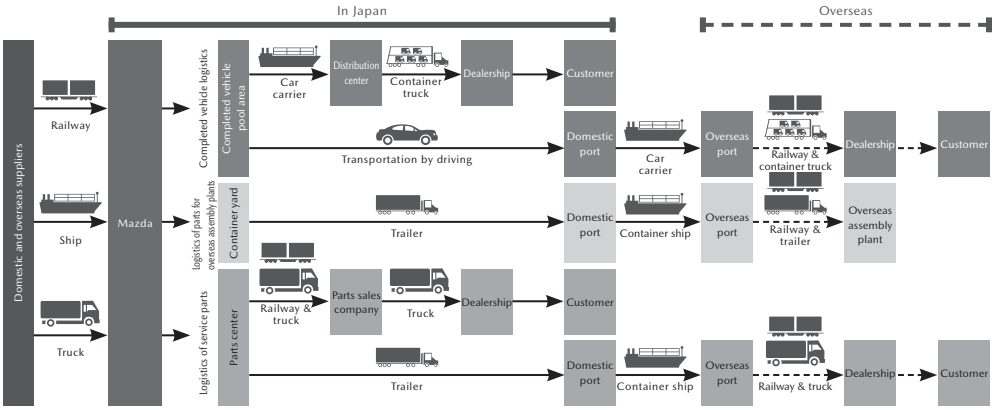
<FY March 2021 Results>

- Total domestic transportation volume was approximately 450 million ton-kilometers. This represents a 42.2% reduction in transportation CO_2 emissions per ton-kilometer compared with FY March 1991 levels, far exceeding the Company's target of 33% or more.

k CO_2 Emissions and Reductions for Logistics (in Japan)



■ Range of the tracking capability for CO_2 emissions in the supply chain
(⟶ Current tracking line ⇢ Tracking line to be extended by 2030)



<Specific Initiatives>

Efforts to focus on the following three pillars of logistics are being taken by visualizing in detail the hidden logistics issues in each process on a global level.

1. Hub-and-spoke system for transportation of completed vehicles and service parts*1

- Reforming transportation for completed vehicles

<In Japan>

Mazda has been continuously reviewing the operation of car carriers (hereinafter referred to as "domestic vessels") according to their shipping volumes to improve loading efficiency through initiatives such as promoting collaborative transportation with other companies by making more effective use of the domestic vessels on the return journey. In addition, the Company is promoting the loading of completed vehicles into ships as directly as possible from their manufacturing sites. Through these efforts, Mazda succeeded in curbing around 340 tons of CO_2 emissions in FY March 2021. To further reduce CO_2 emissions, the Company is now planning to stop transportation by container trucks between the Hiroshima Plant and the Hofu Plant and use domestic vessels instead.

<Overseas>

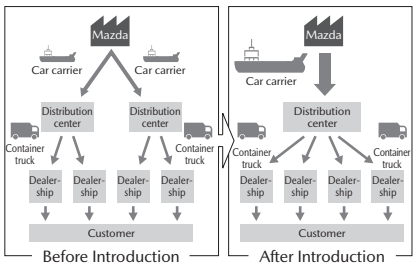
With regard to overseas transportation, Mazda has been deliberating with a shipping company as to using overseas car carriers that use fuels with fewer CO_2 emissions, with a view to introducing them in a few years. The Company also contributes to the reduction of CO_2 emissions by producing and transporting only the vehicles that are needed by refining its production plans in line with market trends.

- Improving the ratio of modal shift for the transportation of service parts

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 CO_2 emissions. In FY March 2021, Mazda's railway transportation rate was 27%, reducing CO_2 emissions by around 248 tons.

Hub-and-Spoke System

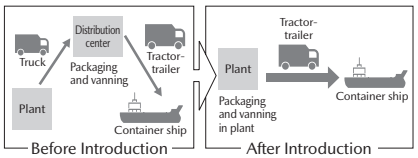


*1 In the "hub-and-spoke" system, distribution centers around the country (hubs) act as bases for delivering completed vehicles to dealerships (spokes). In transporting service parts, parts suppliers serve as the hubs and vehicle dealerships the spokes.

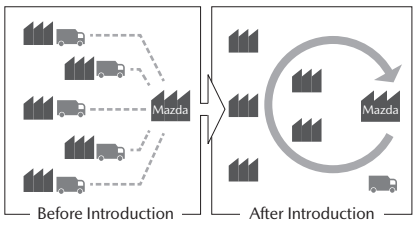
2. "Straightening" of logistics network

- Straight logistics without distribution centers (Vanning in plant, packaging in plant)
  Mazda 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 the Hiroshima Plant and the Hofu Plant. In FY March 2021, by applying this system to a broader range of parts destined for the Mexico plant, the Company reduced CO_2 emissions by around 9 tons.
- Reducing the transportation distance for procured parts for overseas production
  Previously, the parts procured in Asia to be used for overseas production were transported via Japan to the Mexico plant. In July 2016, this was changed to direct transportation, so that now these parts are transported from existing distribution centers in Thailand and China, leading to a reduced transportation distance. In Japan, Mazda has been landing parts imported from overseas at the ports close to production sites, in order to reduce the transportation distance between the Hiroshima Plant and Hofu Plant. In FY March 2021, by applying this measure to a broader range of parts, the Company further reduced CO_2 emissions by around 6 tons.
- Reducing the transportation distance for repair parts
  When the Mexico plant started to run, repair parts were transported via North America to Europe, since their transportation volume was small. Five years after the plant's startup, however, the volume was on the rise. For this reason, the shipping method was changed to direct transportation to Europe to reduce the transportation distance through straight logistics. By setting up a distribution center in Mexico in FY March 2020, the Company succeeded in reducing CO_2 emissions by around 3,400 tons in FY March 2021. The Company is also planning to localize the production of some parts to further reduce CO_2 emissions.

m Logistics without Distribution Centers (Vanning in plant)



n Milk-Run System



3. Continuous improvement of transportation efficiency for procured parts

For domestically produced parts, deployment of the Milk-Run system*1 was completed throughout Japan by FY March 2008. Today, Mazda is introducing the same system in overseas production sites, with deployment in the Mexico plant completed in FY March 2014, and in the transmission plant in Thailand completed in FY March 2016, aiming to reduce CO_2 emissions by further promoting efficiency in the purchasing and logistics processes across the entire supply chain. For trucks transporting procured parts in Japan, the Company introduced the Cloud-based Transportation/Delivery Progress Management Service for Logistics Operators*2 in 2016. This service has been proven effective in reducing delivery time and costs and improving the quality of transportation, as well as in mitigating the burden on drivers, easing traffic congestion, and reducing CO_2 emissions through efficient transportation. The Company plans to apply this service to 600 vehicles in five years after its launch. In FY March 2021, the number of vehicles covered by this service increased to 673. 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.

At the same time, Mazda is now introducing new standard containers for parts to be transported in containers from Japan to overseas plants, to eliminate the empty space that used to be inside the containers. By improving the container filling rate, it will be possible to reduce 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. Through these efforts, Mazda aims to reduce CO_2 emissions.

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

RESOURCE CIRCULATION

Mazda promotes initiatives for resource recycling based on the three Rs (reduce, reuse, and recycle) and the circular economy concept over a vehicle's entire life cycle. The Company implements thorough recycling and waste-reduction initiatives in order to ensure that limited resources are used effectively.

Efforts Regarding Product and Technology Development

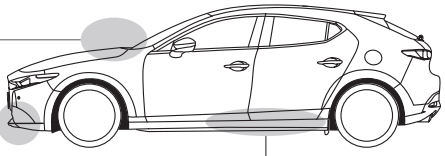
Product Development and Design with Consideration for Recycling Needs a b

Many limited resources are used to manufacture vehicles, such as steel, aluminum, plastics and rare metals.
Mazda is incorporating three Rs 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

b

Instrument Panel
Instrument panel fasteners are constructed to disengage simply, so that they can be removed easily when pulled during dismantling

Bumpers
Thin-walled construction of bumper underneath fastenings makes the bumper easy to demount by pulling its opening.



Easily Dismantled Earth Terminals
Terminals are designed to break off when the harness is pulled out to prevent breakage of the harness

Expanded Adoption of Biomaterials c d

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 CO_2 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 biofabric made with completely plant-derived fibers for vehicle seat covers. In 2014, bio-based engineering plastic,[*2] suitable also for use in vehicle exterior parts, was developed by the Company, which is currently expanding the adoption of this material.

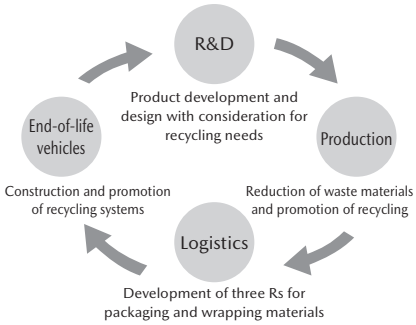
Adoption of Bio-based Engineering Plastic

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.

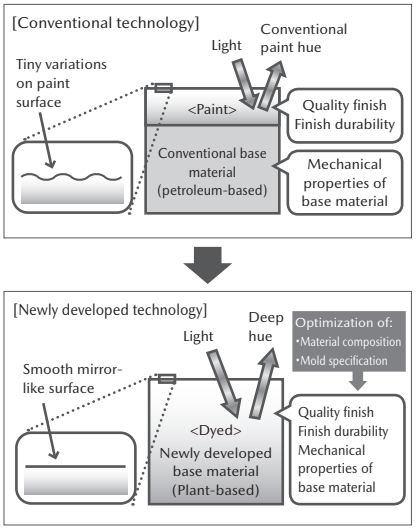
2017: Mazda developed materials suitable for making large, intricately shaped exterior parts, such as front grilles, and optimized the die specifications in order to substantially enhance the formability of these parts. In 2020, the Company received the Award for Science and Technology (Development Category) 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.

a Resource recycling based on 3Rs

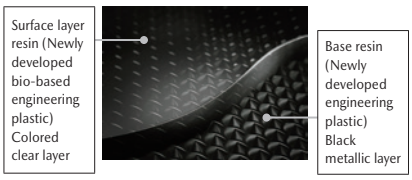


c 2014: Development of paint-less technology for interior and exterior parts taking advantage of this material



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

Schematic cross-sectional 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.

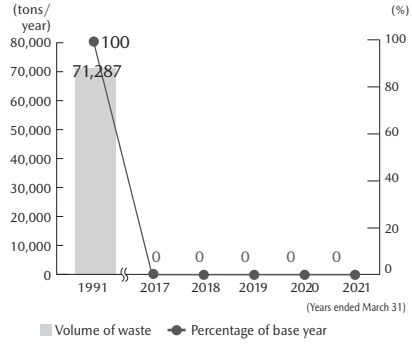
*2 Bio-based engineering plastic was developed by Mazda Motor Corporation in collaboration with Mitsubishi Chemical Corporation.

Efforts Regarding Manufacturing and Logistics

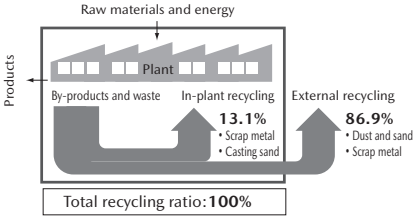
Manufacturing Materials:Maintaining the Status of Zero Landfill Waste and Promoting the Reduction of Waste e f

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 2021. 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 2021 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 planning to use 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.

e Changes in the Amount of Landfill Waste



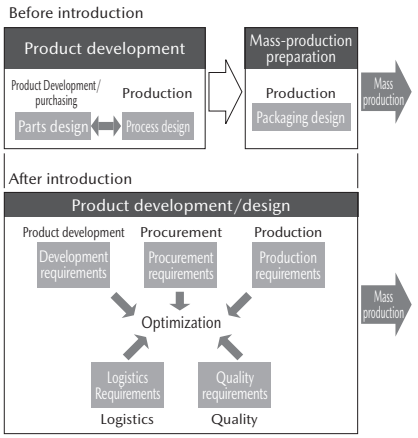
f FY March 2021 Recycling of Manufacturing By-products and Waste in the Manufacturing Areas



Logistic Materials:Reducing Volume of Packaging and Wrapping Materials g

Mazda is moving forward with efforts centering on the "three Rs of Mazda logistics" to cut down on resources used for packaging and wrapping. The target for packaging and wrapping materials was a reduction in volume of 50.0% or more from FY March 1991 levels; in FY March 2021, a 71%*2 reduction was achieved.
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 2021 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 2,200 tons in FY March 2020 and by about 1,900 tons in FY March 2021.
As for parts to be exported to overseas assembly plants, in 2015 the Company started to use the same returnable containers to transport parts from the supplier to the transmission plant in Thailand, where these parts are assembled, so as to eliminate the need for repackaging these parts into cardboard boxes at a distribution center. This method enabled Mazda to cut down around 850 tons of packaging and wrapping materials in FY March 2021. The Company is considering introducing this method at the North America plant in the future. It is expected that this will produce a significant effect in reducing the use of packaging and wrapping materials since the number of parts to be delivered to this U.S. complete vehicle assembly plant will be much larger than that to the transmission plant.

g Activities Image

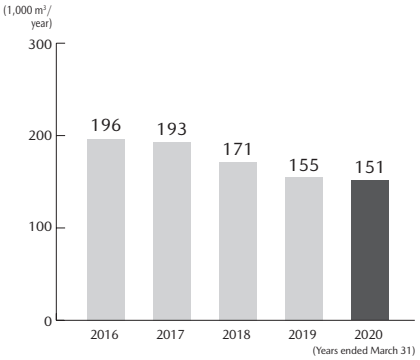


*1 Head office (Hiroshima); Miyoshi Plant; Hofu Plant, Nishinoura District; Hofu Plant, Nakanoseki District (including non-manufacturing areas such as product development)
*2 Forecasted reduction rate compared with measures similar to those performed in FY March 1991.

Water Resources: Initiatives to Reduce Clean Water Consumption h i

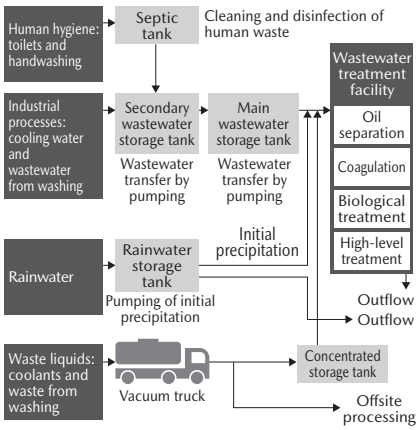
With the exception of its Miyoshi Plant, nearly all the water Mazda uses in production processes at the plants and offices in Japan is water for industrial use. The Company does not use subsurface water, as this may cause ground subsidence. Mazda also makes effective use of water by collecting and storing rainwater for use in the Miyoshi Plant. In FY March 2021, the volume of water used at the Company's four principal domestic sites*1 was reduced by 63.7% compared with FY March 2014 levels. Furthermore, the Company is committed to saving clean water consumption at plants and offices. In FY March 2021, Mazda reduced wasteful water consumption by such means as installing water-saving devices on the faucets in the company cafeteria. The Company also ensures wastewater cleanliness by properly treating water used for industrial processes, human hygiene, and other purposes.

h Clean Water Consumption at Four Principal Domestic Sites



＊The figures of the amount of clean water consumption at four principal domestic sites in FY March 2021 have been verified by a third party (see p. 134).

i Overview of Wastewater Treatment System (Hiroshima Plant)



*1 Head office (Hiroshima); Miyoshi Plant; Hofu Plant, Nishinoura District; Hofu Plant, Nakanoseki District (including non-manufacturing areas such as product development) However, Mazda Hospital, dormitories and catering facilities are excluded.

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 j k l

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).

Moreover, Mazda promotes the appropriate disposal of capacitor s for i-ELOOP, a brake energy regeneration system, in order to ensure safety during recycling by related contractors, even though capacitors are not designated for advance collection. Measures to ensure appropriate disposal include attaching a caution label inside the engine room of the vehicle, and providing a disposal manual on the Company's website.

Reference website (Japanese only) for Mazda's efforts with regard to the End-of-Life Vehicle Recycling Law
https://www.mazda.com/ja/sustainability/legal/recycle/

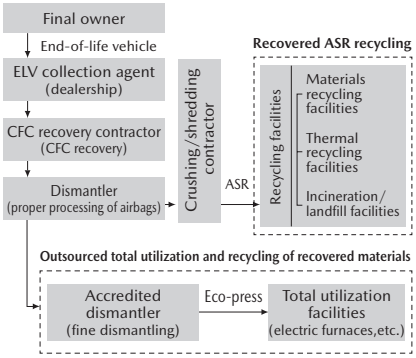
ASR and the End-of-Life Vehicle Recycling Law in Japan

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 overstrained 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.

j End-of-Life Vehicle Recycling Process



k Resource Recycling Results in FY March 2021

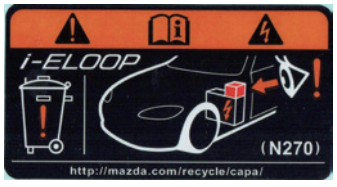
Number of vehicles from which fluorocarbon is collected		127,292 units
Number of vehicles from which airbags are collected		125,020 units
Number of vehicles from which ASR is collected		137,818 units
Recycling ratio	Airbags	95.0%
	ASR	96.4%
Recycling ratio for ELVs*		More than 99%
Total contracting deposits received		1,647,855,677 yen
Total expenses for recycling		1,559,056,285 yen

(Includes separate cost required at Mazda)

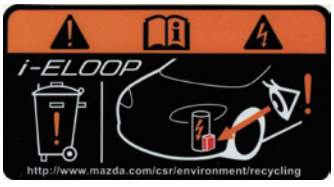
* Recycling ratio for ELVs is the recycling ratio in dismantling/shredder processes of 83% (cited from the May 2003 joint council data), plus the remaining ASR ratio of 17% multiplied by the ASR recycling rate of 96.4%

l Caution labels for capacitors for i-ELOOP

[For the Roadster (MX-5)]



[For models other than the Roadster (MX-5)]



*1 ASR: Automobile Shredder Residue
*2 ART: Automobile shredder residue Recycling promotion Team

Promoting Recycling of End-of-Life Vehicles Overseas l m

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.
To ensure the appropriate disposal of capacitor-equipped vehicles in countries where i-ELOOP equipped new models are introduced, Mazda provides related contractors with information on appropriate disposal by attaching a caution label in vehicles and providing a capacitor disposal manual in nine languages on its website, as in the case of cars sold in Japan.

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.

Capacitor disposal manual reference website
https://www.mazda.com/en/sustainability/legal/recycle/capacitor

m Capacitor Disposal Manual


Procedures of discharging the Capacitor

The procedures of discharging the capacitor are available selecting vehicles and languages by flags shown below.

The procedures of discharging the capacitor are available selecting vehicles and languages by flags shown below.

De procedures van het afvoeren van de condensator zijn verkrijgbaar selecteren voertuigen en talen door vlaggen hieronder weergegeven.

Les procédures de décharger le condensateur sont disponibles à travers sélectionner des véhicules et des langues par les drapeaux montré dessous.

Die Verfahren, den Kondensator zu entlassen, sind durch unten dargestellte Fahnen durch auswählende Fahrzeuge und Sprachen verfügbar.

Le procedure di dimettere il condensatore sono disponibili attraverso selezionando veicoli e lingue da bandiere mostrato sotto.

Los procedimientos de desembarcar el condensador están disponibles por escoger vehículos y lenguas por banderas mostradas abajo.

De förfaranden för urladdning av kondensatorn är tillgängliga väljer fordon och språk genom flaggorna nedan.

电容器强制放电处理要领，通过选择下列的旗，指定车型和语言能利用

キャパシター強制放電処理要領は下記の旗により、車種と言語を選択して利用できます。

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 2021, the Company collected 46,515 bumpers, which were utilized as recycled materials.

ENVIRONMENTAL MANAGEMENT

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 a

- 14 Mazda and Group manufacturing companies in Japan and overseas have now acquired ISO 14001 certification. (Disclosure by 14 out of a total of 15 companies)
- Mazda is expanding ISO 14001 certification scope to all domestic sites following the revision of ISO 14001:2015. The expansion of certification scope and examination of transfer to ISO 14001:2015 were completed in September 2016. Also, the Mazda Group companies that have acquired ISO14001 completed transfer to ISO14001:2015 within FY March 2018.
- 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 16 consolidated dealerships, and is now expanded to owner-managed dealerships. As of March 2021, 28 dealerships of the Mazda/Mazda Enfini sales channel, 138 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.

a 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 (extended certification)	September 1999

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.

*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 2021.
- Under the Mazda Green Purchasing Guidelines, Mazda requires, through primary suppliers, secondary suppliers and the subcontractors to establish EMS.

Status of Implementation of Environmental Audits b

To confirm that environmental management systems, such as ISO14001 and EcoAction 21, are operating effectively, both internal audit and environmental management system audit (EMS audit) are carried out annually at Mazda and all of its Group companies, both in Japan and overseas, that have obtained certification. The FY March 2021 EMS audit revealed no serious compliance issues.

The results of the internal audit and EMS audits were reported to senior management. Any problems were swiftly and appropriately rectified.

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 c d

Environmental Monitoring

- Regular training is conducted at each plant and office to prepare for response in the event of accidents that adversely affect the natural environment.
- Environmental monitoring, including monitoring of air and water pollution, is conducted regularly.

Legal Violations

In FY March 2021, there were two cases of violations of environmental laws and regulations at Mazda's group companies in Japan. The Company is taking appropriate actions and will implement measures to prevent recurrence.

Complaints

In FY March 2021, Mazda received complaints concerning one case, and is taking appropriate actions to address it in good faith.

b EMS Audit Results on ISO 14001

Mazda Motor Corporation

	FY March 2017	FY March 2018	FY March 2019	FY March 2020	FY March 2021
Serious noncompliance issues	0	0	0	0	0
Minor noncompliance issues	6	1	0	0	0
Observation issues	10	5	6	6	5

Group Companies

		FY March 2021	
		Japan	Overseas
ISO14001	Serious noncompliance issues	0	0
	Minor noncompliance issues	1	10
	Observation issues	9	73
EA21	Noncompliance Issues	0	—
	Minor noncompliance issues	4	—
	Issues requiring improvement	51	—

c 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 300 times per year
Water quality	Treated wastewater	43 items: cadmium, cyanide, organic phosphorus, lead, hexavalent chromium, etc.	Around 1,700 times per year
Noise and Vibration	Site boundaries	1 item: noise level	12 times per year
Odor	Site boundaries	1 item: odor index	12 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

d Legal Violations and Complaints

(FY March 2021)

		Number of incidents	Response
Legal violations	Water quality	2	Implemented remedies for the sources, improved inspections, and reviewed control methods
Complaints	Waste products	1	Improved cleaning around the construction site

Environmental Education/Education Program Structure e f

As part of its EMS, Mazda conducts regular environmental education for all employees twice a year, as well as education for EMS leaders and department management twice a year, and encourages employees to obtain environment-related public qualifications. In addition, Mazda offers support for employees working toward these qualifications, including financial support through the Mazda Flex Benefit program (see p. 67).

Routine Environmental Activities

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.

Environment-Related Accident Emergency Drill and Prevention Campaign g h

- Emergency Drill to Prevent Marine Pollution

  In FY March 2020, a drill was held simulating an oil spill incident, using oil containment booms. In response to a mock release of oil, participants deployed the booms and worked to contain and recover oil spills on the sea surface, and they confirmed that the drill was effective. The drill was canceled in FY March 2021 due to the impact of the novel coronavirus (COVID-19), but will consider to resume in the future based on the surrounding situation.

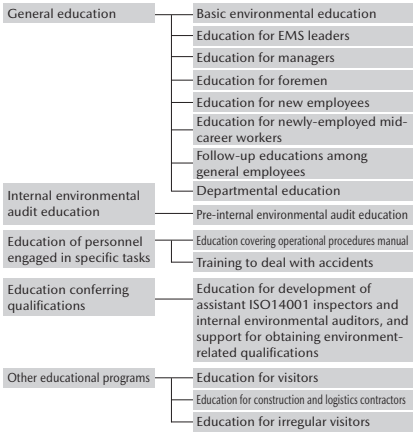
- Campaign for Oil Spill Prevention and Traffic Safety

  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 another part of its activities for oil spill prevention, Mazda has compiled a database of information on each delivery truck's maintenance and past environmental problems so that the data can be visualized. Using such data, the Company has established a system to diagnose the respective cases and send alert messages to truckload transportation companies, if applicable. The Company has been introducing this system to a wider range of truckload transportation companies.

e 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

f Environmental Education Structure



Number of Employees Receiving Environmental Education

(Non-consolidated Unit: person(s))

	FY March 2017	FY March 2018	FY March 2019	FY March 2020	FY March 2021
Managers	83	75	53	79	101
Section managers	190	188	209	209	227
Foremen	60	60	68	50	50
New employees	538	550	606	634	612

∗ In addition to the above, environmental education is provided to general employees in each department

g Emergency Drill to Prevent Marine Pollution in FY March 2020 (Deploying oil containment booms)

h Campaign for Oil Spill Prevention and Traffic Safety

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.

Development of Unique Single-Nanotechnology

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 single-nanotechnology and soot (PM) oxidation catalyst, promoting reduction of the use of precious metals and cleaning of exhaust gases.

Single-Nanotechnology a

Based on the belief that it is important to help catalytic converters exercise excellent catalyst performance after reducing the use of scarce elements, such as rare metals (precious metals) and rare earths (ceria material), Mazda developed the single-nanocatalyst*1 that achieves both cleaner exhaust characteristics and higher durability.
The Company has been progressively introducing the technology into gasoline engines and clean diesel engines on a global basis.

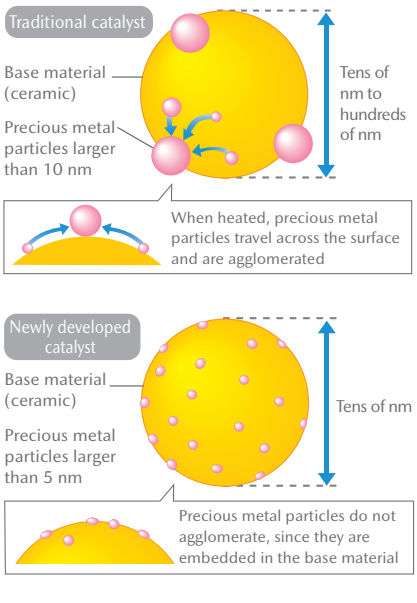
Soot (PM) Oxidation Catalyst b

Mazda has developed a unique PM oxidation technology for diesel engine catalysts, which enables rapid combustion and removal of soot (PM) and reduces CO_2 emissions. Compared with conventional catalysts, this technology effectively utilizes oxygen not only on the surfaces of catalyst particles but also of their inside, and enables supply of a larger amount of highly active oxygen for soot (PM), thereby achieving dramatic improvement in functions. The introduction of this technology has reduced the use of precious metals, or rare elements, to around one-tenth, along with the durability sufficient to maintain the catalytic function throughout the entire vehicle life cycle.

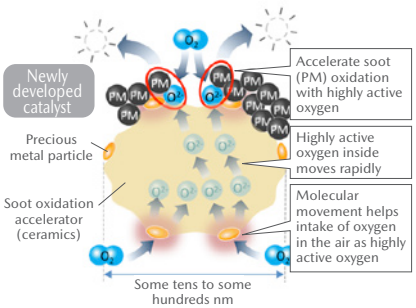
Proper Management of Chemical Substances and Heavy Metals

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.

a Model of precious metal dispersion by new catalyst technology



b Mechanism of soot (PM) oxidation catalyst



*1 Catalyst featuring single-nanotechnology to control finer materials structures than nanotechnology

Collection and Management of Automotive Parts Materials

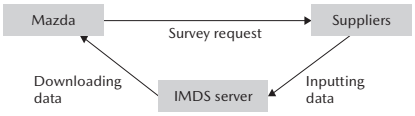
C

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

- To ensure that suppliers enter IMDS data appropriately, the Company publishes and distributes guidelines each year.
- 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.

C 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.

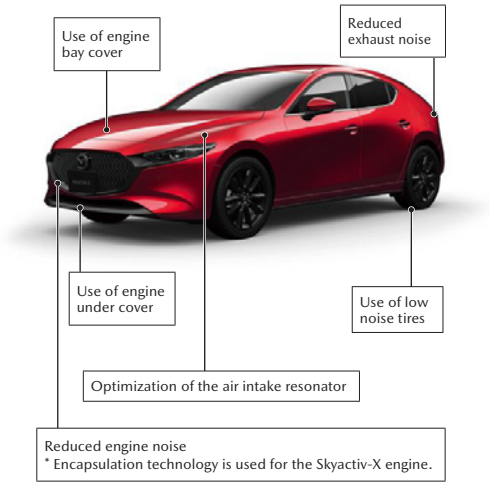
- In new models, starting with the Demio (Mazda2 overseas) launched in 2007, Mazda reduced VOCs in the main materials used in the cabin, such as plastics, paints, and adhesives, thereby conforming with the indoor aerial concentration guidelines established by Japan's Ministry of Health, Labour and Welfare. (The MX-30, introduced in FY March 2021, followed the above guidelines.)

Reduction of Vehicle Noise

d

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.

d 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 (SOx), nitrogen oxides (NOx), 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.

VOC Reductions: Body-Painting Lines

In FY March 2021, Mazda made steady progress toward achieving the target of reducing VOC emissions from vehicle body paint in body-painting lines to 20.0 g/m^2 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 (see p. 35) 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.

【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 2021 the amounts of substances that are designated under the PRTR Law[*4] released into the water system and the atmosphere decreased by 77% from FY March 1999 levels to 639 tons. Mazda will continue working to reduce emissions of PRTR-designated substances.

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

Environmental Communication

Under the Mazda Global Environmental Charter, Mazda carries out a wide variety of environmental protection activities related to products and technologies; manufacturing, logistics, and office operations; and social contributions. The Company appropriately discloses information on each of these activities, and ensures opportunities for dialogue with the stakeholders, thereby striving to respond promptly and appropriately to social problems.*1

Participation in Environmental Exhibits and Events

Mazda actively participates in various environment-related exhibitions and events, for the purpose of gaining stakeholders' understanding regarding its environmental initiatives and hearing their broad range of opinions. Mazda adopts a wide range of approaches to communicate about the environment, such as introducing its advanced environmental technologies at motor shows all over the world and offering test-drives of its vehicles equipped with Skyactiv Technology at various events held in and outside Japan. In FY March 2021, many exhibitions and events were canceled due to the impact of the novel coronavirus (COVID-19), but the Company is trying new approaches in FY March 2022, such as participating in online events.

Reducing Environmental Impact Generated by Communication Activities

Mazda has been working to reduce the environmental impact generated by its communication activities.

Environmental considerations in event operation

- Reusing/recycling booth decorating items
- Decreasing the amount of handouts to reduce CO_2 emissions

Environmental considerations in publishing materials

- Adopting FSC-certified paper, waterless printing, and vegetable oil ink

Use of Website and Publishing Materials

Mazda ensures environmental communication in a wide variety of ways in consideration of matters of interest that each stakeholder may have and media that he/she may frequently use.

Mazda uses images and computer graphics on its website in order to provide easy-to-understand explanations of environmental technologies. Reinforcing the use of social media, the Company disseminates information in a timely manner, and uses the comments provided to the Company for its daily operations. For the Mazda Sustainability Report, the Company has prepared in-depth/digest versions, as well as PDF/Website/booklet versions, in consideration of stakeholders' needs regarding the edition method/media to be used. The results of the collected questionnaires and the number of visitors to the website are provided to the executive officer in charge of related affairs, as well as to cooperating sections, as feedback, and used for planning the next fiscal year's version.

*1 Refer to the following URL for social contribution activities regarding environmental communications by the Mazda Group:
https://www.mazda.com/en/sustainability/social/

In-House Awareness-Raising Activities

To raise environmental awareness among its employees, Mazda conducted a wide range of activities in FY March 2021, including the following.

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.

Lunchtime Lighting Halved a

Efforts to reduce lighting in Mazda offices and plants during lunch breaks to half the normal levels have continuously been promoted.

Light-Down Campaign

(Participation by companies/facilities)

- 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), 2020. This campaign saved 12 thousand kWh of electricity, equivalent to around 6 tons of CO_2 emissions.

  (No. of participants) Mazda Motor Corporation: 14 sites, Domestic Group companies: 717 sites of 104 companies

  This campaign started in 2011 with turning off lights at Mazda's six sites. In 2020, when it was in the 10th year, the campaign was expanded with the participation of 731 production/business sites, involving Mazda Group across Japan.

- WWF's Earth Hour 2021

  Mazda and its domestic Group companies supported and participated in Earth Hour 2021 organized by the World Wildlife Fund (WWF), which is the world's largest global warming campaign.

  They turned off the lighting of their signboards and indoor lighting for one hour from 20:30 to 21:30 on March 27, 2021.

  (No. of participants) Mazda Motor Corporation: 13 sites, Domestic Group companies: 768 sites of 102 companies (record number of companies)

  Mazda also participated in an Earth Hour promotional event held online as a partner company.

(Participation by individuals)

- Employees' private participation in the Light-Down campaign

  Mazda encouraged its employees to continue practicing actions to prevent global warming according to their daily lifestyles.

Environmental Education during Environment Month

To encourage every employee to think about and take action for the environment in all aspects of their work and personal life, educational programs regarding global environmental issues and trends in Japan and overseas, Mazda's environmental initiatives, and environmental conservation activities in the workplace have been implemented as part of environmental education and training on ISO 14001.

a Companies that Participated in the Light-Down Campaign

1. Mazda Motor Corporation
2. Toyo Advanced Technologies Co., Ltd.
3. Mazda Engineering & Technology Co., Ltd.
4. Kurashiki Kako Co., Ltd.
5. Yoshiwa Kogyo Co., Ltd.
6. Toho Industrial Co., Ltd.
7. Delta Kogyo Co., Ltd.
8. Mazda Processing Chugoku Co., Ltd.
9. Mazda Logistics Co., Ltd.
10. Hakodate Mazda Co., Ltd.
11. Tohoku Mazda Co., Ltd.
12. Fukushima Mazda Co., Ltd.
13. Kitakanto Mazda Co., Ltd.
14. Koshin Mazda Co., Ltd.
15. Kanto Mazda Co., Ltd.
16. Shizuoka Mazda Co., Ltd.
17. Tokai Mazda Co., Ltd.
18. Hokuriku Mazda Co., Ltd.
19. Kansai Mazda Co., Ltd.
20. Nishi Shikoku Mazda Co., Ltd.
21. Kyushu Mazda Co., Ltd.
22. Minami Kyushu Mazda Co., Ltd.
23. Okinawa Mazda Corporation
24. Mazda Chuhan Co., Ltd.
25. Aomori-Mazda Automobile Corporation
26. Mazda Odawara Co., Ltd.
27. Eunos Sansho Co., Ltd.
28. Kobe Mazda Co., Ltd.
29. Nara Mazda Co., Ltd.
30. Tottori Mazda Co., Ltd.
31. Shimane Mazda Co., Ltd.
32. Okayama Mazda Co., Ltd.
33. Hiroshima Mazda Co., Ltd.
34. Enfini Hiroshima Co., Ltd.
35. Mazda Autozam Ebetsu
36. Mazda Autozam Asahikawa
37. Mazda Autozam Koriyama-Minami
38. Mazda Autozam Sukagawa
39. Mazda Autozam 17
40. Mazda Autozam Maebashi-Chuo
41. Mazda Autozam Nagaoka-Nishi
42. Mazda Autozam Ojiya
43. Mazda Autozam Kyosai
44. Mazda Autozam Higashi
45. Mazda Autozam Ueda
46. Mazda Autozam Fukaya
47. Mazda Autozam Honjo
48. Mazda Autozam Kumagaya
49. Mazda Autozam Sugito
50. Mazda Autozam Kashiwa
51. Mazda Autozam Kamogawa
52. Mazda Autozam Tateyama
53. Mazda Autozam Mobara
54. Mazda Autozam Ichihara-Kita
55. Mazda Autozam Isumi
56. Mazda Autozam Funabashi-Kita
57. Mazda Autozam Nichido-Funabashi
58. Mazda Autozam Kashiwanoha-Campus
59. Mazda Autozam Ogaki-Higashi
60. Mazda Autozam Toki
61. Mazda Autozam Ito
62. Mazda Autozam Fukuroi
63. Mazda Autozam Sena
64. Mazda Autozam Fukuchiyama
65. Mazda Autozam Katsuragi
66. Mazda Autozam Matsue
67. Mazda Autozam Oda
68. Mazda Autozam Iwase
69. Mazda Autozam Fuchu
70. Mazda Autozam Mihara
71. Mazda Autozam Kaita
72. Mazda Autozam Takehara
73. Mazda Autozam Kusunoki
74. Mazda Autozam Yasufuruichi
75. Mazda Autozam Bairin
76. Mazda Autozam Uchiko
77. Mazda Autozam Kanoya
78. Mazda Parts Sales Hiroshima Co., Ltd.
79. Mazda Parts Sales Yamaguchi Co., Ltd.
80. Mazda Parts Sales Chiba Co., Ltd.
81. Mazda Parts Co., Ltd.
82. Mazda Ace Co., Ltd.
83. Nishikawa Rubber Co., Ltd.
84. Yowa Inc.
85. Sugihara Co., Ltd.
86. Tokyo Mazda Corporation
87. Mazda Autozam DATE
88. Mazda Autozam Miyamoto Obihiro
89. Mazda Autozam Heiwa
90. Mazda Autozam Yamagata-Nishi
91. Mazda Autozam Funehiki
92. Mazda Autozam Omiya
93. Mazda Autozam Sado
94. Mazda Autozam Tonami
95. Mazda Autozam Kikugawa
96. Mazda Autozam Shimizu
97. Mazda Autozam Minakuchi
98. Mazda Autozam Ayabe
99. Mazda Autozam Izumo-Hirata
100. Mazda Autozam Tsuyama
101. Maps Co., Ltd.
102. Hiroshima Seimitsu Co., Ltd.
101. Mazda Autozam Kuse
102. Mazda Autozam Bizen
103. Mazda Autozam Hofu-Chuo
104. Mazda Autozam Iyotetsu-Matsuyama
105. Mazda Autozam Kokura
106. Japan Climate Systems Corporation
107. Maps Co., Ltd.
108. Hiroshima Seimitsu Co., Ltd.
109. Keiji Mazda Co., Ltd.
110. Eunos Horie Co., Ltd.
111. Saga Mazda Co., Ltd.
112. Nagasaki Mazda Co., Ltd.
113. Mazda Enfini Tomiseki Co., Ltd.
114. Mazda Autozam Tanagura
115. Mazda Autozam Shin-Shirakawa
116. Mazda Autozam Sakata
117. Mazda Autozam Hokuso
118. Mazda Autozam Tohi
119. Mazda Autozam Ishikawa
120. Mazda Autozam Kitami
121. Mazda Autozam Tanabe
122. Mazda Autozam Kumamoto-Kita
123. Mazda Autozam Harajuku
124. Mazda Autozam Toyonaga-Isesaki
125. Mazda Autozam Konan (Saitama)
126. Mazda Autozam Konan (Kanagawa)

* Companies No. 83 to 105 participated only in the Mazda Light-Down Campaign.
Companies No. 106 to 126 participated only in the WWF's Earth Hour 2021.

BIODIVERSITY CONSERVATION

Approach to Biodiversity Conservation a

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. Also, to understand the impacts of business activities on ecosystems, the Company has continued to conduct biodiversity surveys with the cooperation of experts. By carrying out biodiversity surveys not only on company-owned lands but also in surrounding areas and on top of that by conducting literature study, Mazda strives to preserve the ecosystem of the entire region.

a 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 CO_2 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	• Continuous evolution of Skyactiv Technology (see p.32) • Electric vehicles (see pp. 32) • Product Development and Design with Consideration for Recycling Needs (see p. 39)
Corporate Activities in Consideration of Conserving Resources and Energy	• Improving the facility operation rate and shortening the cycle time in the production process (see p. 35) • Hub-and-spoke system for transportation of completed vehicles and service parts (see p. 37) • Assessing and considering the impact on biodiversity when constructing a new plant
Collaboration/Cooperation with Society and Local Communities	• 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	• 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/environment/
*2 Japan https://mzaidan.mazda.co.jp/ (Japanese only)
United States https://www.mazdafoundation.org/
Australia http://mazdafoundation.org.au/
New Zealand https://mazdafoundation.org.nz/
South Africa https://www.mazda.co.za/mazda-foundation/foundation/

Biodiversity Initiatives on Company-Owned Lands

Miyoshi Plant

The Miyoshi Plant has continued to conduct ecosystem surveys within its premises since 2016. In FY March 2021, the Plant conducted a monitoring survey of Aki salamander (*Hynobius akinensis*), which inhabits only parts of Ehime Prefecture and Hiroshima Prefecture and is listed as a rare species in the Red Data Book of the Ministry of the Environment and that of Hiroshima Prefecture, and confirmed the presence of Aki salamander in the pond on the premises.

In the future, the Miyoshi Plant will work to create an environment conducive to harmonious coexistence with various living creatures, including Aki salamanders.

Hofu Plant

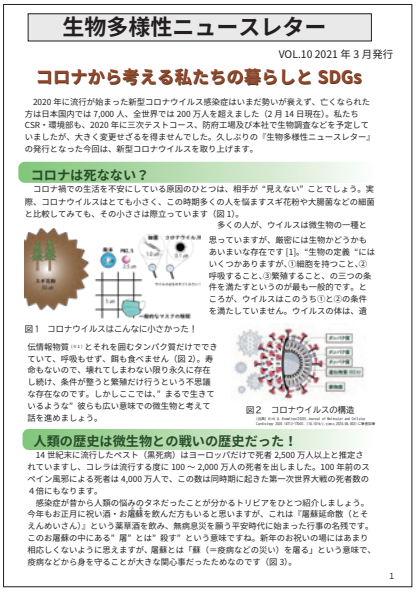
The Hofu Plant conducted an ecosystem survey for the first time in 2020 to understand what species inhabit the pond on its premises. The survey confirmed the presence of about 50 kinds of living creatures in the pond, and it has been found that the pond has an environment that is closely connected to the rivers in the region. Based on the results of the survey, the Plant will promote activities that lead to harmonious coexistence with the local natural environment.

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 10 issues have been published thus far. The newsletter will continue to be issued so that more employees will become interested in biodiversity.

b A larva of Aki salamander found at the Miyoshi Plant

C Biodiversity Newsletter



生物多様性ニュースレター

VOL.10 2021 年 3 月発行

コロナから考える私たちの暮らしと SDGs

2020 年に流行が始まった新型コロナウイルス感染症はいまだ勢いが衰えず、亡くなられた方は日本国内では 7,000 人、全世界では 200 万人を超えました（2 月 14 日現在）。私たち CSR・環境部も、2020 年に三次テストコース、防府工場及び本社で生物調査などを予定していましたが、大きく変更せざるを得ませんでした。久しぶりの『生物多様性ニュースレター』の発行となった今回は、新型コロナウイルスを取り上げます。

コロナは死なない？

コロナ禍での生活を不安にしている原因のひとつは、相手が“見えない”ことでしょう。実際、コロナウイルスはとても小さく、この時期多くの人を悩ますスギ花粉や大腸菌などの細菌と比較してみても、その小ささは際立っています（図 1）。

多くの人が、ウイルスは微生物の一種と思っていますが、厳密には生物かどうかもあいまいな存在です [1]。“生物の定義“にはいくつかありますが、①細胞を持つこと、②呼吸すること、③繁殖すること、の三つの条件を満たすというのが最も一般的です。ところが、ウイルスはこのうち①と②の条件を満たしていません。ウイルスの体は、遺

図 1 コロナウイルスはこんなに小さかった！

伝情報物質 [※1] とそれを囲むタンパク質だけでできていて、呼吸もせず、餌も食べません（図 2）。寿命もないので、壊れてしまわない限り永久に存在し続け、条件が整うと繁殖だけ行うという不思議な存在なのです。しかしここでは、“まるで生きているような“ 彼らも広い意味での微生物と考えて話を進めましょう。

図 2 コロナウイルスの構造

人類の歴史は微生物との戦いの歴史だった！

14 世紀末に流行したペスト（黒死病）はヨーロッパだけで死者 2,500 万人以上と推定されていますし、コレラは流行する度に 100 ～ 2,000 万人の死者を出しました。100 年前のスペイン風邪による死者は 4,000 万人で、この数は同時期に起きた第一次世界大戦の死者数の 4 倍にもなります。

感染症が昔から人類の悩みのタネだったことが分かるトリビアをひとつ紹介しましょう。今年もお正月に祝い酒・お屠蘇を飲んだ方もいると思いますが、これは「屠蘇延命散（とそえんめいさん）」という薬草酒を飲み、無病息災を願う平安時代に始まった行事の名残です。このお屠蘇の中にある“屠”とは“殺す”という意味ですね。新年のお祝いの場にはあまり相応しくないように思えますが、屠蘇とは「蘇（＝疫病などの災い）を屠る」という意味で、疫病などから身を守ることが大きな関心事だったためなのです（図 3）。

1

PEOPLE

While ensuring every individual working together fully demonstrates his/her individuality, Mazda enriches the lives of customers by offering new forms of car ownership and automobile culture through its unique human-centered approach.

CONTENTS

CONTRIBUTION TO PEOPLE'S MENTAL WELLNESS

Mazda hopes to enrich the lives of customers by offering new forms of car ownership and automobile culture through its human-centered approach.
With a view to building special bonds with customers in more than 130 countries and regions where Mazda vehicles are sold, Mazda pushes forward with various initiatives in cooperation with local distributors/dealerships to provide customers with a Mazda brand experience in all stages of their car ownership.

Three Approaches to Establish an Emotional Connection with Customers a

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 driving pleasure).

a 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 driving pleasure, 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 raises car design to the level of art to enrich people's lives.
- Further pursuing a *Jinba-ittai*—or sense of oneness between driver and vehicle—driving feel, which unlocks people's potential and revitalizes them mentally and physically.

Kodo—Soul of Motion Design Philosophy: A Step Further b

Since 2010, Mazda has striven to create cars that embody the dynamic beauty of life through application of its Kodo—Soul of Motion design philosophy. Going deeper, the matured Kodo design pursues the expression of a "new elegance" based on Japanese aesthetic sensibilities. This further evolved Kodo design 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.
The MX-30, launched in 2020, was designed based on the concept of what we call "Human Modern." While retaining the beautifully honed and handcrafted forms of Kodo as a base, the design team also explored a new expressive direction more in touch with changing values and new lifestyles. The MX-30 won the Design Car of the Year*1 award in the 2020-2021 Car of the Year Japan awards, sponsored by the Car of the Year Japan Executive Committee.

b MX-30

*1 Design Car of the Year is a new category award established in 2020 in the Car of the Year Japan awards.

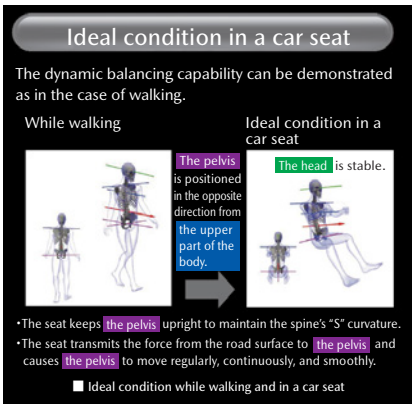
Skyactiv-Vehicle Architecture Vehicle Structural Technologies c

Skyactiv-Vehicle Architecture was developed and enhanced 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 a viewpoint of total vehicle optimization. (An example is the seats, which are designed to keep the pelvis upright, maintaining the spine's natural "S" curve). 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.

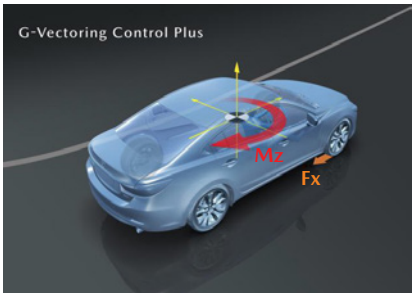
Skyactiv-Vehicle Dynamics Improves Comfort, Handling, and Stability d

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] which was 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), which is 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.

c A seat that keeps the pelvis upright to maintain the spine's natural "S" curve



d G-Vectoring Control Plus (GVC Plus) operation image*



*Mz: restoring moment, Fx: braking force

*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)

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, 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 (in 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 October 2021).

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 e	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 driving pleasure and to acquire correct driving techniques.
	Vehicles for people with special needs f	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." The Company has expanded the lineup to three types.
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.

Co-Creation of Product Training by Mazda Motor Corporation and Distributor/Dealership Staff g

Mazda offers training for sales staff to enable them to provide customers with correct and detailed information on the attractive features of Mazda vehicles. As part of the initiatives to enhance brand value, the training is aimed at globally communicating the ideas and efforts employed in development and manufacturing, as well as stories behind the technology, in addition to basic information on functions and equipment.

Product Information, Display, and Advertising

For product information and display, Mazda not only complies strictly with each law and regulation of each country and region, but also places strong emphasis on safety, human rights, environmental issues, and ethical standards, giving careful attention to information display and expression appropriate for a company that manufactures and sells automobiles. Moreover, Mazda conducts studies on advertising on a periodic basis to check whether information provided to customers is correct and understandable.
Video and animated computer graphics are used to provide customers with easily understandable explanations of products' features and functions.

Establishing Bonds with Customers through Mazda Official Merchandise h

In June 2020, the "Mazda Collection" was launched as official Mazda merchandise. In June 2021, a new collection called the "Mazda 787B 30th Collection" was released in commemoration of the 30th anniversary of Mazda's Le Mans victory in 1991. This victory made Mazda the first rotary engine manufacturer in the world and the first Japanese manufacturer to win overall at the 24 Hours of Le Mans—the world's most grueling endurance race. The new collection features a range of items designed in the motif of the winning vehicle Mazda 787B, including T-shirts and stainless drink bottles. With 30 years passing, those who were children at that time are now adults. To allow them to indulge in nostalgia and enjoy with their children, matching T-shirts for parent and child are available. In addition to the Mazda 787B, several other Mazda vehicles that have competed at Le Mans have been added to the popular Model Car Collection. In the future, we will continue to create Mazda Collection merchandise items while listening to customer feedback.

e 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.

f Lineup for vehicles for people with special needs (as of June 30, 2021)

- **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 driving pleasure by only using both hands (Roadster [MX-5 overseas])

g Seminar targeted at training staff of distributor/dealership

h Product examples

Items from Mazda's official merchandise "Mazda Essential Collection" and Mazda 787B 30th Collection"

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" i j

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. (208 sales outlets in Japan as of October 2021.) 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 warmness 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.

Information Service for Customers through Websites k

Mazda makes efforts to enhance the usability of its website to enable the website visitors to easily obtain the information they need. The website is designed to communicate to many people, not only the facts, but also the underlying principles and philosophy. The website also provides easily understandable information useful for customers at all stages from considering a purchase to the ownership of their vehicles. Many opinions and messages of encouragement have been posted in response to the articles on the Company's social media pages. Mazda has also launched various new services that allow members to enjoy a variety of experiences unique to Mazda through the membership website (CLUB MAZDA).

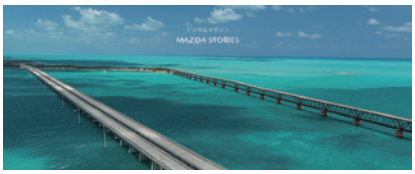
i [Japan] New-Generation Showroom

j [United States] New-Generation Showroom

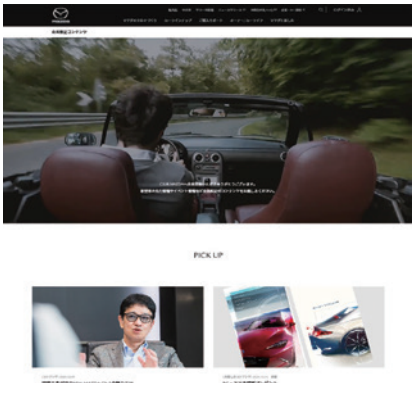
k Example of information services through websites

Mazda MX-30 digital owner's manual

Digital magazine "Mazda Stories"
https://mazdastories.com/



Membership website "CLUB MAZDA" (Japanese only)
https://www.mazda.co.jp/clubmazda/



*1 Shop designed with 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 vehicle as attractive and beautiful, with comfortable furniture
*3 Mazda brand symbol and showroom name that are used at each showroom

Promoting Activities to Enable Customers to Experience "Driving Pleasure"

Mazda promotes activities in which both beginners and advanced drivers can easily participate, to experience "driving pleasure" 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 communicate the concept of Mazda's monotsukuri and its latest technologies to customers, and offering them opportunities to dialogue with employees. Through these various approaches, Mazda strives to establish special bonds with customers, while striking a balance between providing customers with driving pleasure and raising their safety and environmental awareness.

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 Driving Academy (organizers: Circuit where the event is held, B-Sports Corporation)

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. With the guidance of Mazda instructors, participants learn the correct driving posture and how to drive the car smoothly at low speed.

Examples of Mazda-sponsored events
Mazda Fan Endurance
(With a total of 551 participants [in six races] in FY March 2021)

Mazda Driving Academy

Realizing Customer Services Relied on by Customers for Life

To provide a safer, more secure and comfortable ownership experience and to realize customer services that will be relied on by customers for life, Mazda has established a system to promptly and certainly support customers with its high maintenance skills. The Company, seeing the period between purchase of a new vehicle and the next purchase as an important and valuable time to deepen the special bonds between Mazda and customers, has been promoting reform of operation sites, not only to simply resolve customer complaints but also to provide customers with services that exceed their expectations.
Through developing and providing service/repair tools and service manuals, establishing parts supply networks, and offering training for service trainers and service staff, Mazda supports dealers in Japan and overseas, aiming at building up systems to enable them to provide close and proper support for customers.

Providing Tools/Service Manuals m

Hoping that customers can use Mazda vehicles more safely and with peace of mind that they can make better use of increasingly multifunctional devices, Mazda distributes digital owner's manuals, which enable customers to easily search and obtain the information they need by using their PC or smart phones. Mazda also promotes the initiatives to ensure a constant high service quality at Mazda Group dealers in Japan and overseas.

- 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

Developing Service Trainers/Staff n

Mazda aims to enrich individual customers' car ownership through the realization of the highest level of services that cater to individual customer needs and wishes. To this end, the Company strives to develop service professionals with excellent maintenance skills and customer service skills.
Mazda operates dedicated training centers in major countries and regions, and stations instructors who are well-versed in the local culture. The Company supports service staff members in their growth and in developing their individual sense of fulfilment and pride by holding online training sessions in response to the recent environmental changes and hosting Service Skills Competitions as a venue where service staff can demonstrate the skills that they have acquired.
Furthermore, by incorporating information on the ideas and efforts employed in development and manufacturing into training sessions on new mechanisms and new technologies, the Company strives to develop service staff members who can communicate stories behind the technology to customers around the world. As service staff will be increasingly diverse in the future, Mazda will continuously develop and introduce programs suitable for the aptitude of individual trainees to further improve the level of service staff.

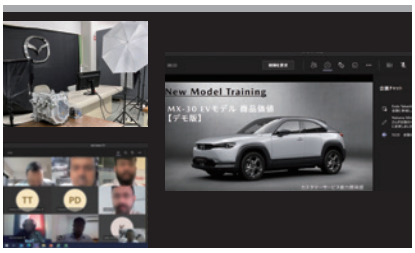
m Examples of tools in use

Digital owner's manual

Maintenance service information system (that provides information on various maintenance services for Mazda vehicles)

Mazda's unique malfunction diagnostic device

n Online training



TOPICS Reducing Environmental Impact of Vehicles During Customer Use

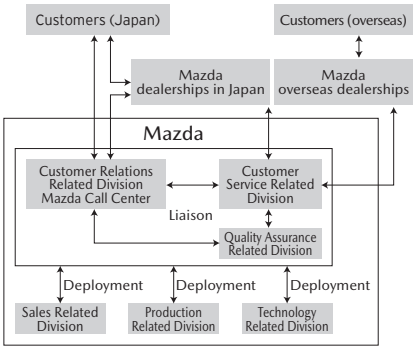
Mazda has launched an initiative to benefit both customers and the environment while helping to ensure the safety of vehicles. Focusing on engine oil changes, which are performed every single day across the world, the initiative seeks to help reduce maintenance costs borne by customers as well as engine oil consumption and waste oil by extending oil change intervals. Customers are advised at the optimal time to go in for a maintenance check. Since the deterioration of engine oil performance is dependent on the fuel property and environment, it is necessary to conduct careful evaluations for each market. For this reason, this initiative was limited to the United States. However, since FY March 2022, the Company has expanded it to Chile, Australia, Saudi Arabia and South Africa, in cooperation with distributors/dealerships and relevant development divisions in each country.

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 (see p. 26) applied, the PDCA (plan-do-check-act) cycle process has been established.

o Framework



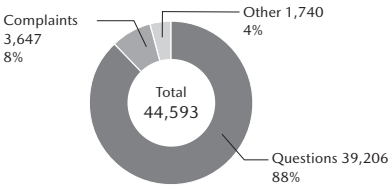
Sharing and Recognition of Best Practices at Distributors/Dealerships

To boost the level of sales and CS[*3] efforts throughout the distributors and dealerships, a system of sharing and awarding best practices, selected based on such viewpoints as achievements in CS activities and remarkable contribution to vehicle sales, has been put in place.

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's 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.
Walk-Around Contest	Once a year	The Walk-Around Contest, a competition of customer-service roleplaying, is held with the aim of encouraging sales staff to acquire product knowledge and improve their customer service skills.

FY March 2021 Breakdown of Mazda Call Center Customer Responses by Type (In Japan) (April 2020–March 2021)



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. In FY March 2021, the event was held in April, with around 30 participants.
Global Brand Events	Representatives from major operation bases, such as the United States, Europe, China, Australia and Japan	4 times a year	Representatives of major regions meet to build common understanding and consensus on brand strategies, and share initiatives. In FY March 2021, no event was held. Planned to be held online in the future.
Regional Brand Events	Representatives from major operation bases, such as the United States, Europe, China, ASEAN and Japan	3 to 4 times a year	Discussions are held and opinions are exchanged for each region to determine practical actions for implementing the brand strategies. In FY March 2021, no event was held. Planned to be held online in the future.
4A[*1] Distributor Events	Representatives from Southeast Asia, Central and South America, Middle East, and Africa regions	Once a year	Held online due to the COVID-19 pandemic. A range of topics were covered, including business, product launches and CS. In FY March 2021, the event was held on November 26, with around 300 participants.

*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

IMPROVING EMPLOYEE JOB SATISFACTION

Mazda recognizes that people are its most important resource and aims to be a company staffed by people who enjoy their work. To this end, the Company promotes human resources training based on the Mazda Way principles that are shared throughout the entire Mazda Group worldwide. Also, the Company has established Group-wide human resources policies and measures along with promotion of various initiatives.

Mazda Way

a

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.

Group-wide Human Resources Policies

b

With the aim of maximizing employee performance across the Mazda Group, Mazda works together with its Group companies worldwide while engaging in regular communication with them to create an organizational culture based on shared values and promote personnel exchanges within the Group. For overseas Group companies, the Company works to create a comfortable working environment tailored to the culture of each country and region by appointing locally hired personnel as managers and above, thereby establishing a system globally to conduct management strongly rooted in local communities.*1 Mazda also implements Group-wide human resource development measures to enable a diverse range of employees to succeed on the global stage regardless of their country of origin or place of employment.

Global Leader Development Committee*2

Mazda is aiming to provide medium-to long-term training for employees to become leaders in every field of global business and ensure their optimal positioning and performance. Top managements of Mazda Motor Corporation and its Group companies discuss and decide the development and exchange plan for individual personnel in these companies.

Short-term Personnel Exchange Program

This program is mainly designed for employees in mid-level positions, with the aim of developing human resources who can be immediately effective in global business settings. Suitable employees in the Head Office are exchanged with their counterparts in overseas regions to gain opportunities for overseas business experience for a short term (three to six months).

Regular Meetings with Human Resources Managers of Group Companies

- Online information provision by Mazda
- Bimonthly regular meetings with overseas regions
- Annual global human resource meetings with the managements in charge of human resources of major overseas bases
- Half-yearly meetings with domestic Group companies located on the premises of the Head Office (Hiroshima)

Maintaining Global Employment and Recruitment

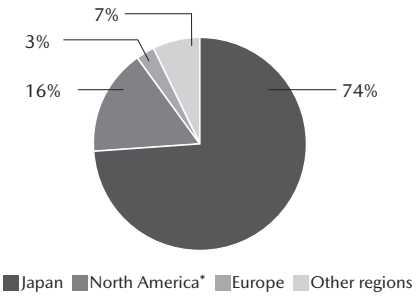
The Mazda Group conducts recruitment activities to employ the personnel suited to each country and region. Particularly production sites strive for the maintenance and management of appropriate employment, with an understanding that such practices have great impact on the local economies. In Japan, the Company has maintained the production volumes and related employment at manufacturing sites in Hiroshima and Yamaguchi Prefectures. Overseas, each of the Group companies promotes employment maintenance and recruitment activities tailored to the labor practices of each country/region. At the same time, initiatives are under way to improve the operation rate of plants in Mexico and Thailand, and to establish a new plant in the United States.

a 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."

b Rate of employees by region

(Consolidated)



* Including Mexico

Rate of locally hired personnel assigned to management-level* in overseas Group companies

(Consolidated)

Employment rate in FY March 2021	63%

* Executive officers/divisional general managers

*1 Countries/regions where Mazda Group companies are located.

*2 The Personal Development Committee (PDC) comprises four committees: PDC1, which cover 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.

Realization of Diversity

Mazda respects the diversity of its employees, and the Company aims to foster a corporate climate 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.

Increasing the Employment and Range of Opportunities for Female Employees*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 mangers to 80 by the end of FY March 2026 and increasing the number of male employees taking child-rearing leave to 80 by the end of FY March 2026, and it submitted business owner's action plans to the authority concerned. In the future, Mazda will continue to draw up and implement individual development plans for female candidates for middle and above management positions and also further promote the opportunities for female employees, by improving training and promoting female employee recruitment.

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 as regular employees, to further ensure provision of information to people with hearing impairments (as of April 2020).

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.

Promoting Re-Employment of the Elderly, and Passing on Expertise, Skills, and Know-How*1

Under the current re-employment system, about 90 % of employees who have reached retirement age continue to work, although there is some variance depending on the fiscal year. Reemployed employees play active roles as specialists while passing on the expertise and skills that they have cultivated to younger generations.

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

Mazda is implementing ongoing measures toward the 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 one year or more at Mazda in becoming 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.

Employee Data 1(as of March 31, 2021) (see p. 135)

		Number of Employees		Average age*3	Average years of employment*3
		Production/ medical	Administrative/ engineering		
Nonconsolidated*1	Male	10,464	10,442	41.0	17.7
	Female	769	1,532	38.0	14.1
	Total	23,207		40.6	17.4
Consolidated*2	Total	49,786		—	—

∗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 Exclude the number of employees hired under the Expert Family system.

Employee Data 2 (see p. 135) (Non-consolidated)

		FY March 2019	FY March 2020	FY March 2021
Number of female employees hired		200	172	139
Number of female managers*6 (assistant manager and above)		226	248	277
Number of female managers*6 (middle management and above)		45	52	52
Percentage of female managers*1*6 (assistant manager and above)		5.3%	5.9%	6.5%
Percentage of female managers*2*6 (middle management and above)		3.1%	3.6%	3.6%
Number of male managers*6 (middle management and above)		1,404	1,389	1,380
Number of workers aged 60 and over*6 (Expert Family)		958	909	961
Percentage of employees with special needs*3		2.11% (Legal rate: 2.2%)	2.22% (Legal rate: 2.2%)	2.37% (Legal rate: 2.3%)
Number of employees with special needs*3		337	365	389
Average age of managers*6		52.2	52.8	52.8
Employee turnover rate*4*5		4.0%	4.6%	4.3%
Number of new graduates hired (University, college and high school graduates)	Male	479	520	504
	Female	112	114	90

∗1 Number of female managers (assistant manager and above)/ Number of managers (assistant manager and above)
∗2 Number of female managers (middle management and above)/ Number of managers (middle management and above)
∗3 Average number in each fiscal year
∗4 Exclude the number of employees hired under the Expert Family
∗5 The employee turnover rate increased because the Company actively accepted people from overseas Group companies and suppliers as temporary employees, to provide them with training and opportunities (these temporary employees, after leaving Mazda, returned to their original workplaces). The employee turnover rates excluding those dispatched to Mazda from other companies are as follows: 3.0% in FY March 2019, 3.3% in FY March 2020, and 3.7% in FY March 2021.
∗6 Results as of the end of each fiscal year.

Global rate of male/female employees (FY March 2021) (Consolidated)

Male	85%
Female	15%

Global rate of female middle managers and above (Consolidated)

FY March 2021	7.9.%

Percentage of female new graduates hired (from FY March 2020 to FY March 2022) (Non-consolidated)

	FY March 2020	FY March 2021	FY March 2022
Administrative	56%	58%	45%
Engineering	12%	12%	10%
Production	13%	13%	11%

Subject to independent third-party assurance

*1 Initiatives at Mazda Motor Corporation
*2 "Mazda Promoting Active Participation of Female Employees" 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.

Global Employee Survey

c

Mazda has conducted employee surveys on a continual basis. These surveys are intended to identify employees' work motivation and the conditions in the environment supporting such motivation, and the results are 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 major contents 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 human resources and organizations that contribute to the realization of its corporate vision, Mazda revised the survey items in FY March 2018. The revised survey was commenced in May 2018.

Percentage of Positive Responses in Global Employee Survey Results (Consolidated)

	FY March 2019	FY March 2020	FY March 2021
I feel inspired/driven to achieve more than what is expected of me.	66%	64%	67%
I understand my role in helping the company be successful.	64%	64%	69%
I propose and implement new or better ways of working that enable me to deliver Mazda's brand philosophy and vision.	45%	46%	49%

c Examples of Improvement Measures at Workplaces Based on Survey Results

- Organizing divisional town hall meetings (for explanation of strategies/policies and holding discussions) and meetings with senior management
- Promoting idea sharing and strengthening teamwork by activating small-group activities

Best Match of People, Work and Rewards

d e

Mazda has put in place a system to ensure that each employee understands their work evaluation results and ability level assessments, and feels that their growth and performance are appropriately reflected in their 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 their base salaries and bonuses.

In wage determination, Mazda is not only in compliance with local laws and regulations in each region both in Japan and overseas, but also taking industry standards into consideration.

d Average yearly salary (Non-consolidated)

	FY March 2019	FY March 2020	FY March 2021
Total	6,769,000 yen	6,641,000 yen	6,288,000 yen

e Average salary by gender (Non-consolidated, in April 2021)

	Male	Female
Middle management and above positions	639,196 yen	593,853 yen
General employees	309,061 yen	294,164 yen

Creating a Working Environment that Enables Each Employee's Successful Performance

Mazda strives to create a working environment where each employee can continue to proactively work and succeed. Specifically, the Company promotes the introduction of a system that encourages flexible and diverse work styles, reduction of working (overtime) hours through the effective use of information technology, and development of career plans for employees' continued success.

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.

Education/training results in FY March 2021

(Non-consolidated)

Average days of training per person	4.3 days/year
Average training cost per person	82,088 yen/year
Number of employees that received training	total of 47,692 employees/year*

* Including MIRAI 2020 (20,222 employees) and education using e-learning (22,246)

Major Education and Training Programs

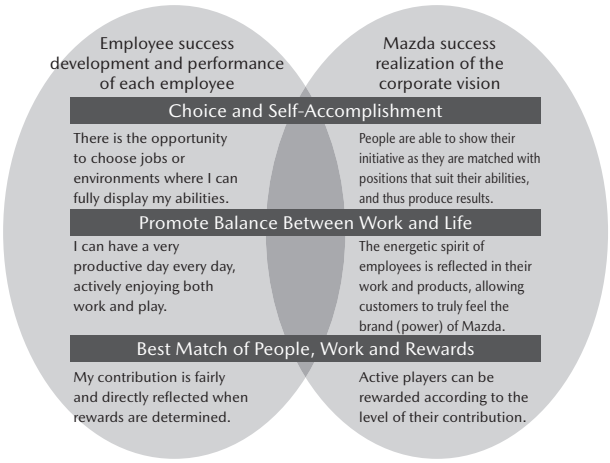
Name of education and training program	Duration, frequency, etc.	Target	Objective	Content of training	Remarks
Mazda Business Leader Development (MBLD)	Once a year	All Group employees in Japan and overseas	・To communicate the intention of the top management ・To cultivate business leaders at all levels 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	・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	・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 companywide 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	・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	・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 2021 Silver and bronze medals in Sheet Metal Technology 1 of each Medallion for Excellence in Autobody Repair 1
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	・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 135 Production Engineering Meisters 65 *Monotsukuri* Meisters 21 Hiroshima Prefecture award-winning skilled workers 20 Contemporary Master Craftspeople 17 Medal with Yellow Ribbon recipients 18
Welding Skills Training Program*1	As needed	Welding technicians	・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 11 Prize recipients 39

*1 Initiatives at Mazda Motor Corporation
*2 Twenty-four courses comprising skills to pass on to new engineers are available in 13 fields: iron and casting, die casting, casting, powder alloys, heat treatment, machining, engine assembly, axle assembly, transmission assembly, press, chassis, painting, and vehicle assembly

Human Resources System to Provide Appropriate Jobs and Environments*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 resource 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



Career Meetings*1

At Mazda, opportunities for formal communication are provided for all employees through one-on-one career meetings between supervisors and their staff, held four times a year. The things that employees should do, the specific targets and broad goals expected by supervisors are combined with the employees' personal goals as well as the things they hope to, and can achieve, enabling supervisors and their staff to understand each other and proceed to set common half-yearly targets. In light of these targets, they also reflect on their work accomplishments to clarify the issues to be addressed and set the next targets. Through these activities, employees' successful performance in the next half of the year and their further personal development are encouraged. Furthermore, the feedback on the competency evaluation results are utilized to help employees review their own work attitude and behavior, in order to facilitate their personal development.

Main Themes of Career Meetings

Discussions to encourage personal development:

Confirm vision of future upon accomplishment of goals, determine abilities to refine through work and activities to undertake, monitor rate of improvement

Discussions to encourage performance:

Determine work-related targets, confirm progress toward meeting targets, share present and future issues

Ratio of career meetings held

FY March 2021:
90.2% of all applicable employees

Competency Evaluation System*1

Once a year, Mazda carries out a competency evaluation, through which the work attitude and behavior of administrative and engineering staff are evaluated. Based on the seven principles of the Mazda Way, a subjective evaluation is carried out to assess the work attitude and behavior that individual employees are expected to improve (competency evaluation items), from the employees' own perspectives and from the perspectives of their 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 employees 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 employees' personal development and successful performance. The evaluation results are used as a reference for effective company-wide positioning of personnel.

*1 Initiatives at Mazda Motor Corporation

OJT Coach System*1

Mazda has introduced the OJT (on-the-job-training) coach system for all new employees in administrative and engineering positions since FY March 2012. Typically a senior employee who shares a workplace with the new hire is assigned as an OJT coach providing the job related advices to each new hire. The purposes of this system are to train new employees, foster the coach's growth, and energize the workplace.

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

As part of the Career Challenge System (for employees' career development assistance), an in-house recruitment system has been implemented. 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.

In-house recruitment
A system where the Company releases details on occupational experience and skill requirements for the specific assignments so that the appropriate employees are able to apply for a particular job

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: 104 (as of April 1, 2021)*2
- Total number of graduates (among present employees): 1,528 (from April 1988 to March 2021)

Promotion of Work-Life Balance*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 work and find a healthy balance between their work and personal lives. To promote understanding of various measures to help employees achieve a better life-work balance (see p.67), 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.
The Company also reviews the contents of the working regulations in accordance with changes in the social environment. Amid the 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.

*1 Initiatives at Mazda Motor Corporation
*2 Including 15 students from Group companies

Major Measures to Promote Work-Life Balance and Diversity in the Workplace

(Non-consolidated)

System	Description (as of March 31, 2021)	Started	FY March 2019	FY March 2020	FY March 2021
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	32 beneficiaries (691 days)	43 beneficiaries (853 days)	23 beneficiaries (600 days)
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	2,212 days (481 beneficiaries) Including 34 non-regular employees Male: 1,823 days (402 beneficiaries) Female: 389 days (79 beneficiaries)	2,541 days (550 beneficiaries) Including 17 non-regular employees Male: 2,094 days (459 beneficiaries) Female: 447 days (91 beneficiaries)	2,762 days (600 beneficiaries) Including 29 non-regular employees Male: 2,240 days (492 beneficiaries) Female: 522 days (108 beneficiaries)
Child-rearing leave	This system supports unpaid leave for child-rearing for children up to 3 years old. It is possible to take leave in installments. (Legal requirement: Up to one year old.)	Jan. 1991	253 beneficiaries (including 17 males) Rate of reinstatement after childrearing leave: 99% Rate of retention one year after childrearing leave: 95%	241 beneficiaries (including 29 males) Rate of reinstatement after childrearing leave: 99% Rate of retention one year after childrearing leave: 95%	287 beneficiaries (including 45 males) Rate of reinstatement after childrearing leave: 98% Rate of retention one year after childrearing leave: 98.7%
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	14 beneficiaries (including 9 males)	11 beneficiaries (including 7 males)	5 beneficiaries (including 4 males)
Special working arrangements for employees involved with child-rearing or nursing	This system allows employees involved with nursing or childrearing (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 3 years old.)	Apr. 1999	Employees with reduced working hours For childrearing: 445 For nursing care: 18	Employees with reduced working hours For childrearing: 475 For nursing care: 22	Employees with reduced working hours For childrearing: 595 For nursing care: 22
Work-from-home system	This system enables employees to perform up to 25% of their work hours at home for the purpose of childrearing or nursing care, or when working at home will raise work efficiency.	Aug. 2008	766 beneficiaries*2	1,012 beneficiaries*3	10,406 beneficiaries*3
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 assitance for affected relatives "Volunteer work" here refers to the following: ・Social welfare (welfare services for children, for elderly people and for 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.) ・Health and medical volunteering (health care instructions, donor activities, etc.) ・Disaster relief ・Acquisition of qualifications, skills and knowledge that are useful in volunteer activities ・Support for sports activities (sports coaching, organizing sports events, etc.) * Note that activities related to specific political and religious beliefs are not included in volunteer work.	Aug. 2008*1	1,017 beneficiaries (4,391 days)*2 Male: 655 beneficiaries (2,334 days) Female: 362 beneficiaries (2,057 days) For nursing care for relatives 552 beneficiaries (2,238 days) Including 48 non-regular employees Male: 256 beneficiaries (1,270 days) Female: 296 beneficiaries (978 days)	772 beneficiaries (4,177 days) Male: 394 beneficiaries (1,877 days) Female: 378 beneficiaries (2,300 days) For nursing care for relatives 679 beneficiaries (3,102 days) Including 50 non-regular employees Male: 356 beneficiaries (1,660 days) Female: 323 beneficiaries (1,442 days)	644 beneficiaries (5,902 days) Male: 345 beneficiaries (3,166 days) Female: 299 beneficiaries (2,736 days) For nursing care for relatives 452 beneficiaries (3,510 days) Including 28 non-regular employees Male: 249 beneficiaries (2,138 days) Female: 208 beneficiaries (1,372 days)
Onsite daycare center: 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: 47	Preschoolers: 47	Preschoolers: 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	1 beneficiary	1 beneficiary	1 beneficiary
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	18 beneficiaries	19 beneficiaries	21 beneficiaries
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	2 registrants	1 registrant	2 registrants
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	205 hires	227 hires	293 hires
Super-Flextime Working System (with no set core working hours)	This system was introduced to maximize results by supporting a balance between each employee's private life and working life. Under this flextime working system, the employees can setup days of not showing up to their workplace.	Oct. 2000	Used at 80% of administrative and engineering field workplaces	Used at 80% of administrative and engineering field workplaces	Used at 80% of administrative and engineering field workplaces
Go Home Early Campaign	By streamlining operations, the Company has reduced the long working hours for divisions not directly connected with production. Examples of this initiative include no-overtime days and setting mandatory lights-out times. (Information about the overtime hours is reported back to management of each division, once in three months to implement the PDCA cycle.)	Sep. 2007	Ongoing	Ongoing	Ongoing
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	—	—	—
Mazda Flex Benefit System	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. Livelihood support, capacity development, childrearing, nursing care, social contributions, hobbies, etc.	Oct. 2001	All employees	All employees	All employees
Benefit program to support employees' environmental protection and social contribution activities	As part of the Mazda Flex Benefit System, 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	12 instances 297,500 yen	10 instances 221,800 yen	22 instances 312,600 yen
Promotion of planned use of 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 vacation day use: 89% Average of vacation days taken: 17.1 days	Rate of vacation day use: 91% Average of vacation days taken: 17.3 days	Rate of vacation day use: 86% Average of vacation days taken: 16.4 days

*1 Operated under a different system before August 2008.
*2 The number of beneficiaries increased following the heavy rain in July 2018.
*3 The number of beneficiaries increased due to the effect of special measures against COVID-19.

Mazda Mutual Aid Union*1

The Mazda Mutual Aid Union has its foundations in the spirit of mutual assistance for all members*2. Funded by mutual membership fees (from both members and the Company) as well as special contributions from the Company, this organization provides a range of assistance to its members and their families.

Marriage and Childbirth Support
- Payments of gift money for marriage and childbirth
  15,000 yen is paid upon marriage, and 5,000 yen per child is paid upon childbirth

Long-Term Care Support
- Long-term care leave payments
  30,000 yen/month will be paid to members who take leave under the long-term care leave system (If payment continues for more than three months, 100,000 yen/month will be paid for the months after first three months)
- Family long-term care relief payments
  50,000 yen/year will be paid to members whose dependent, or child who has not yet reached the first March 31 after his/her eighteenth birthday, is in a state requiring long-term care (as defined by the Ministry of Health, Labour and Welfare) for a continuous period of one year or more

Education Support
- Payment of subsidies for raising disabled children
  50,000 yen/year will be paid in support of child development to members whose child possess a grade 2 disability or higher

Support During Disasters, etc.
- Payments of money as condolence following a disaster
  Up to 160,000 yen will be paid in condolence if a member or his/her parents' home is adversely affected by a disaster

Other Support
- Injury/sickness leave payments, long-term medical relief payments, and injury/sickness leave special payments
  5,000 yen will be paid each time a member takes leave of one month or more for injury or sickness
  30,000 yen/month will be paid for a long-term (three months or more) period of leave (if long-term leave results in the member not receiving his/her bonus the member will receive a special payment of up to 100,000 yen)
- Financial aid for advanced medical treatment
- Monetary condolence gifts and farewell gifts, financial support for survivor's pensions funds and scholarship pension funds, etc.

Industrial Relations

Mazda has a standing labor agreement with the Mazda Workers' Union.*3 The Company build 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 2021.)

*1 Initiatives at Mazda Motor Corporation
*2 Executives and regular employees, as well as those approved by the governing board
*3 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. In FY March 2020, 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.

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*1 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 sharing information on its activities, observing and giving guidance to each workplace, and providing education. Notably, the Company shares Mazda's safety and health management system, machinery, equipment and environmental standards, and improvement examples with overseas production sites while considering the laws and regulations as well as labor practices of the countries and regions. In so doing, Mazda implements safety and health management that is standardized across the Group. In connection with these activities, three overseas plants have obtained ISO 45001 certification, which is an international standard for occupational safety and health management systems, and other plants operate an occupational safety and health management system that is based on ISO 45001 or other standards.

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. The results in FY March 2021 are shown in the right figure (k). The lost-time injury frequency rate has remained at low levels over the past five years. Since 2019, Mazda has established a system to carry out audits focusing on risks that may easily lead to a serious accident, thereby improving the performance of its occupational safety and health management system.

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, Mazda has established a system under which, when chemical substances and/or machinery equipment are newly introduced, the division in charge of procurement identifies the possible risk source in advance and takes appropriate measures and then communicates the information to the division that uses these substances or equipment. Particularly regarding chemical substances, since FY March 2020, the Company has introduced a system to create a database of Safety Data Sheets (SDSs)*2 for management of these substances so as to implement risk assessment and provide information in a reliable manner.

i Safety and Health Creed / Three-Year Plan "One Mazda Movement for an Enjoyable Workplace"

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) Realization of a safe, secure and comfortable working environment
3) Activities on a global basis

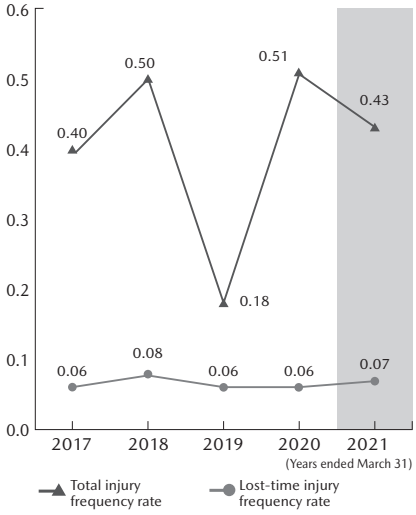
* Proactive and enjoyable workplace: A workplace where intensive problem-solving activities are implemented, taking into account the division's characteristics, and where individual employees work as a team harmoniously led by their manager, so that individual employees and the organization are both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

j Global lost-time injury frequency rate*

FY March 2021	0.32

* 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.)

k Injury Frequency Rate ☑ (see p. 135)
(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.

☑ Subject to independent third-party assurance

*1 Membership is around 90% of Mazda employees.
*2 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.

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*1, risk simulation training*2 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*3), 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.

Mental Health Measures*4

In 2003, Mazda declared its commitment to active cooperation between labor and management to promote employees' mental health in the Warm Heart Declaration, and formulated the Mazda Warm Heart Plan. In 2007, labor and management, including managements, respective divisions, Company doctors and occupational health nurses, and the Mazda Worker's Union, cooperated to establish the Mental Health Project and construct a Company-wide support system.

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 on-site healthcare consultations and consultations via telephone-, web- and video-conference systems to support their health maintenance.

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 absence 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.

Vitality Checkups (Stress Check System)

Prior to the legislation requiring companies to implement the stress check system (that came into effect in December 2015), in 2008 Mazda introduced occupational stress diagnoses known as "vitality checkups" for employees to reveal individual and organization-level risks. 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*5 which will facilitate workplace improvements to prevent mental health problems.

l Contents of Education and Training Programs Concerning Occupational Safety and Health (FY March 2021)

(Non-consolidated)

Contents	Number of training participants
Safety and health training prescribed by the Occupational Safety and Health Law	3,896 (including 332 from Group companies and suppliers)
Training for achieving zero accidents (prediction trainer training, etc.)	275
Capacity-building training for dangerous or hazardous work engaged persons (forklift operation, etc.)	797
Training for safety and health managerial and supervisory personnel (for newly appointed personnel)	170
Practical first aid training (including AED use)	209

m Number of Participants in Mental Health Training

(Non-consolidated)

	FY March 2019	FY March 2020	FY March 2021
Training for newly appointed managers	177	186	214
Training for managers (advanced)	39	76	104
Training for third-year employees (Self-care seminar)	217	256	— (postponed by infection prevention)
Training by division (at the division's request)	945	357	328

n Organizational Diagnosis in Vitality Checkups (Comprehensive Health Risk and Comprehensive Health Degree of the Organization)

(Non-consolidated)

	FY March 2019	FY March 2020	FY March 2021
Comprehensive health risk*1	90	87	87
Comprehensive health degree of the organization*2	52.4	52.5	52.5

∗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.

*1 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.

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

*3 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.

*4 Initiatives at Mazda Motor Corporation

*5 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. Implemented since FY March 2017.

Measures to Prevent Lifestyle-Related Diseases*1 o

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 various measures to encourage walking. These include:

- Eco-Walk Commuting Program (with allowance payments)
- Mazda Active Walking, a walking activity using "PepUp," which is a personalized website jointly operated with the Mazda Health Insurance Society

Health Maintenance and Improvement p

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.

Health Checkups*1 q

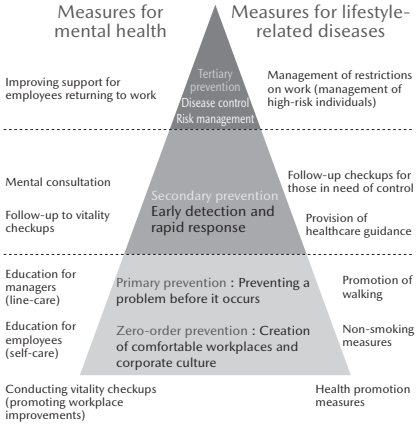
In addition to legally prescribed health checkups*2 for all employees, Mazda carries out comprehensive medical checkups*3 covering a variety of areas for employees when they reach the ages of 25, 30, and 35, and when they pass the age of 40. Furthermore, the Company conducts complete physical checkups, 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 and education by Company doctors and health advisors.

o Data on Measures to Prevent Lifestyle-Related Diseases

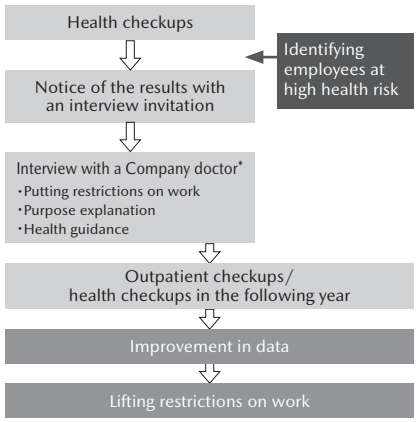
(Non-consolidated)

		FY March 2019	FY March 2020	FY March 2021
Non-smoking promotion activities	Percentage of employees who smoke	29.2%	28.7%	27.7%
Walking activities	Number of participants in Mazda Active Walking	5,684	5,920	4,224

p Measures for Health Risk



q Healthcare Guidance Data



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

(Non-consolidated)

	FY March 2019	FY March 2020	FY March 2021
Personal guidance on the basis of health checkup results (including specific health guidance)	1,738	2,041	1,488

*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.

Health Risk Measures*1

The business climate has undergone various changes, including the globalization of workplaces and an increase in the number of people who are continuously employed after retirement. 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. 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, in FY March 2020, 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. To eliminate their anxieties, the Company has prepared and distributed a response flowchart in Japanese and English to clearly indicate how employees should respond when they feel that they are in poor physical condition. The flowchart is updated and distributed as needed. Also, alcohol disinfectants have been supplied to every workplace to ensure that all employees sanitize their hands. If an employee is confirmed to be infected, the Company responds to him/her 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. In the future, Mazda will continue to protect the health and safety of its employees by constantly striving to reinforce prevention-conscious behavior and actions against the spread of COVID-19.

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

RESPECT FOR HUMAN RIGHTS

Basic Approach a

Mazda respects for human rights as fundamental to its corporate activities. Mazda never tolerates 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.
Mazda recognizes that, from the perspective of human rights due diligence*1, a system and mechanism to grasp the activity status and to identify, report, correct and follow-up actual and potential negative impacts are required. The scope of human rights activities has been expanded to include domestic and overseas Group companies as well as suppliers, with the following efforts being conducted.

Rules / Guidelines

One of the five principles of behavior stipulated in the Mazda Corporate Ethics Code of Conduct is "to comply with laws and regulations, company rules, common sense and sound practice in international society." Mazda has striven to increase employee awareness of its fundamental approach to respect for human rights, by further clarifying Company policies and standards of behavior among employees, in the light of the basic principles of the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.
Specifically, Mazda established the Guidelines on Eliminating Sexual Harassment (name later changed to Guidelines to Eliminate Human Rights Violations) in 1999 and the Rules to Eliminate Human Rights Violations, which prohibit any activity 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: 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 (marriage between people of opposite genders or the same gender).
- 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 to Eliminate Human Rights Violations were revised according to revisions in harassment-related laws so that the definition of power harassment conform to the definition in the relevant laws.

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

Systems for Promoting Human Rights b c

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 violations 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 (see p. 115)

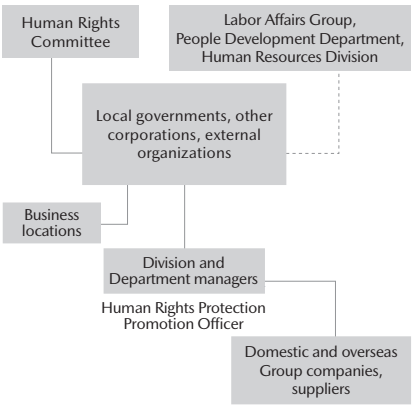
a Basic Principles

Mazda's respect for human rights is fundamental to its corporate activities, and it never tolerates human rights violations of any kind in all business activities inside and outside the Company.
The Company will continue human rights protection activities with the ultimate goal of zero problems.

Human Rights Declaration (November 2000)

Mazda will strive to become the leading company in Japan for respecting human rights and for the ethical treatment of its employees.

b Human Rights Promotion System



c Global Employee Survey (Positive answer percentage)

(Non-consolidated)

	FY March 2019	FY March 2020	FY March 2021
I understand my company's basic philosophy and policy for human rights. (Local item)	85%*	84%*	85%*
My company takes appropriate action if there is a violation of human rights. (Local item)	78%*	77%*	78%*

* Percentage of positive responses from indirect employees (The survey was conducted on both direct and indirect employees.)

*1 Due diligence is the comprehensive, proactive process to identify the actual and potential negative social, environmental and economic impacts of an organization's decisions and activities over the entire life cycle of a project or organizational activity, with the aim of avoiding or mitigating negative impacts (cited from ISO 26000).

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 to Eliminate 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 (see p. 113).

Human Rights Counseling by Dedicated Counselors d

Mazda has established a Human Rights Counseling Desk and a Female Employee Counseling Desk to appropriately respond human rights consultations from employees, through providing advices and supporting early relief from human rights violations. 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.

d Breakdown of Human Rights Consultations (FY March 2021)

(Non-consolidated)

Harassment	15
Human relationships in the workplace	8
Other	4
Total	27

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.

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[*1] e

- 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 FY March 2017, Mazda started to organize training programs and lectures to promote understanding of sexual minority (LGBT) issues.
- Human rights mini-lectures and other information offered via the in-house intranet
  Mazda conducts activities to raise human rights awareness by human rights mini-lectures through intranet, and e-learning programs and to ensure that all employees can share recognition regarding power harassment and sexual harassment.

President's Message During Human Rights Week[*1]

The Company president delivers to all employees a message on 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[*1]

Mazda holds regular meetings (four times a year for plant workers, twice a year for office workers) at each workplace themed on familiar topics, allowing employees to develop awareness for human rights on a daily basis.

Other Human Rights Education Activities[*1]

Mazda distributes Human Rights Card upon hiring, and holding of Human Rights Slogan Competition, etc.

e Themes of Human Rights Mini-Lectures (Examples)

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

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.[*2]

*1 Initiatives at Mazda Motor Corporation
*2 https://www.mazda.com/en/sustainability/social/

SOCIETY

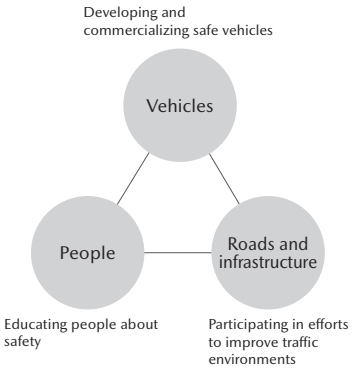
Mazda is making an active commitment to solving social issues of primary importance to automobile manufacturers, including traffic safety. We also promote activities to help enrich people's lives by capitalizing on Mazda's technologies and resources.

CONTENTS

REALIZING A MOTORIZED SOCIETY FREE FROM TRAFFIC ACCIDENTS

Aiming to achieve a safer and accident-free automotive society, Mazda promotes safety initiatives from the three viewpoints of vehicles, people, and roads and infrastructure. a

a Three Viewpoints of Safety Initiatives



Initiatives in Vehicles

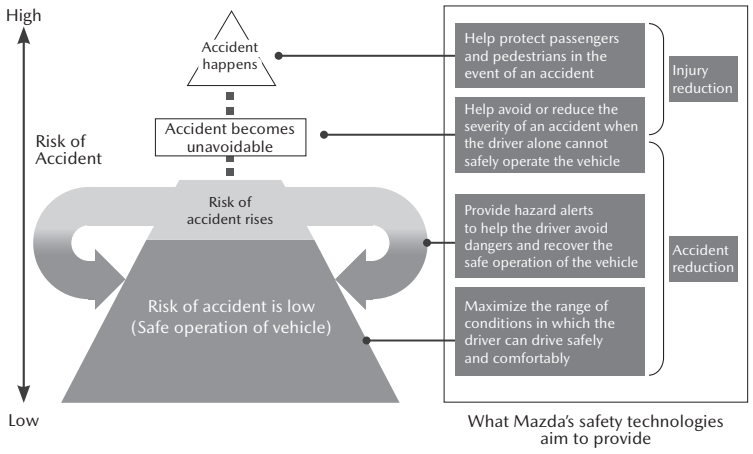
Mazda aim to realize a safer and accident-free automotive society by creating system where all people, wherever they live, can enjoy unrestricted mobility.
While continuing to further enhance its safety technologies, Mazda works on technology development with the belief that technologies will demonstrate their true value only when their use becomes widespread.

Mazda Proactive Safety: Mazda's Safety Philosophy

Mazda's safety philosophy, which guides the research and development of safety technologies, is based on understanding, respecting and trusting the driver.

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.



By providing a good driving environment and excellent handling stability to support the drivers' safer driving, Mazda aims to maximize the range of ordinary driving conditions in which the driver can concentrate on driving without anxiety or stress.
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.

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.

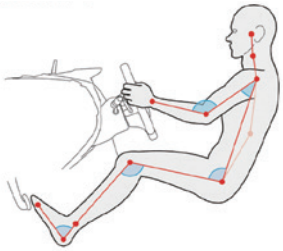
Ideal Driving Position

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 b

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.

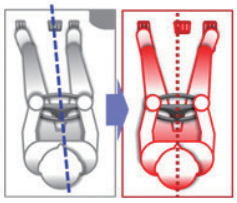
b Image of comfortable joint-link angle



Ideal Pedal Layout c

The front tires and tire houses have been repositioned farther forward to realize an offset-free, 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 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.

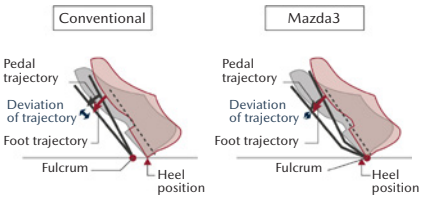
c Comfortable layout enabling easy operation



Organ-Type Accelerator Pedal d

With an organ-type accelerator pedal, the driver's heel is placed on the floor, and the driver's foot and the pedal follows 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.

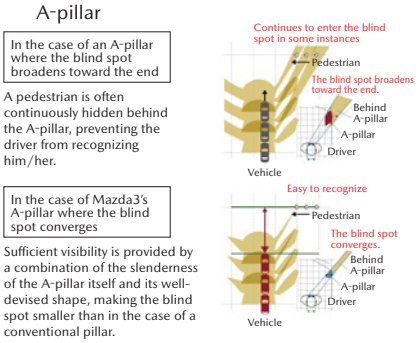
d New and conventional organ-type accelerator pedal



Excellent Visibility e

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.

e Opening angle enlarged by improved A-pillar



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

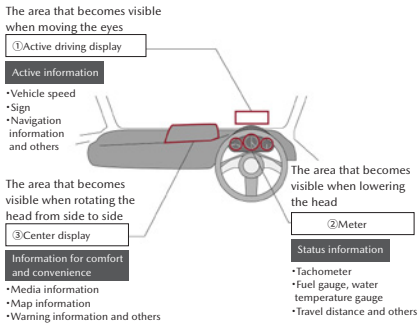
"HMI Concepts" to Minimize Causes of Careless Driving f

Human Machine Interface (HMI) refers to the equipment and mechanisms to facilitate transmission of various information between the driver and the vehicle. Mazda's thoroughly human-centered cockpit design minimizes the three factors*1 that cause careless driving: cognitive distraction, visual distraction, and manual distraction.
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.

i-ACTIVSENSE Advanced Safety Technologies*2 g h

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.
As a result of ongoing steady technological evolution, in 2020, two new safety features were added to the i-Activsense umbrella: a Smart Brake Support <Turn-Across Traffic> (SBS), and an Emergency Lane Keeping <Blind Spot Assist> <Road Keep Assist> (ELK). These new technologies have been adopted for the MX-30.
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 11 major models*3 sold in Japan, as standard equipment. Under the new vehicle safety concept "Safety Support Car S (Suppocar S*4)" 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 September 2021).
Furthermore, based on its human-centered design philosophy, Mazda has developed a Driver Monitoring system, which detects driver's drowsiness and careless driving. As a technology aimed at preventing accidents caused by a decrease in the driver's attention, due to sleepiness, or taking one's eyes off the road when distracted by a child on the rear seat for example, this technology has been adopted for the Mazda3, the CX-30, and other models following that. In September 2020, this system earned Mazda the 14th Kids Design Award*5 (sponsored by the Kids Design Association, a Japanese nonprofit organization).

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



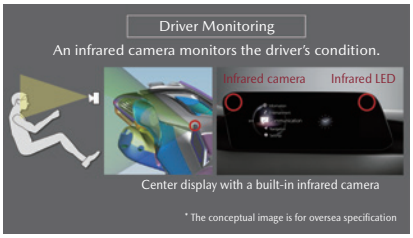
1. Vehicle speed and other "active information that should be checked at every moment" are shown in the active driving display.
2. The amount of fuel and other "status information necessary for checking the status of the vehicle" are shown by meters.
3. Media information and other "information for comfort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

g Technologies made standard equipment on the 11 major models sold in Japan (For details, see p. 80.)

- Advanced Smart City Brake Support (Advanced SCBS) /Smart Brake Support (SBS)*
- AT Acceleration Control*
- Lane Departure Warning System (LDWS)*
- Adaptive LED Headlights (ALH)* or High Beam Control (HBC)* (either according to the grade)
- Blind Spot Monitoring (BSM)
- Rear Cross-Traffic Alert (RCTA)

* Technologies to be equipped to qualify for the "Wide" Suppocar S category

h Driver Monitoring



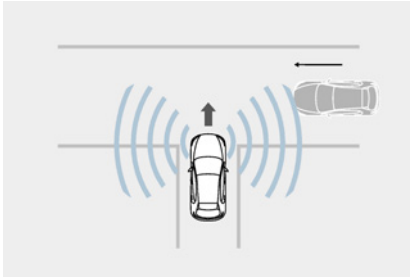
*1 The following are three factors that cause careless driving.
• Cognitive distraction: The driver is distracted by something other than vehicle control, such as checking the position of a switch and its operation method.
• Visual distraction: The driver takes his/her eyes off the road to check the information or for other purposes.
• Manual distraction: The driver strongly moves his/her body and adopts an awkward posture to operate a device.
*2 i-Activsense technologies are designed to 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.
*3 Applied models: Mazda2, Mazda3, Mazda6, CX-3, CX-30, CX-5, CX-8, Roadster/MX-5, and Roadster RF/MX-5 RF
*4 A popular name for a safe-driving support car designed to prevent traffic accidents, which have been a societal problem in Japan. It is particularly recommended for use by aged drivers.
*5 This award is granted to supreme works that address social issues related to children and child-raising among products, services, spaces, activities and research that fulfill the following objectives: children's safe and secure lives; the cultivation of children's sensitivity and creativity; and the creation of a society that supports having and raising children.

i-ACTIVSENSE advanced safety technologies

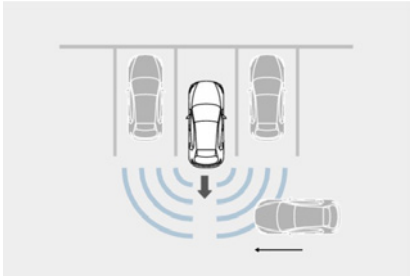
	Abbreviation	Name	Effective when	Function
Hazard Recognition Support	AFS	Adaptive Front-Lighting	Driving forward (night)	Turns the headlights automatically to illuminate in the direction the driver is steering
	HBC	High-Beam Control System	Driving forward (night)	Detects oncoming traffic and vehicles in front, automatically switching between high beam and low beam settings.
	ALH	Adaptive LED Headlights		
		Glare-free High Beam	Driving forward (night)	Detects oncoming traffic and vehicles in front, automatically controlling the area illuminated by the high beams to maintain maximum visibility.
		Wide Light-Distribution Low Beam	Driving forward (night)	Illuminates areas on either side of the vehicle that conventional low beams cannot reach.
		Highway Mode	Driving forward (night)	Raises the axis of lighting when travelling at highway speeds, making it easier to see road signs and obstacles as early as possible.
	—	360-degree View Monitor	Driving forward (at reduced speed) Reversing	Projects on the center display images of the vehicle's top view, as well as front, rear, and right/left views, by using the four separate cameras installed on all sides of the vehicle.
	BSM	Blind Spot Monitoring	Driving forward (changing lanes)	Alerts the driver to the presence of vehicles in the blind spot with an icon in the wing mirror. If the driver indicates to change lanes, the icon flashes and a warning beep sounds.
	LDWS	Lane Departure Warning System	Driving forward	Warns the driver with a sound (or vibrating steering wheel) and a visual display if the vehicle starts to stray from its lane.
	FOW	Forward Obstruction Warning	Driving forward	Detects vehicles in front and warns the driver with a visual display and alarm if there is a risk of collision.
	FCTA	Front Cross Traffic Alert i	Driving forward (at reduced speed)	Detects a vehicle approaching from the right or left front blind spot at an intersection and issues an acoustic or visual warning in response to the approaching state of the vehicle.
	RCTA	Rear Cross Traffic Alert	Reversing	Alerts the driver with an icon in the wing mirror and a warning beep if it detects vehicles approaching from either side while backing out of a parking space or garage.
Collision Avoidance / Damage Reduction Support	SBS	Smart Brake Support	Driving forward	Detects vehicles ahead, oncoming traffic when attempting a right turn, pedestrians (daytime and nighttime) and bicycles (daytime) via a radar sensor and a camera. If the system determines that a collision is likely, it engages damage mitigation brakes to slow down the vehicle and either reduce the severity of the collision or helps to avoid it.
	Advanced SCBS	Advanced Smart City Brake Support	Driving forward	Engages damage mitigation brakes when there is a risk of frontal collision. This helps to avoid head on collisions or reduce the severity of one if it occurs.
	—	AT Acceleration Control [Driving forward]	Driving forward (at reduced speed) Driving forward (starting)	Issues a warning and simultaneously controls the engine output to prevent sudden acceleration, if the accelerator pedal is depressed more than necessary even if there is an obstacle in front of the vehicle.
	—	AT Acceleration Control [Reversing]	Reversing (at reduced speed) Reversing (starting)	Issues a warning and simultaneously controls the engine output to prevent sudden acceleration, if the accelerator pedal is depressed more than necessary even if there is an obstacle behind the vehicle.
	SBS-R/ SCBS R	Smart Brake Support <Rear> / Smart City Brake Support <Reverse>	Reversing	Engages damage mitigation brakes to stop or slow the vehicle when there is a risk of collision with an obstacle behind the vehicle.
	SBS-RC	Smart Brake Support <Rear Crossing> j	Reversing	Detects vehicles approaching the right, left or rear side of the vehicle when reversing, and engages damage mitigation brakes when a collision is considered unavoidable.
	LAS	Lane-Keep Assist System	Forward	Provides steering assistance to return the vehicle toward the center of the lane if the driver starts to stray from the lane.
	ELK	Emergency Lane Keeping <Blind Spot Assist> <Road Keep Assist>	Changing lanes / Driving forward	Detects lane markings and centerlines and provides steering assistance when the driver tries to change lanes and there is a risk of collision with a vehicle approaching from the rear side. Detects grass, curbs, etc. on the road shoulders through a camera and provides steering assistance when the car is likely to depart from the road.
	DAA	Driver Attention Alert k	Driving forward	Monitors the vehicle's behavior and recommends a rest stop if signs of driver fatigue or reduced concentration are detected.
	—	Driver Monitoring	Driving forward	Detects a changes in the facial feature points of the driver via a driver monitoring camera to estimate the degree of the driver's fatigue and sleepiness, and warns the driver with a display or sound, or accelerates the timing of the damage mitigation brake's warning.
Driving Support	TSR	Traffic Sign Recognition System	Driving forward	Automatically detects speed limits and indicates speed limit in the Active Driving Display.
	MRCC	Mazda Radar Cruise Control	Driving forward	Measures the distance to the car ahead and controls speed to maintain a safer following distance.
	LAS	Lane-Keep Assist System (Line Trace)	Driving forward	Provides steering assistance to help keep the vehicle centered in the lane.
	CTS	Cruising & Traffic Support l	Driving forward	In addition to maintaining driving operation that keeps the distance from the vehicle ahead constant, the steering assist function helps the vehicle run along the lane or along the running locus of the vehicle ahead.

Technologies used for the 2019 Mazda3 and subsequent models

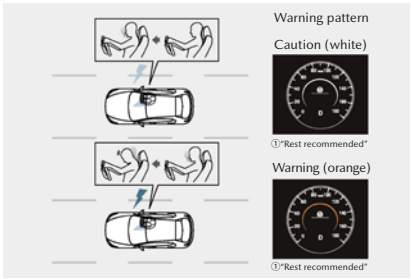
i Conceptual figure of the operation of FCTA



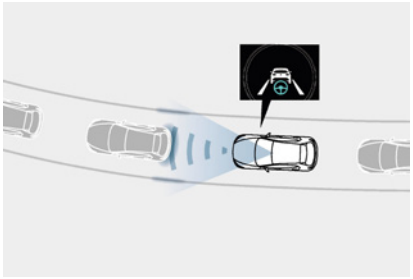
j Conceptual figure of the operation of SBS-RC



k Conceptual figure of the operation of Driver Monitoring



l Conceptual figure of the operation of CTS

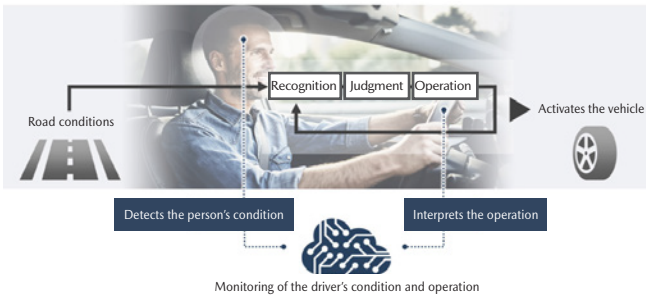


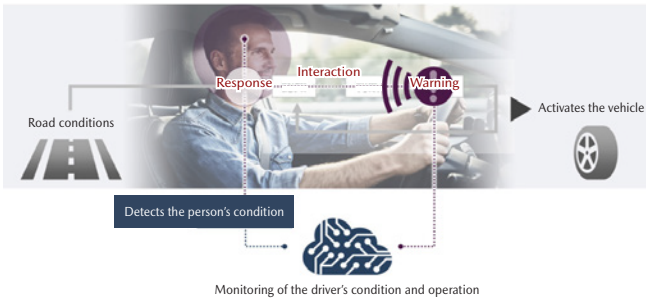
Human-centered Advanced Driving Support Technology MAZDA CO-PILOT CONCEPT

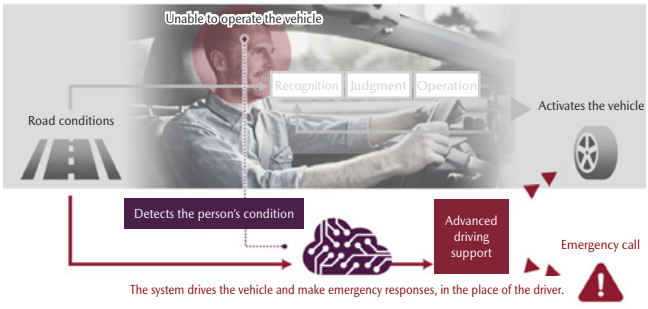
m

The Mazda Co-Pilot Concept is Mazda's unique concept for human-centered advanced driving support technology. This concept envisages a driving support system that monitors the driver's condition and operating behavior at all times, and it stands ready to intervene to assist the driver should an emergency occur. If the system detects that a sudden change has occurred in the driver's physical condition—for example, the driver gets drowsy or loses consciousness—an alarm is issued to alert the driver. Furthermore, if it is deemed difficult for the driver to continue normal operation, the system decelerates and stops the vehicle and places an emergency call if necessary. The Company aims to reduce the occurrence and damage caused by serious accidents by minimizing injury to the driver, passengers and people around the vehicle.

The Company plans to introduce Mazda Co-Pilot 1.0, which helps the vehicle evacuate to the shoulder as much as possible on an expressway or motorway or stay in its lane and stop in the same lane on an ordinary road, starting from its Large Products from 2022. Looking at the future, the Company also aims to further develop the system and release Mazda Co-Pilot 2.0, which will be the combination of a technology that detects the signs of various changes in the driver's condition, such as sudden health complication, and a technology that leads the vehicle to a safer place, automatically changing lanes and pulling over to the shoulder on an expressway or evacuate to a safer place on standard road.







* This system is not intended to allow autonomous driving while the driver is asleep or inattentive.

m Autonomous Driving Technologies as Standard Equipment

"Mazda Co-Pilot Concept," employing advanced driving technologies

2021: Start of Demonstration Testing
2022: Adoption of Mazda Co-Pilot 1.0 for Large Products
From 2025 onward: Adoption of Mazda Co-Pilot 2.0

Technologies to Mitigate Injuries in an Accident

Focusing mainly on vehicle damage morphology and the mechanisms by which damage develops in the human body (human study) in the event of an actual traffic accident, Mazda has been promoting the development of safety technologies that help mitigate injuries to vehicle occupants and pedestrians in the event of a traffic accident. The Company has been dramatically enhancing the collision safety performance of Mazda vehicles by using leading-edge safety technologies, including vehicle body structures made of highly rigid ultrahigh-tensile steel plates that can improve the energy absorption efficiency and the occupant protection structure the Company has developed based on the study of human characteristics to minimize injury to the occupants. Mazda's major safety technologies are described below.

Lightweight, high-rigidity, safer body:
Vehicle body skeletons are constructed of highly rigid ultrahigh-tensile steel plates to securely receive impacts and vehicle body frame structures are designed so that they can efficiently absorb and distribute impact energy transmitted from the front, rear and both sides of the vehicle. Vehicle bodies constructed as above minimize the deformation of the cabin.

Occupant protection:
To reduce injuries to the occupants, Mazda has developed various human characteristic-based injury protection structures and uses them in its vehicles.

Pedestrian protection:
Mazda uses various methods to reduce injury to pedestrians in the event of a collision.

Technologies Used in Mazda3 and subsequent models

The following technologies have been used in the Mazda3, which was launched domestically in May 2019.

Lightweight, High-rigidity, Safer Body

Ultrahigh-tensile steel plate
Compared with the previous model, the percentage of ultrahigh-tensile steel plates having a strength of 980 MPa or more was dramatically increased from approximately 9% to approximately 30%. In addition, Mazda used the world's first* cold-stamped vehicle body structural parts made of 1,310 MPa-class ultrahigh-tensile steel plates.

Frontal collision safety performance
The bumper beam was elongated in the lateral direction and a perimeter beam was newly installed to minimize the damage to the collision partner.

Side collision safety performance
Shock dispersion type hinge pillars and rear body structures were used to securely receive the collision impact, thereby minimizing the deformation of the cabin.

Occupant Protection

Front seat
The rigidity of seat frames was increased and the cushion side frames was constructed so that they can absorb collision impact force. The above design modification is designed to reduce the injury to occupants' neck by constraining the heads at the initial stage of a rear-end collision and, at the same time, suppressing the reaction of the seat back when it returns from a backward tilted position to the original position.

Seatbelt
The front seatbelt was reconstructed so that the lap anchor can be attached to the seat. This minimizes the slacking of the belt even after the occupant moves the seat to any longitudinal position, making it possible to help quickly secure the occupant's body to the seat in the event of a collision.

Driver's seat knee airbag
Mazda installed driver's seat knee airbags for the first time. If a collision occurs, these airbags will deploy around the driver's knees to help limit the forward movement of the driver, thereby reducing injuries to his/her chest, belly, and legs.

Front side airbag
To reduce the impact load that will be applied to the occupants' ribs and their neighboring areas which are sensitive to collision impact force, Mazda used airbag systems (two-chamber type) that were designed after taking into account the load bearing performance of the human body.

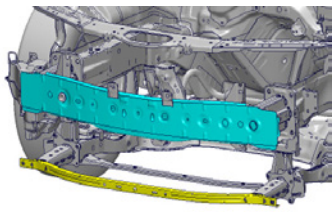
Pedestrian Protection

Head protection measures
To reduce the impact force and injury to a pedestrian when his/her head hits the bonnet (hood) in the event of a collision, Mazda optimized the distance between the outer and inner panels of the bonnet and the impact absorption structure of the inner panel. The above design modification enables the bonnet to absorb large energy at the initial stage of a collision with the pedestrian's head and to softly and uniformly receive the head after the collision.

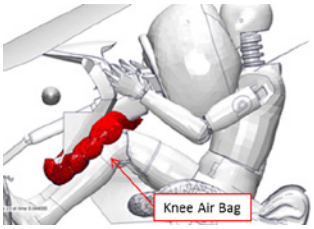
Leg protection measures
The upper and lower legs of the occupant are supported by the face upper and the lower stiffener, respectively, to prevent the legs from bending like a bow, thereby reducing damage to the ligaments and knees in the event of a collision.

Lightweight, high-rigidity, safer body

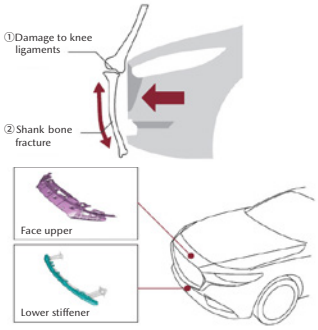
Front body structure



Driver's seat knee airbag



Leg protection measure



* As of January 2019, according to Mazda data

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 November 2021)

		Demio/ Mazda2	Mazda3	Atenza/ Mazda6	CX-3	CX-30	CX-5	CX-8	CX-9	MX-30	Roadster/ MX-5
Japan	J-NCAP*1 (Collision Safety Performance Tests)	5-Star (2014-2015)	—*6	5-Star (2013-2014)	5-Star (2015-2016)	—*6	5-Star (2017-2018)	5-Star (2017-2018)	—*5	—*6	—*6
	J-NCAP*1 (Advanced Safety Vehicle (ASV) Technology Assessment)	ASV+ (2014)	—*6	ASV+++ (2018)	ASV+++ (2018)	—*6	ASV+++ (2018)	ASV+++ (2018)	—*5	—*6	—*6
US	US-NCAP*2	—*5	5-Star (2021MY)	5-Star (2021MY)	5-Star (2021MY)	5-Star (2021MY)	5-Star (2021MY)	—*5	5-Star (2021MY)	—*6	—*6
	IIHS*3	—*5	21TSP+	21TSP+	21TSP+	21TSP+	21TSP+	—*5	21TSP+	—*6	—*6
Europe	Euro-NCAP*4	4-Star (2015)	5-Star (2019)	5-Star (2018)	4-Star (2015)	5-Star (2019)	5-Star (2017)	—*5	—*5	5-Star (2020)	4-Star (2015)

Change in rating in the last three years*7

		2019	2020	2021
Japan J-NCAP*1 (Collision Safety Performance Tests)	5-Star	5	5	5
	4-Star	0	0	0
US US-NCAP*2	5-Star	4	6	6
	4-Star	0	0	0
Europe Euro-NCAP*4	5-Star	3	4	5
	4-Star	3	3	3

∗1 Japan New Car Assessment Tests: Vehicle collision safety performance evaluations conducted by the National Agency for Automotive Safety and Victims' Aid. For collision safety performance, 5-Star 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-Star Safety Ratings program. 5-Star 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-Star is the highest possible rating.
∗5 Not yet introduced as of the end of November 2021.
∗6 Not evaluated.
∗7 As of the end of November 2021

TOPICS **Mazda Earns the IIHS 2021 Top Safety Pick+ (2021 TSP+) Award, the Highest Safety Rating, for the Second Consecutive Year**

Seven Mazda U.S. specification models,*1 including the 2021 model year's Mazda3 and Mazda CX-5, tested by the U.S. Insurance Institute for Highway Safety (IIHS) have been awarded the nonprofit organization's highest safety rating. The Company won the highest award for the second consecutive year. In addition to conducting crashworthiness tests (including a moderate overlap test, small overlap tests, side crash tests, a head restraints test, and a roof strength test), the IIHS evaluates headlight performance and frontal crash prevention by means of auto-braking and forward collision warning systems.

∗1 2021 model year Mazda3 sedan and hatchback, Mazda6, Mazda CX-3, Mazda CX-30 (built after September 2020), Mazda CX-5 and Mazda CX-3 currently on sale in the U.S.

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 2021, Mazda continued safety-awareness-raising activities that had been conducted since 2017 with the aim of increasing the seatbelt usage rate in cooperation with the Hiroshima Branch of the Japan Automobile Federation (JAF). 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.

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 2021, the Mazda Driving Academy was held five times.

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-Activsens 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 sixth 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
Hiroshima Sandbox	Effective use of communication-type ITS systems and open cloud data to enhance the safety and convenience of public transportation systems and make transportation smoother by realizing priority traffic signal control for public transportation systems, minimizing hazardous events at intersections and other places, and promoting ride sharing by increasing transfer convenience.	Hiroshima Prefecture

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

n Raising awareness of using a seatbelt and child seat

o Driving position lecture

p Experiencing sudden braking

*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.

Mazda's Primary Safety Technologies and Social Activities

(As of November 2021)

	Category	Accident reduction		Injury reduction
		Basic safety (Maximizing the range of conditions in which the driver can drive safely and comfortably)	Preventive safety (Mitigation of risk/damage from an accident)	Collision safety (Minimizing injuries in accidents)
Primary Safety Technologies	Vehicles	Offers the ideal Driving Position ■ Ideal pedal layout ■ Organ-type accelerator pedal Supports both Safety and Driving Pleasure ■ A lightweight cross member with high rigidity ■ Active Driving Display ■ A-pillar/door mirror for improved front field vision ■ Power Windows with Injury Prevention Function ■ G-Vectoring Control Plus (GVC) ■ G-Vectoring Control Plus (GVC Plus) Helps to avoid danger ■ Brake Assist and EBS ■ 4-Wheel Antilock Braking System (4W-ABS) ■ Dynamic Stability Control (DSC) ■ Brake Override System (BOS)	Hazard recognition support ■ Blind Spot Monitoring (BSM)/Rear Vehicle Monitoring (RVM) ■ Front Cross Traffic Alert (FCTA) ■ Rear Cross Traffic Alert (RCTA) ■ Lane Departure Warning System (LDWS) ■ Front Obstruction Warning (FOW) ■ 360 Degree View Monitor ■ Emergency Signal System (ESS) ■ Adaptive Front Lighting System (AFS) ■ High Beam Control System (HBC) ■ Adaptive LED Headlight (ALH) Minimizes damage in an accident [When moving forward] ■ Smart Brake Support (SBS) ■ Advanced Smart City Brake Support (Advanced SCBS) ■ AT Acceleration Control ■ Lane-Keep Assist System (LAS) (Lane Departure Averting Assist) ■ Emergency Lane Keeping (ELK) ■ Driver Attention Alert (DAA) ■ Driver Monitoring (DM) [When reversing] ■ Smart City Brake Support [When reversing] (SCBS-R) ■ Smart Brake Support [When reversing] (SBS-R) ■ AT Acceleration Control ■ Smart Brake Support [Rear side] (SBS-RC) Driving support ■ Mazda Radar Cruise Control (with Stop & Go function) (MRCC) ■ Lane-Keep Assist System (LAS) (Line Trace) ■ Cruising & Traffic Support (CTS) ■ Traffic Sign Recognition System (TSR)	Helps to protect drivers/passengers in accidents ■ Use of Straight Basic Skeleton ■ Continuation Technology/Multi-Load Path Structure ■ Cruciform Section Front Frame ■ Ultrahigh-tensile Steel Bumper Frame ■ SRS Airbag System (Driver's seat, front passenger's seat, curtain, front-side airbags and driver's knee) ■ Soft Interior to Absorb Impacts ■ Front Seats Designed to Reduce Impacts to the Neck / Rear Seats that Resist against Luggage Flying Forward ■ Pre-Tensioners and Load-Limiter Seatbelts ■ Collapsible Brake Pedal ■ ISO-FIX-Compliant Child Seat Anchoring point ■ Impact-Absorbing Steering Column Minimizes damage in an accident with pedestrians ■ Impact-Absorbing Bumpers ■ Impact-Absorbing Hood ■ Active Hood
Social activities	People	Safety Education		
		■ Presentation of safety technologies at various events		
	Roads and Infrastructure	Initiatives for a Safe society		
		■ Development of Advanced Safety Vehicles (ASVs*1) ■ Road-Vehicle Communication ITS (ITS Connect, Hiroshima Sandbox)		

*1 ASV: Advanced Safety Vehicle

CREATING A SYSTEM THAT ENRICHES PEOPLE'S LIVES

Mazda aims to build a model of social contribution that will enrich lives by offering safe, secure and unrestricted mobility to people everywhere. The Company is also committed to improving its brand value by making active regional contributions through automobiles.

Social Contributions Capitalizing on the Strength of a Vehicle Manufacturer

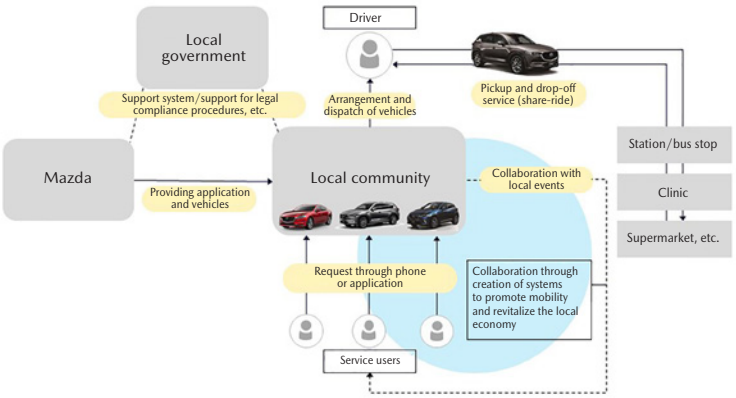
Mazda promotes various initiatives to help resolve social issues, taking advantage of technologies and skills that the Company has cultivated thus far. While valuing dialogues and co-creation with its stakeholders, Mazda aims to achieve sustainable development of society.

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 cooperation 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. Through this testing, 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



Helping Disaster Evacuees Spend the Night in a Car a

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.

a Mazda original emergency kit for spending the night in a car

Contribution to Society

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

b

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 (see pp. 89–90).

b Three Pillars in Basic Policy on Social Contribution Initiatives

Promotion Framework

c

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 (see p. 10).

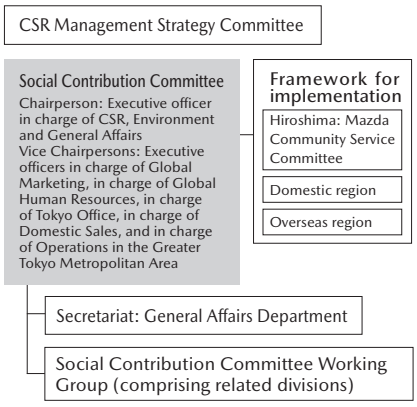
The details of the actual activities are considered by a Working Group comprised of related divisions.

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 2021 Major Results:

- Carried out over 420 activities[*2] in Japan and overseas[*3] (cost of social contribution activities: around 2.87 billion yen in FY March 2021).
- 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.

c Promotion Framework



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 corporate values, and 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.)

*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: Monetary donation, goods donation, facility sharing, employee participation and dispatch, voluntary programs, and support for disaster-stricken areas.
*3 "Social Contribution Initiatives" on the official website https://www.mazda.com/en/sustainability/social/

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 7th Annual Mazda Social Contribution Prize
  The FY March 2021 prize winning activities were selected from the social contribution activities introduced in the Mazda Social Contribution Activities Report*1 (which covered the period from April 2019 through March 2020).

d The 7th Annual Mazda Social Contribution Prize

	Activity name
Grand Prize	Accepting Field Trips [Mazda Logistics Co., Ltd.]
Special Prize	Supporting Youth Soccer Competitions [Hofu Plant]
Honorable Mention	Programming Class with Hirojiren [R&D Technical Administration Div.]
Honorable Mention	School Bag Project [Mazda Southern Africa (Pty) Ltd.]

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 (see p. 67), etc.)
- Enabling employees to take leave for activities (volunteer leave such as the Special Warm Heart leave system [see p. 67], etc.)
- Providing volunteer training opportunities

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), etc.

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 2021
Japan	Mazda Foundation http://mzaidan.mazda.co.jp (Japanese only)	Support activities to promote science and technology and the sound development of youth.	1984	Around ¥48,800,000
U.S.	Mazda Foundation U.S.A. (MFUS) https://www.mazdafoundation.org/	Provide funds to various initiatives for education, environmental conservation, social welfare, cross-cultural understanding, etc.	1990	Around US$444,000
Australia	Mazda Foundation Australia (MFA) http://mazdafoundation.org.au/	Provide funds to various initiatives, including education, environmental conservation, technology promotion, and welfare.	1990	Around A$666,000
New Zealand	Mazda Foundation New Zealand (MFNZ) https://mazdafoundation.org.nz/	Provide funds to various initiatives, including education, environmental conservation, and culture.	2005	Around NZ$196,000
South Africa	Mazda South Africa https://www.mazda.co.za/mazda-foundation/foundation/	Provide funds to various initiatives, including education, career development, technological development, and environmental conservation.	2017	Around R1,124,000

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

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/
Raising Environmental Awareness among Children

Environmental events and onsite lectures are held to raise environmental awareness among elementary and junior high school students as well as their parents and guardians.
In cooperation with the Mazda Specialist Bank, Mazda dispatched lecturers to the Environmental Learning in Collaboration with Companies, hosted by Hiroshima City, and other events held through industry-academia-government collaboration. These lecturers talked about Mazda's initiatives, in view of the future global environment, on such themes as "Environmentally Friendly Vehicle Manufacturing."

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. Since 2008, in cooperation with the trust, the Mazda Foundation New Zealand has been participating in the "TREEmendous" project to work with schools to assist them in the development of hands-on learning that incorporates outdoor areas into the curriculum.

[Safety]

Japan/
Raising Traffic Safety Awareness

Mazda dispatches instructors to present lectures on safety at local community centers and other venues. The lectures are organized in response to the requests of senior citizens living in areas where transportation by car is a necessity. Mazda employees involved in the development of collision performance serve as instructors to introduce to local people the actual circumstances of traffic accidents, safety measures that drivers can put into immediate practice, and the latest safety technology.

Japan/
Raising Traffic Safety Awareness

During the Road Safety Week, local dealerships have 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.

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.

[Human Resources Development]

Japan/
Promoting Children's Education

Mazda cooperates with the Hiroshima Council of Automotive Industry-Academia-Government Collaboration (Hirojiren), which supports fostering the next generation of innovators, in providing programming education at elementary schools, which has become compulsory since FY March 2021. In collaboration with Hirojiren, Mazda assists the neighboring elementary schools of its headquarters (Hiroshima) in offering programming classes.

Thailand/
Supporting Development of the Learning Environment

To support children and adults in communities affected by the impact of the COVID-19 pandemic, Mazda Sales (Thailand) Co., Ltd. (MST) launched the Mazda Caravan Sharing Happiness project and conducted the Mazda Caravan Punsuk 2020 program in four provinces across Thailand. Using Mazda cars for transportation, employees distributed stationery, sports equipment, and scholarships in each local area.

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

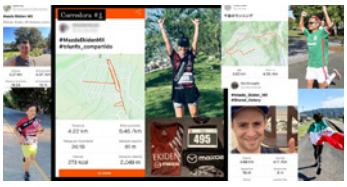
[Community Contributions]

Japan/
Donation of Vehicles

Mazda contributes to community revitalization, making effective use of the Hiroshima Municipal Baseball Stadium (Mazda Zoom-Zoom Stadium Hiroshima), for which Mazda acquired the naming rights. For each one million stadium visitors, the Company donates one Mazda vehicle to a social welfare organization. The cumulative number of visitors reached 21 million in November 2020. Accordingly, one vehicle was donated to an organization in Hiroshima City. As of FY March 2021, Mazda had donated a cumulative total of 21 vehicles.

Mexico/
Holding an Ekiden Road Relay Race

Since 2016, Mazda de Mexico Vehicle Operation (MMVO) has held the Mazda Ekiden road relay race to promote Japanese culture in the region and provide a space where employees, their family members, and local residents can spend quality time together. In FY March 2021, amid the COVID-19 pandemic, the Ekiden road relay race was held online with not only participants from Mexico but also those invited from other countries.



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

QUALITY IMPROVEMENT

Basic Approach

Toward the realization of its Corporate Vision, 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.

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 makes Group-wide 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. Building special bonds with customers—cultivating human resources capable of considering and acting toward the happiness of customers

Vision for Quality Assurance

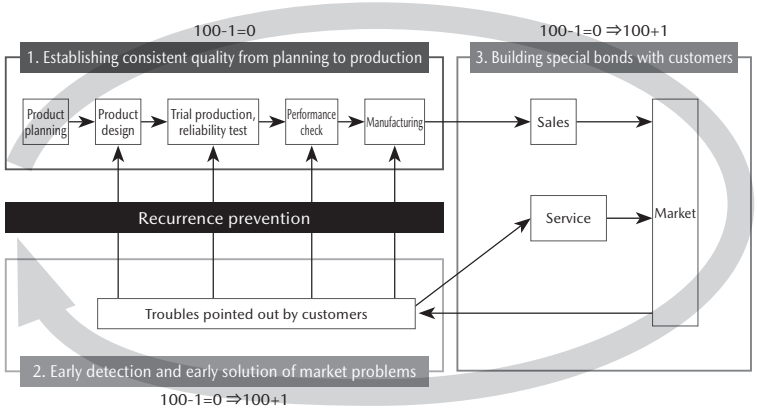
Vehicle production based on the "100−1=0" belief

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. Building special bonds with customers:
   Mazda aims to build special bonds of ever-lasting trust with its customers by keeping contact with customers in good faith and with a sense of commitment to them ("100−1=0" ⇒ "100+1").
   Toward this goal, the Company promotes human resource development by encouraging every employee to think about what they should do to make customers happy and to act accordingly.



a Mazda Quality Policy

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 Quality Management System (M-QMS*1) b

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.

1. 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.

Establishing Stable Quality c

Not only to improve the performance of products but also to enhance the quality of new technologies including the initiatives to address environment issues, 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 driving pleasure through its products, Mazda identifies the functions and performance that embody "driving pleasure" for each stage from before getting in the car to after starting driving, so as to enhance consistency in establishing quality.

Monotsukuri Innovation

Looking five to 10 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.

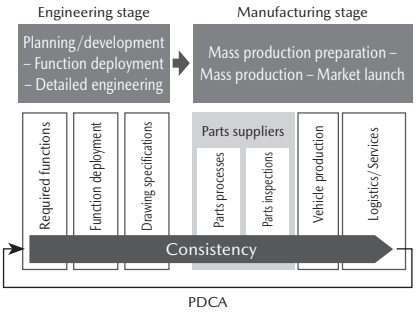
Through *Monotsukuri* Innovation, the Company's products since the CX-5, launched in 2012, and Skyactiv Technology have achieved improved efficiency in terms of both product development and manufacturing facility investment as well as significant improvements in vehicle costs. Through design based on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

b Acquisition of ISO 9000 series

Year of acquisition	Types of ISO certification	Certified organization, product, service, etc.
1994	ISO9002*1	Mazda Motor Corporation: Vehicles produced at Hiroshima Plant and Hofu Plant (First to be certified as Japanese automaker)
1996	ISO9001	Mazda Motor Corporation: Engineering, product development, manufacturing and after-sales service
2001	ISO9001	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	TS16949 (ISO9001 Sector certificate)	Changan Mazda Automobile Co., Ltd., Changan Ford Mazda Engine Co., Ltd. (now Changan Mazda Engine Co., Ltd.)
2015	ISO9001	Mazda de Mexico Vehicle Operation, Mazda Powertrain Manufacturing (Thailand) Co., Ltd.
2016	ISO9001: 2015	Mazda Sollers Manufacturing Rus LLC
2018	ISO9001: 2015	Mazda Motor Corporation: Head Office, Hiroshima Plant and Hofu Plant, Mazda de Mexico Vehicle Operation, Auto Alliance (Thailand) Co., Ltd.
	IATF16949: 2016 (ISO9001 Sector certificate)	Changan Mazda Automobile Co., Ltd., Changan Ford Mazda Engine Co., Ltd. (now Changan Mazda Engine Co., Ltd.)

*1 International standard for product and service quality assurance

c Consistent Process Assurance based on Major Characteristics



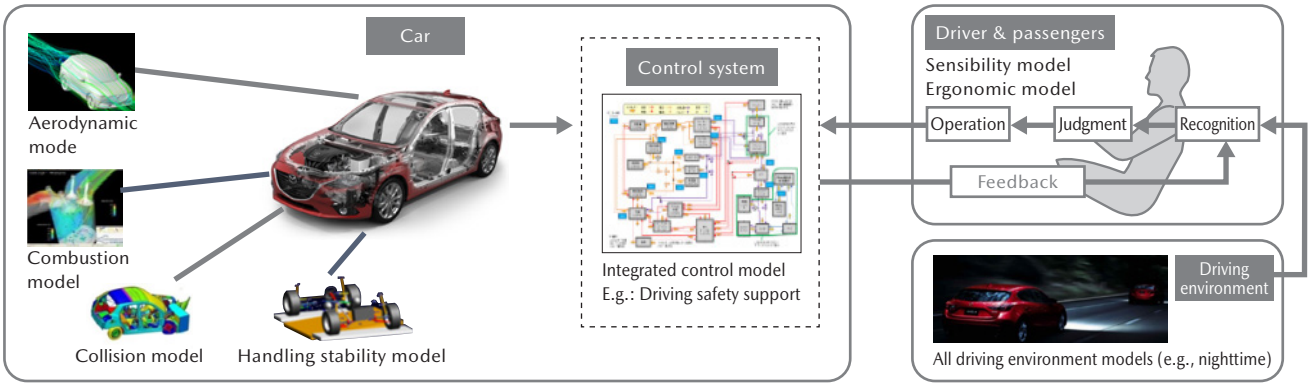
*1 M-QMS: Stands for Mazda Quality Management System
*2 ISO: Stands for International Organization for Standardization. ISO 9001 is a set of international standards for quality management and assurance.

Model-Based Development (MBD) d

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, which seeks to enhance development efficiency by using virtual models across the engineering chain. In September 2021, ten companies became operating members, and the "Japan Automotive Model-Based Engineering center (JAMBE)" was established to spread MBD technology widely to the automobile industry nationwide. Mazda is also participating as one of the operating member companies, and will contribute to improving the international competitiveness of the Japanese automobile industry by realizing the advanced matching development "SURIAWASE 2.0" using models. (see p.102)

d Model-Based Development

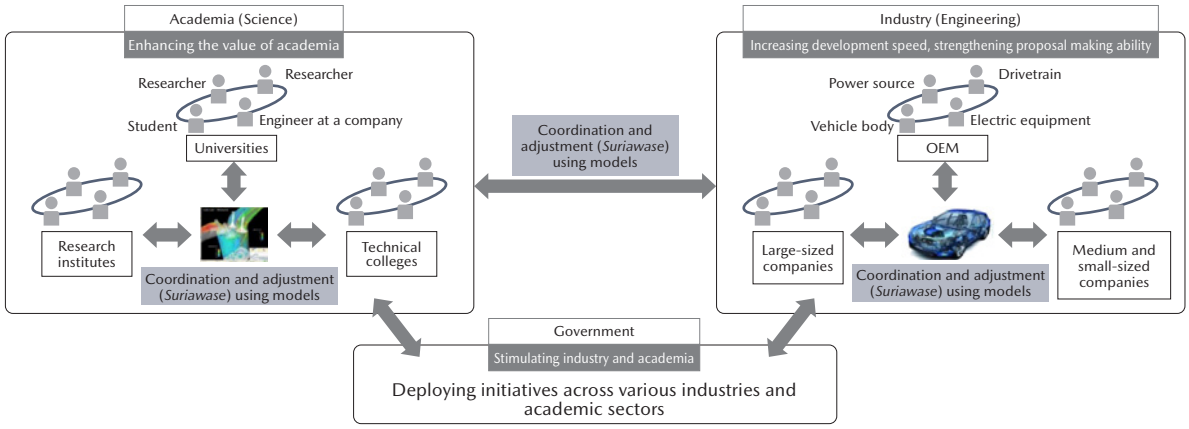
A technique to develop outstanding products by modeling (quantifying) and connecting all four elements of (1) the car, (2) control systems, (3) the driver & passengers, and (4) the environment without using an actual vehicle



What is advanced matching development SURIAWASE 2.0?

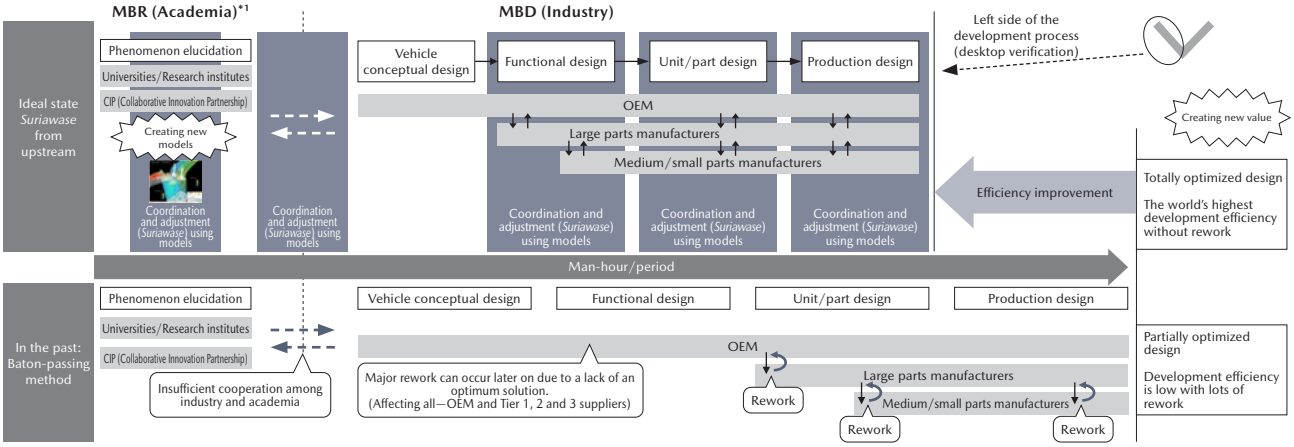
Created based on the SURIAWASE 2.0 concept presented in the materials prepared by the Ministry of Economy, Trade and Industry of Japan in 2017

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 *monotsukuri* 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

Source: Materials for the online forum to commemorate the start of the Japan Automotive Model-Based Engineering center (JAMBE)

Global Quality Assurance

e

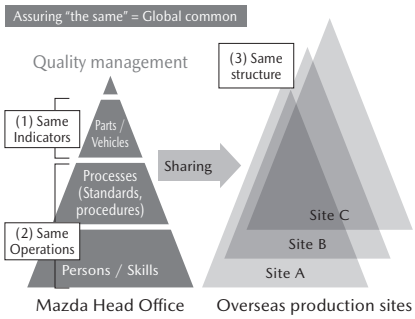
To ensure the same quality on a global scale, Mazda has adopted the "global common" concept, under which overseas production sites establish the same quality by employing the same indicators, the same operations, and the same structures as those of the Mazda Head Office. With the aim of achieving and 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 a new joint-venture plant in Alabama, the United States, which commenced mass production of a new model in January 2022.

Quality Assurance after Shipment

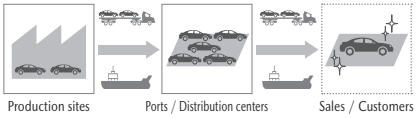
f

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.

e Initiative for Global Quality Assurance



f Consistent evaluation system



2. 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.

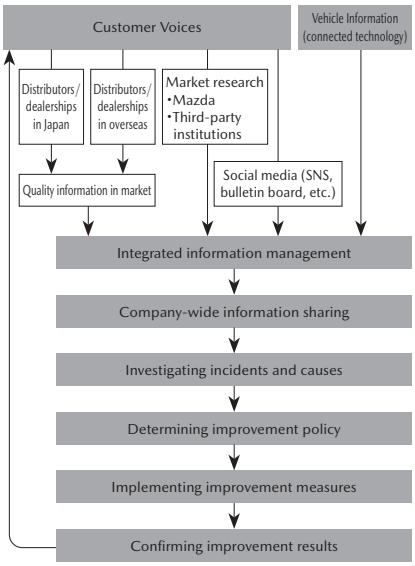
Comprehensive and Speedy Quality Improvement g

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 this manner, Mazda works to achieve comprehensive and speedy improvement. The Company also promotes quality improvement, 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

g Quality improvement system



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

*1 Recall procedures may vary among countries/regions.

3. Building Special Bonds with Customers —Cultivating Human Resources Capable of Thinking and Acting for the Happiness of Customers

To encourage every employee to think about what they should do to please customers and to act accordingly, Mazda places emphasis on cultivating a customer-oriented corporate culture/mind. Specifically, the entire Mazda Group is committed to promoting quality awareness-raising activities, quality control education, and QC (Quality Control) circle activities.

Under the impact of the COVID-19 pandemic, since FY March 2021, Mazda has continued these activities by shifting to an online format through active introduction of e-learning and video streaming.

<Major Activities>

Quality Awareness-Raising Activities h

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.

Sharing Past Cases i

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 8,700 employees have experienced this initiative.

Quality Control Education j

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.

QC (Quality Control) Circle Activities k

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 50 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 every year at the Mazda Head Office is now participated by QC circles of overseas sites, such as those in China, Thailand, and Mexico.

Training Program to Deepen Employees' Understanding of the Mazda Brand

To enable Mazda employees to explain Mazda's products and communicate the concept of Mazda's *monotsukuri*, or product development and manufacturing, with their own words to Mazda's stakeholders, Mazda offers a training program for employees, designed to help them deepen, through test rides in the latest models, their understanding of not only each product's characteristics but also the spirit and philosophy common in all Mazda products.

4. Results of Quality Improvement Initiatives

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

FY March 2021 Results (April 2020 – March 2021)

Country	Name of the Study	Vehicle Type and Rankings	Name of Company
U.S.	Reliability/Road Test by Consumer Reports	2021 Automobile Brand Ranking: 1st CX-30: 1st in subcompact	Consumer Reports
Japan	2020 Automotive Performance Execution and Layout (APEAL)*1	CX-5: 3rd in midsize	J.D Power

*1 The J.D. Power 2020 Japan Automotive Performance Execution and Layout (APEAL) is based on responses from around 20,000 purchasers of new cars.
The study was fielded between May and June 2020.

h Quality meeting materials


第６１回品質月間　品質統括役員メッセージ　2020. 11. 2

『私の品質に対する思い』

品質統括 専務執行役員　髙須田 清孝

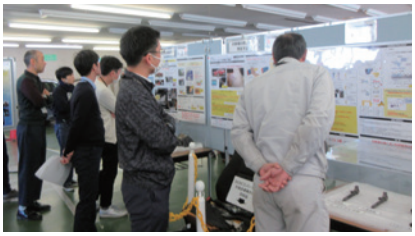
皆さん、おはようございます。
第61回　品質月間が11月1日から始まりました。
昨年度より、各担当役員の皆さんの『品質に対する思い』をメッセージとしてお伝えする取組みをスタートしていますが、この機会に改めて、品質統括役員として私の思いをお伝えしたいと思います。

中期経営計画の目標達成に向けて、この3年間は、成長投資を継続しつつ、働き方を見直し、効率化を図りながら、将来の新たな危機においても存続し、成長できる強い企業体質の実現に向けた取り組みを定着させる重要な期間です。業界を取り巻く環境は着しく変化し、技術進化により自動車の制御システムは複雑化すると一方、お客様のクルマに対するご期待はますます高まり、お客様の安心・安全に企業が より責任を持たなければなりません。マツダのブランド価値を高めていくためには、『品質』でお客様に感動頂き、万が一ご迷惑をお掛けしても、それを『信頼』に変えていけるよう全力を尽くさねばなりません。

ここで、改めて、『品質』という言葉の意味について考えてみたいと思います。『品質』は、企業がお客様に対して果たすべき責任のうち、最も重要なものであると考えています。私たちがお客様に提供する商品やサービスがお客様の期待に合致しているかどうか、その基準はお客様が決めるものです。従って、私たちはお客様の声を聞き、期待に応え続けなければなりません。
現在、販売店を経由して、お客様の声を市場品質情報として受け取っていますが、その件数は、直近の９月で２２９０件、多い時には３３００件を超える月もあります。品質改善活動は、一歩ずつ向上していますが、リコールやサービスキャンペーン等の市場品質対応のため、販売会社様は繁忙を極めておられます。
私たちはこれらお客様の声に対し、スピード感を持って対応し、販売会社様に顧客体験の向上に集中いただき、販売の質的改善も加速させなければなりません。

以上のような状況を踏まえ、私たちは、これまでの品質向上の取組みに加え、新たな施策に着手してきました。
品質の造り込みについては、開発段階から量産準備段階にかけて、機能の『原則・メカニズム』を把握し、お客様の使われ方を想定し、モデルベース開発を取り入れて、十分な機能検証を市場導入前に完了させておくことを目指して取り組んでいます。市場品質問題の早期解決では、市場から集両を回収し、劣化度合いを調査する活動を開始し、またコネクティッドサービスを活用して、車両の状態を監視しながら、品質問題の予兆を発見する活動にも着手しました。引き続き、これらの活動により、品質の造り込みの強化と、市場品質問題の早期発見、早期解決に取り組みます。
また、今期以降、全社で、よりお客様に寄り添った品質改善を加速する活動をスタートさせます。

i Employees share past cases



j Group-wide Quality Education Courses

	Course	Objective (for FY March 2021)
1	Quality program for freshmen	To understand basic quality control concepts (customer-oriented attitude, continuous improvement efforts)
2	Problem-solving story course	To understand the concept, processes and basic techniques of problem solving
3	Quality management elementary course	To apply the concepts, processes, and basic techniques of problem solving to daily operations, thereby obtaining problem-solving abilities
4	Quality management intermediate course	To become capable of applying and practically implementing specialized quality management techniques
5	Quality Improvement Seminar for Assistant Managers	To reaffirm Mazda's vision for quality assurance, as a team leader

k FY March 2021 All Mazda QC Circle Competition President's Award Hofu Plant Spirit A Circle

EXPLORNG 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 to strengthen ties with existing partners, Mazda will continue to explore new partnerships-even outside the auto industry.

Open innovation a

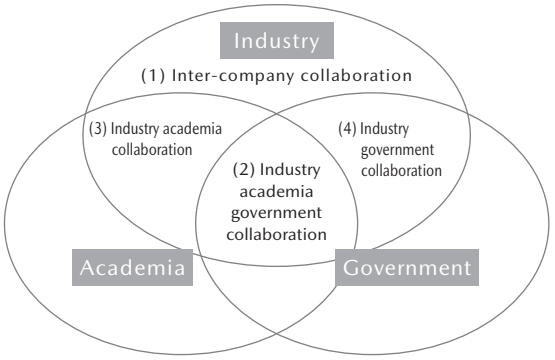
Mazda has promoted collaboration with companies, universities and government authorities, aiming to efficiently resolve business issues by obtaining new knowledge from outside the Company and to achieve the sustainable growth of society and businesses (open innovation).
The business environment in which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

a Objectives of opening 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 *monotsukuri* or product development and manufacturing (share knowledge and skills), and enhance regional empowerment

System diagram of open innovation



(1) Inter-company collaboration	Collaboration with automakers and suppliers
(2) Industry-academia government collaboration	Collaboration with local governments and companies (Hiroshima Council of Automotive Industry-Academia-Government Collaboration)
(3) Industry-academia collaboration	Joint research with universities Collaboration with government institutions and research institutions (participation in national projects)
(4) Industry-government collaboration	Participation in technology exhibitions organized by government authorities (dissemination of needs and seeds) Others (Model Based Development, Research Association of Automobile Internal Combustion Engines (AICE))

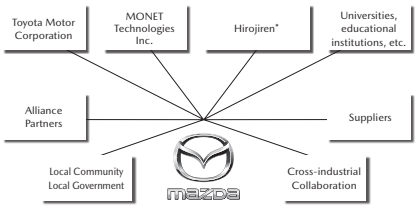
(1) Inter-company collaboration b

Mazda has been promoting inter-company collaboration with other automakers and suppliers 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] (For examples in the environmental area, see p.33.)
March 2019: Participated in D-Call Net*1
June 2019: Concluded a capital and business partnership agreement with MONET Technologies Inc.*2
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*3

b Partnership strategies



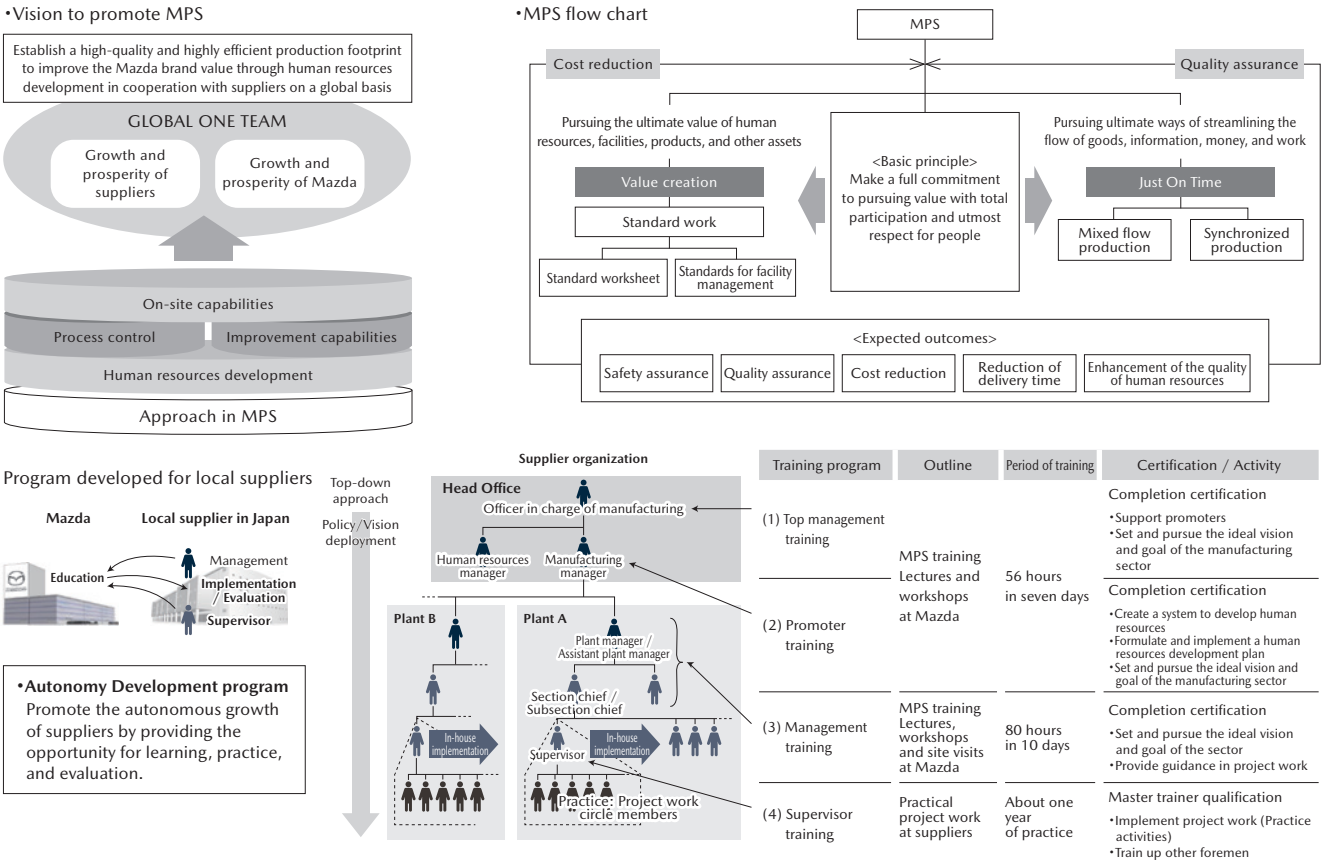
* Hiroshima Council of Automotive Industry-Academia-Government Collaboration

*1 An advanced automatic collision notification system that uses vehicle connectivity technology.
*2 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.
*3 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.

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

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 J-ABC program as a foregoer 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 17 suppliers (as of September 2021), with an MPS (Mazda Production System) Master Trainer appointed from one of those suppliers to lead other supervisors toward full in-house implementation of the program.

C Conceptual diagram of the Mazda Production System (MPS)



Training program	Outline	Period of training	Certification / Activity
(1) Top management training	MPS training Lectures and workshops at Mazda	56 hours in seven days	Completion certification •Support promoters •Set and pursue the ideal vision and goal of the manufacturing sector
(2) Promoter training			Completion certification •Create a system to develop human resources •Formulate and implement a human resources development plan •Set and pursue the ideal vision and goal of the manufacturing sector
(3) Management training	MPS training Lectures, workshops and site visits at Mazda	80 hours in 10 days	Completion certification •Set and pursue the ideal vision and goal of the sector •Provide guidance in project work
(4) Supervisor training	Practical project work at suppliers	About one year of practice	Master trainer qualification •Implement project work (Practice activities) •Train up other foremen

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. A total of 20 local suppliers participate in this network at the five overseas production sites of 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). MPS Master Trainers have already been appointed from three suppliers of MMVO.

(2) 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.

In FY March 2019, a research program proposed by Hiroshima Prefecture was selected to receive a subsidy under the Cabinet Office's Project for Revitalization of Local Universities and Regional Industries.*2 As part of the program, the Digital Monozukuri (Manufacturing) Education Research Center was established in Hiroshima University. The center started R&D activities to create innovative multifunctional composite materials and a smart system using data-driven control technology and sensing technologies, with a view to social implementation of these inventions.

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 *Monotsukuri* (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.

d Digital Monozukuri (Manufacturing) Education Research Center

*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 organization 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: Masamichi Kogai, Senior Advisor to Mazda Motor Corporation

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 980 students at 16 schools).
Co-creation and technology exchange with suppliers	① Local companies co-creation subcommittee ② Industry-academia collaboration subcommittee ③ Administrative organs collaboration subcommittee	① NVH performance assessment of a benchmark vehicle, and research on a lightweight frame structure ② Innovation training ③ Review of the creation of collaboration synergies and the next-generation vision
Studies on future energies	Demonstration testing of next-generation biodiesel vehicles at the Energy Work Group	Demonstration testing of vehicles fueled by next-generation biodiesel made of algae and used cooking oil is now under way to explore the potential of biomass-derived, carbon-neutral liquid fuel, known as a future energy source for automobiles, and the possibilities for its practical applications.
Research and development of internal combustion engines	Applying the combustion research results to product development	The combustion research results achieved through the Hiroshima University-Mazda joint study course on next-generation automotive technology were utilized in the development of the next-generation Skyactiv-X gasoline engine. Model-Based Development (MBD)*1 advanced in the field of combustion and catalysts.
Research and development in KANSEI (sensibility) field	① Sensibility-based *monotsukuri* (product development and manufacturing) in collaboration with local communities ② Joint research on sensibilities with local suppliers ③ Overall coordination of sensibility activities by relevant local groups	① Created a technology that quantifies places where human eyes are focused (real-time saliency mapping) and a method that measures the sense of anxiety, and had them tried at various companies toward social implementation. The hands-on experience of real-time saliency mapping was provided at the Future Vehicle Technology Experience Workshop (held in November 2019). ② Gained a new insight on integrated texture of car interior and smart designing of car space (space innovation) by analyzing the results of real-time saliency mapping of car interior parts conducted on general subjects and clarifying the sensitivity of passengers to the parts. ③ Deployed sensibility technology in the food industry in Hiroshima Prefecture, including establishing its protocol toward the development of new product package.
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 past six years since FY March 2017, a cumulative total of 6,297 individuals participated in the training (as of January 2021). 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.

Initiative to Develop Human Resources: Implementing Internship Programs

As an effort for human resource training through industry-academia-government collaboration, Mazda provides internships for technical college and university students. Since FY March 2016, Mazda has improved the organizational relationship with the schools to provide a program with different levels that cover students from lower grades up to the doctorate level. This is provided as a place of self-training with a focus on the foundation of innovative human resources, that is, high ambition and practical skills. Students can nurture their own ambition and dreams through the corporate ambition and philosophy, and improve their practical skills through co-creative work and practical training. Although no internship programs were implemented due to the COVID-19 pandemic in FY March 2021, Mazda began to support various projects in collaboration with the Employment and Labor Policy Division of the Hiroshima prefectural government, such as a project using human resource development tools developed by Mazda and local universities' projects to hold startup seminars and company visits.

e A scene from a FY March 2020 internship program

(3) 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.

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 https://isma.jp/en/	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 http://www.thermat.jp/english/	Research on technology to make use unused energy*1 released as thermal energy into the atmosphere

＊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

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.

University	Collaboration outline	Measures and activities
Hiroshima University	Next-generation automotive technology joint study course (since April 2015) Mazda has set up five joint study courses with the university (e.g., an internal combustion engine lab, the Algae Energy Creation Lab) to find solutions to long-term technological issues and to develop human resources to implement the solutions. Industry-academia collaboration activities have been promoted to enable Hiroshima to lead Japan in *Monotsukuri* (product development and manufacturing) through human resources development and research and development based on Model-Based Research (MBR) and Model-Based Development (MBD). 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 global sustainable development goals (SDGs) through collaboration with Hiroshima University and local communities and participation in national projects, etc.	Opened next-generation automotive technology joint-study course (in April 2015) ・Internal combustion engine lab (opened in April 2015) ・Aerodynamics lab (opened in July 2016) ・Advanced materials lab (opened in October 2016) ・Algae energy creation Lab (opened in April 2017) (see p. 33) ・Model based development lab (opened in April 2019) Comprehensive collaboration agreement (since February 2011) Proactively conducted joint research, from exploring research themes to finding solutions. Also cooperated in examining the ideal form of internship, and decided the method of accepting interns and setting themes for human resources development. Regional empowerment and open innovation Participated in the Co-Creation Consortiums in the Material Model Based Research Division and the Data-Driven Smart System Division of the Digital Monozukuri (Manufacturing) Education Research Center (see p. 100).
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.	In FY March 2021, held a co-creation seminar that conducted formative activities on the theme "Tokimeki (heart throbbing)."
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 April 2019).
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.	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 essential technologies and human resources that are necessary to realize a super smart society (Society 5.0). Mazda has contributed to integrating physical-space technology and cyberspace technology toward a connection between people, the earth and society and to providing education about a combination of the most advanced sciences and technologies, including quantum science and artificial intelligence. Membership system (from April 2020) In April 2020, Tokyo Tech's Industry Liaison Member system shifted to the Membership system. Mazda pursues comprehensive information sharing and collaboration with the institute. Comprehensive Security Protection Agreement (from October 2016) The agreement defines comprehensive security protection rules that apply to technical consultation and other occasions.	Mazda's participation in Tokyo Tech's Super Smart Society Promotion Consortium (from October 2018) • Participated in matching workshops for exchange of information about research seeds and companies' needs, held twice a year, to provide support for education about the integration of cyberspace and physical space • Conducted joint research utilizing big data, machine learning, etc. Membership system (from April 2020) • Assisted in materializing joint research projects, held free seminars, etc. Comprehensive Security Protection Agreement (from October 2016) • Simplified the procedure for security protection during technical consultation

TOPICS **Mazda Receives the JSME Education Award**

Mazda received the Japan Society of Mechanical Engineers (JSME) Education Award for its joint research with Hiroshima University aimed at designing and implementing a curriculum for Model-Based Development (MBD) education. This award was given to Mazda in recognition of its contribution to developing a cumulative total of over 1,500 human resources not only within Mazda but also at many other local companies. The Company achieved this by offering MBD Human Resource Training in 2016 and MBD Process Training in 2017, the latter of which was developed through industry-academia-government collaboration led by the Hiroshima Council of Automotive Industry-Academia-Government Collaboration, and by publishing a learning material based on the above mentioned curriculum in 2018 to solve the challenge of ensuring wider spread of the concept of MBD among engineers involved in product development. Mazda will continue to strengthen its partnerships with various universities to further contribute to society.

(4) Industry-government collaboration

Mazda efficiently promotes cutting-edge joint research and shares needs and seeds with suppliers through collaboration with government authorities.

Business Matching Meetings for Suppliers and Universities (Collaboration with Administrative Organs)

Mazda organizes business-matching meetings in collaboration with the local administrative organs, in which information on technological needs and seeds was exchanged between suppliers, universities and public research institutes.
FY March 2021 activity
Organized an event to share information about Mazda's needs with the National Institute of Advanced Industrial Science and Technology (AIST), including divisional meetings aimed at exchanging information about specific technological fields.

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[*1] 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,[*2] an international standardization organization, jointly announced these guidelines to the world, as international rules originating from Japan.
In this study group, the Company takes full advantage of its 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.

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[*3]), a new joint research organization 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 toward zero CO_2, zero emissions 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.

*1 SURIAWASE 2.0 is 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. https://www.meti.go.jp/english/press/2018/0404_001.html
*2 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.
*3 Research Association of Automobile Internal Combustion Engines, participated in by nine Japanese auto manufacturers and two organizations (as of April 2021).

MANAGEMENT

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

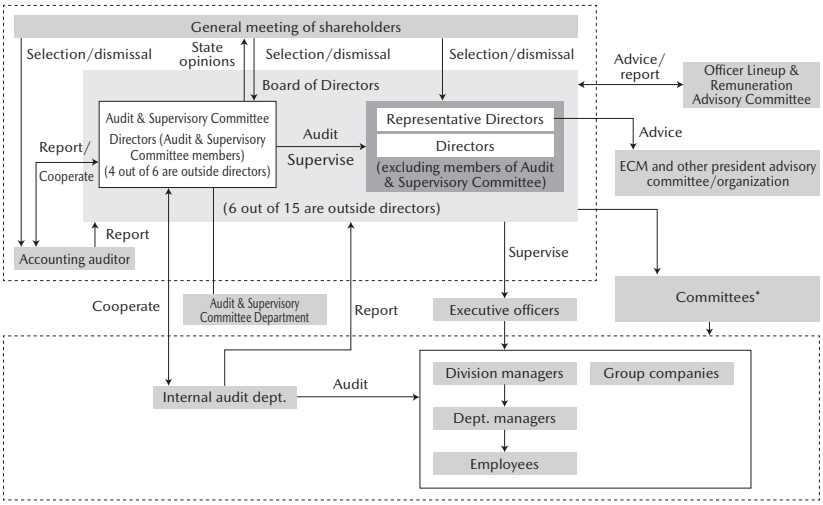
CONTENTS

MANAGEMENT

Corporate Governance a b

Mazda respects the purport of the Corporate Governance Code formulated by the Tokyo Stock Exchange and, while working to build a good relationship with its stakeholders, including shareholders, customers, suppliers, the local community and its employees, the Company strives to sustain growth and enhance its corporate value over the medium and long term through transparent, fair, prompt and decisive decision-making and to continue to enhance its corporate governance. The Company's surrounding business environment is undergoing rapid changes. In order to enable faster business decision-making, further enhance discussion of management strategies and strengthen supervisory functions of Board of Directors' meetings, Mazda has adopted a Company with an Audit & Supervisory Committees structure.

a Corporate Governance Framework



* Health & Safety Committee, Quality Committee, Risk & Compliance Committee, Human Rights Committee, Security Export Control Committee, etc.

b For detailed information, please see the following.

■ Corporate Governance Report
https://www.mazda.com/en/investors/library/governance/

■ Annual Report 2021
https://www.mazda.com/en/investors/library/annual/
・Officers' areas of responsibility, profiles, etc. (pp.64-65)
・Officers' compensation (p. 68)

■ Company Outline
https://www.mazda.com/en/about/profile/executive/
・Officers' areas of responsibility

■ Securities Report (Japanese only)
https://www.mazda.com/globalassets/ja/assets/investors/library/s-report/files/f_repo210625.pdf
・Corporate governance, etc. (pp. 32-48)

Corporate Governance Framework c

Board of Directors

The Company's Board of Directors deliberates and makes decisions on items related to the execution of important business, such as management strategy and basic management policies, and supervises the execution of individual directors' duties. In addition, in order to facilitate quick and flexible decision-making, based on the Articles of Incorporation, a substantial part of decision-making regarding the execution of important business will be delegated to management, and executive directors including and below the president to whom authority has been delegated based on the Company's rules of administrative authority will make decisions regarding these matters. The board is made up of 15 directors, six of whom are highly independent outside directors.

Audit & Supervisory Committee

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

Accounting Auditor

Accounting audits are conducted by KPMG AZSA LLC.

c Numbers of Directors in Board of Directors and Audits & Supervisory Committee

Directors*	Number	9 (Inside Directors:7, Outside Directors: 2), including 1 female director
Directors who are members of the Audit & Supervisory Committee	Number	6 (Inside Directors:2, Outside Directors: 4), including 1 female director
Total number of Directors	Number	15 (Inside Directors:9, Outside Directors: 6), including 2 female directors
	Ratio of Outside Directors	40%
	Ratio of Female Directors	13.3%

* Excluding directors who are members of the Audit & Supervisory Committee.

Executive Officer System

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.

Officer Lineup & Remuneration Advisory Committee

The Company established the Officer Lineup & Remuneration Advisory Committee, made up of three representative directors and six outside directors and chaired by a representative director, as an advisory body to the Board of Directors. The committee reports to the board of directors the results of its deliberation on matters such as officer lineup and policies regarding the selection and training of directors, as well as remuneration payment policies and the remuneration system and process based on those policies, which contribute to the Company's sustainable growth and raising of corporate value in the medium and long term.

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

Executive Committee Meetings, etc.

In addition to the general meeting of shareholders and meetings of the Board of Directors, the Audit & Supervisory Board and other bodies designated by law, Mazda holds executive committee meetings to report information necessary for debate on important companywide policies and initiatives and business management as well as advisory bodies, to contribute to decisions by the president.

Support System for Outside Directors

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

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

Analysis and Evaluation of the Effectiveness of the Board of Directors

Mazda analyzes and evaluates the effectiveness of the Board of Directors in order to steadily advance measures for the further enhancement of the board's efficiency. In this initiative, based on a survey prepared by the board's secretariat, all of the directors evaluate the board's effectiveness. After the results are compiled by the secretariat, an analysis of the current situation is shared at a board meeting, and the ideal to be pursued and improvements are discussed.

In FY March 2021, the survey primarily covered the constitution of the Board of Directors, debate on the business strategy, debate on compliance and internal control, the provision of information (the amount of information, materials, explanations, and support for outside directors), and involvement in the debate. Additionally, results were inspected regarding the objectives of the transition to a Company with an Audit & Supervisory Committee, namely improved management decision-making speed, enhanced deliberation among the Board of Directors, and the strengthened supervisory function of the Board of Directors. Consequently, it was found that members of the Board of Directors were properly involved in determining the Company's business strategy and share an understanding of its content, that outside directors and corporate auditors expressed their opinions from an independent perspective after gaining an understanding of the Company's situation by receiving explanations of resolutions in advance and other forms of support, and that the oversight function of the execution of operations was ensured. Additionally, it was confirmed that the business strategy and other 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, and that active discussion was conducted without any problems even in an online meeting environment (Web conference) due to the COVID-19 pandemic. However, it was confirmed that although some improvements were observed compared with the previous year, initiatives are necessary to further improve and strengthen areas such as the monitoring of the business strategy and other important matters, as well as thorough discussion of risks and profitability.

The Company will analyze and evaluate the board's effectiveness annually and continue to make improvements in order to enhance corporate value over the medium and long term.

Cooperation among Parties Responsible for Auditing

d

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

d Status of cooperation

- Meeting between Audit & Supervisory Board members (full time) and the auditing company
- Meeting between Audit & Supervisory Board members (full time) and the Mazda's auditing department
- Three-party meeting among Audit & Supervisory Board members (full time), the auditing company, and the Mazda's auditing department

Group Governance

To achieve comprehensive development of business, sustainable and stable growth, and proper governance as a group, Mazda has established and disseminated the Group Company Management Regulations to all its Group companies.
In the Mazda Group, each Group company has established a corporate governance framework in accordance with the Regulations as well as the laws and regulations of the relevant country, with the aim of enhancing cooperation between Mazda and the Group companies.

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 (full time), the Audit & Supervisory Board members (full time) of the Group's large companies and the appointment of each Group company's part-time corporate auditors from among Mazda middle managers, Mazda aims not only to reinforce each Group company's governance framework but also to strengthen ties between Mazda and its Group companies.

Overseas

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.

Internal Auditing

e

The internal auditing departments of Mazda and its Group companies collaboratively conduct internal audits for the purpose of ensuring sound and efficient management. In June 2020, the Mazda Group Basic Internal Audit Regulations were established, which define basic and common matters concerning internal auditing, such as the role, mission, organizational position, and scope of activities. In accordance with the Regulations, Mazda's internal auditing department holds regular meetings with and training sessions online for the internal auditing departments of Group companies in Japan and overseas. In addition, the department also conducts various tasks, such as approval of the internal audit plans of Group companies, receipt of their internal audit reports and follow-up of their improvement activities, thereby ensuring consistency of auditing policies across the Group and gathering audit-related information.
Also, Mazda's internal auditing department evaluates the functions of auditing departments of Group companies and supports their activities with the aim of strengthening internal auditing departments of respective Group companies.
The Mazda's internal auditing department is staffed with those qualified as Certified Internal Auditor (CIA), Certified Information System Auditor (CISA), etc. Members of the department are continuously encouraged to improve their auditing skills, acquire specialized qualifications, and participate in outside training programs and internal workshops.

e Internal auditing in Group companies

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

○Other Group companies in Japan and overseas, and Mazda: Mazda's auditing department conducts audits.

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

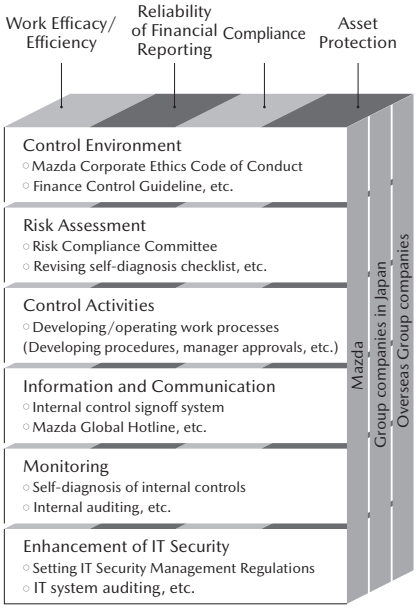
System Auditing

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

Internal controls f

Mazda has established the Mazda Corporate Ethics Code of Conduct (see p. 112), which states action guidelines for employees, the Finance Control Guideline for global financial control, and other guidelines. Based on these guidelines, each department develops rules, procedures, manuals, etc. to promote establishment of internal control. For Group companies, cooperative systems have been established, in accordance with the affiliates' administration rules established by Mazda. The responsible department at Mazda supports training and system improvement for each Group company.

f Mazda Internal Controls



Internal Control Self-Diagnosis

In 1998 Mazda initiated a system of self-diagnosis of internal controls for the purpose of disseminating awareness concerning internal controls. Currently, self-diagnosis is carried out at almost all Mazda Group companies in Japan and overseas. This system enables the supervisors and persons in charge of actually developing and operating the processes and mechanisms, not third parties such as internal auditing departments or auditing companies, to evaluate internal controls using the checklist. Through this system, Mazda's departments and Mazda Group companies find inadequacies in internal controls and take actions to improve them. Mazda's relevant department reviews the checklist and makes necessary revisions while ensuring that any newly found risks will be reflected in the checklist so as to always ensure proper and effective diagnosis.

Implementation of Internal Controls Signoff System

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

Risk Management g h

Mazda makes continuous efforts to identify and reduce various internal and external risks in accordance with the Basic Policy on Risk Management, Risk Management Regulations, and other related internal regulations, so as to ensure continuous and stable progress of business activities. Among the risks identified, considering the level of importance, individual business risks are managed by the department in charge of that business area while company-wide risks are handled by departments that carry out business on a company-wide basis. These departments manage the risks appropriately, following the PDCA cycle.

In the event of an emergency, such as a natural disaster or situation that creates serious managerial consequences, Mazda takes appropriate measures in reference to its internal regulations, including establishing an emergency response taskforce when necessary. The Risk Compliance Committee reviewed the activities implemented under the medium-term action plan up to FY March 2020 and established a new medium-term action plan (2020-2024) in FY March 2021. In line with the new action plan, the committee has worked to further clarify the risks in the Company and its Group companies and to strengthen risk management. The committee has also ascertained the progress of these activities on a half-yearly basis. Its initiatives are periodically reported to the Board of Directors. In FY March 2021, as in the previous year, the committee confirmed the risks identified by each division and the progress of measures taken to address those risks, and it selected the common key issues to be addressed across the Mazda Group. Then, the committee took measures to deal with these key issues. Moreover, the committee clarified the rules that must be observed across the Group and launched a plan to strengthen Group companies' independent risk management activities in accordance with those rules.

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

Basic Policies of Risk Management

Concept

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

Goals

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

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

Action Plan

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

Methods

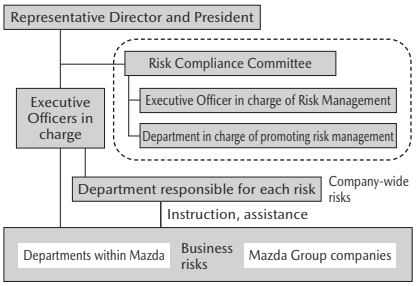
Risk management activities shall be divided into two types:

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

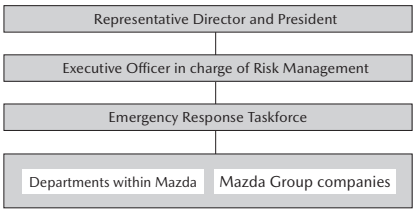
Scope of Application

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

g Risk Management Structure in Normal Times



h 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.

■ Annual Report 2021
https://www.mazda.com/en/investors/library/annual/
•Business risk (pp. 16-17)

Response to Accidents and Other Emergencies

Mazda has been systematically working to enhance both the "hardware" and "software" aspects of emergency readiness, in preparation for major earthquakes such as the expected Nankai Trough Earthquake and tsunamis associated with them. Examples of such "hardware" and "software" measures include quake-proofing buildings and facilities and raising embankments, as well as introducing an employee safety confirmation system, maintaining emergency-contact networks and organizing self-disaster-defense teams.

Meanwhile, disaster drills are held both jointly with fire authorities and solely by Mazda's self-disaster-defense teams, based on lessons learned from the Great East Japan Earthquake and other earthquakes that occurred in various parts of Japan. In FY March 2021, in addition to a simultaneous evacuation drill, the Company conducted 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, and practical training.

i Number of participants in drills* at Mazda Head Office

	FY March 2019	FY March 2020	FY March 2021
Participants	18,900	12,500	8,059

* Drill for disaster response, firefighting and first aid (using AED) in preparation for an earthquake, tidal wave, etc.

Information Security

Personal information and other important information are appropriately managed and protected based on the established information management policies and internal regulations, so as to ensure information security. The Information Security Committee*1 recognizes cyber security risks across the entire supply chain, reports the identified risks to the Executive Committee Meeting and continuously takes measures under the initiative of the person in charge of information security.

Each year, Mazda checks the implementation status of information security measures and the management system. Also, Mazda participates in the Japan and U.S. Auto-ISAC,*2 which collects and analyzes information on cyber security incidents detected within the industry.

To raise employees' awareness about information security, Mazda requires its employees to execute training on the management of confidential information, protection of personal information, and IT security. When newly joining the Company, management of confidential information and personal information protection are covered in the introduction programs, while e-learning is used for IT security training. Other continuous education efforts are also available, including an Intranet site dedicated to information and knowledge on information security.

For companies in the Mazda Group, Mazda provides guidelines and educational tools regarding information security, realizing a group-wide effort to ensure information security.

IT Security Management Rules

The IT security policy based on several global standards for information security*3 has been established as IT security management rules, under which the mechanisms for security control and monitoring that should be incorporated into IT systems are determined. Whether such mechanisms are properly installed and operated is confirmed on both a regular and random basis.

*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).
*3 These standards include the ISO 27000 series, the NIST SP800 series, and the NIST Cyber Security Framework.

Protection of Personal Information

Mazda rigorously protects personal information in line with its own Personal Information Protection Policy.
Handling rules are set out in order to ensure appropriate management of personal information, regular examination of management records for retained personal data is taken, and management statuses are checked once a year. In cases in which the handling of personal information is entrusted to outside parties, such contractors are carefully selected based on a checklist which determined the necessary items including security management. The Mazda Call Center responds to customers who wish to inquire about the Company's handling of personal information and those who request disclosure regarding privacy issues.
In FY March 2021, as in the previous year, Mazda reviewed the rules and mechanisms to enable more proper management of personal information, in view of the establishment and revision of laws and regulations concerning personal information in each country.

Personal Information Protection Policy

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

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

Basic Policy on Intellectual Property

Mazda's overall vision for intellectual property is to use intellectual property as a management resource in support of its business management and enterprise activities, based on respect for its own and others' intellectual property.
Based on this vision, Mazda has established an Intellectual Property Committee to discuss and decide key items regarding intellectual property. The committee is comprised of division general managers from related divisions and chaired by an executive officer responsible for intellectual property issues.
Also, the invention incentive system increases motivation for inventions among employees working at the forefront of research and development. For its Group companies in Japan and overseas, Mazda supports them in developing/ implementing policies and establishing systems for handling intellectual property, with the aim of enhancing the intellectual property management functions of the entire Mazda Group.

j Invention and device awards

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

Protection of Intellectual Property and Intellectual Property Risk Management

Mazda's dedicated Intellectual Property Department leads Company activities regarding intellectual properties so as not to infringe upon the intellectual property rights of other companies, and conducts strategic activities aimed at fiercely protecting, accumulating, and making optimal use of the intellectual properties generated through these in-house activities.

1. Globally obtains rights concerning intellectual properties created by its business activities, including new technologies, markings, model names and vehicle designs, and protects Mazda technologies, designs and the Mazda brand.
2. Takes steps to exhaustively uncover as well as prevent and solve any problems regarding intellectual properties that may obstruct business activities in each domain, such as infringement of other parties' patent rights; trademark rights, design rights and copyrights; and violations of the Unfair Competition Prevention Act.

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

Awareness-Raising Activities k

The Mazda Corporate Ethics Code of Conduct (see p.112) 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. For example, in accordance with increasing opportunities to co-create new technologies and new services with others outside the Company, Mazda has provided education on the risks involved in joint development. In addition, 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.

k Examples of awareness-raising activities

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

Brand Protection (Measures against Imitation Products)

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

[Details of Activities]

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

Compliance

At Mazda the concept of compliance applies not only to laws and regulations, but also includes adherence to other rules such as internal guidelines and societal norms and expectations. Business operations are conducted in accordance with the Mazda Corporate Ethics Code of Conduct to ensure fair and honest practice. As part of its efforts to prevent corruption, Mazda presents its basic ideas on anti-corruption in the Guidelines on the Mazda Corporate Ethics Code of Conduct. Also, to promote highly transparent and fair transactions with all partner companies, Mazda has established the Guidelines on Entertainment and Gifts, which lays out the policy for prohibiting bribery.
These guidelines are revised as needed to cope with changes in the social environment, social needs, etc.
Overseas as well, Mazda not only complies with international regulations and the laws of each country and region, but also respects local history, culture, and customs.
The Global Employee Engagement Survey, which includes a questionnaire concerning compliance, is conducted to check the employees' degree of understanding of compliance.

Outline of the Mazda Corporate Ethics Code of Conduct

Five principles of "faithful" behavior

1. To comply with laws and regulations, company rules, common sense and sound practice in international society.
2. To be fair and even-handed.
3. To fulfill the company's social responsibilities.
4. To fulfill your own duties truthfully.
5. To be honest.

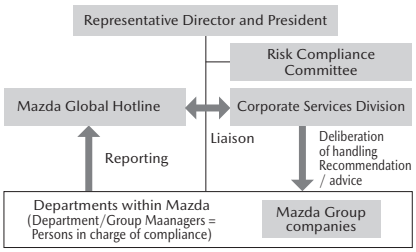
Guidelines

1. Comply with laws and regulations and the company rules. In a situation where such rules are not clearly defined, make a judgment considering their spirit.
2. Treat employees, customers and clients fairly and justly. Do not obtain from or give anybody an unjust benefit and/or favor taking advantage of your business position.
3. Make distinctions between public and private affairs, and never pocket or abuse the company assets.
4. Keep confidential information. Never infringe on any intellectual property rights, whether it belongs to Mazda or another party.
5. Seek to develop, manufacture and sell products taking human safety and the environment into consideration.
6. Act with a view to seeking sound profit.
7. Respect human rights and human dignity.
8. State the truth honestly and timely in reporting internally and/or to the public.

Recommendation from the Japan Fair Trade Commission

On March 19. 2021, Mazda received a recommendation from the Japan Fair Trade Commission (JFTC) based on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontract Act) with regard to transactions with subcontractors. It was determined that Mazda had breached the Subcontract Act (Article 4, Paragraph 2, Item 3 "Prohibition of requesting unreasonable economic benefit") by receiving, in relation to part of a centralized purchase of materials for automobile parts, the difference between the price at which three materials manufacturers sold to the parts manufacturer and the price agreed in advance between the materials manufacturers and Mazda as settlement.
Mazda has not requested the materials manufacturers to pay the settlement since November 2019, and the form of transaction that was determined to be a problem has been abolished. In addition, Mazda has already returned the full amount that was found to be "unreasonable profit," including the transfer fee, to the materials manufacturers. To prevent this kind of incident from recurring, Mazda will strengthen its legal compliance system by means of such as strengthening the legal affairs department's check system, implementing recurrence prevention measures including regular training for all employees and enhanced training programs for employees engaged in transactions with subcontractors.

Compliance Promotion System



Global Employee Engagement Survey Percentage of positive responses

(Consolidated)

	FY March 2019	FY March 2020	FY March 2021
Legal and company policy compliance is strictly observed in this company.	77%	76%	76%

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
Ethics Questionnaire conducted targeting executives and employees
A wallet-size "Compliance Card" is distributed to every employees 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 and disseminated through the Mazda Global Hotline
2017 Distribution of "Let's Learn Together about Compliance!" started on the Company Intranet
2019 The Special Risk Compliance Committee Meeting organized for executive officers and department heads held (sharing of the Company's cases)

Mazda Global Hotline

m n

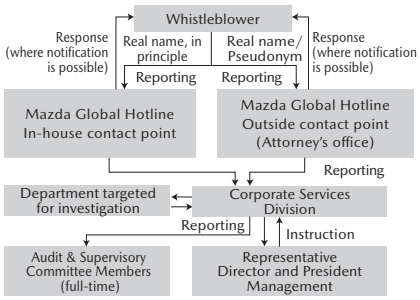
The Company has established the Mazda Global Hotline, as an in-house system to receive reports regarding non-compliance and other issues. With its contact points set up both inside the Company and outside (attorney's office), the hotline enables Mazda Group employees to choose a contact point to submit 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 at Mazda Motor Corporation, on the occasion of compliance education. As part of its efforts to make the hotline better known to everyone, Mazda puts up posters and implements e-learning programs.

In FY March 2021, in response to the amendment to the Whistleblower Protection Act, Mazda started reviews of its relevant regulations and the operating procedures of the persons in charge of contact points.

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

The hotline received a total of 53 reports, including consultation, in FY March 2021. 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, 28 were regarding Mazda, 24 were regarding Group companies, and one was regarding an unknown company.

m Mazda Global Hotline



n Various Contact Points

Compliance Education

o

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.

Various compliance education activities are organized in line with the changes in the social environment and social needs. The content of voluntary learning opportunities using e-learning is also being enhanced.

Continued initiatives targeting executives and middle managers of Mazda as well as Group company executives are also taking place to reemphasize the importance of compliance through compliance seminars taught by internal and external lecturers, and timely provision of information.

o Compliance Education Themes (Example)

- Agreement
- Insider Stock Trading
- Act on Subcontracting
- Act against Unjustifiable Premiums and Misleading Representations
- Anti-Monopoly Act
- Security Export Control
- Non-Disclosure Agreement
- Anti-Corruption (entertainment and gifts)
- Copyright
- Personal Information
- Security Control
- Ordinances on Exclusion of Violence Group
- Unfair Competition Prevention Act (including bribery of national civil servants)
- Outsourcing Agreement

And others

Enhancing Global Tax Compliance

The Mazda Group handles tax affairs with integrity, in keeping with the Mazda Corporate Ethics Code of Conduct and other relevant rules and regulations. It is an important duty as a good corporate citizen to pay taxes in an appropriate and timely manner, in accordance with followings: international rules, each country's laws and regulations, and the Company's Finance Control Guidelines. With this in mind, Mazda contributes to social development in each country, by voluntarily fulfilling its tax obligations.

The Mazda Group supports the Base Erosion and Profit Shifting (BEPS) initiatives, which are promoted by the OECD and the G20 countries. The Group will not engage in tax-evasion behaviors through the abuse of tax havens, but will sincerely cooperate in implementing information disclosure in response to requests from the tax authorities of each country, to ensure tax transparency. Particularly in its global business operations, Mazda is well aware of the importance of transfer pricing taxation as a means of determining proper profit-sharing among Group companies in the respective countries. By promoting active dialogue with tax authorities through effective use of Advance Pricing Arrangement, the Mazda Group is committed to transparent and fair transfer pricing.

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

Supporting Enhancement of Compliance at Dealerships in Japan

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

Specific initiatives:

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

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 suppliers and dealerships, 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 suppliers 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 its 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 (see p. 116). 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 (see p. 116). 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 (see p. 117).
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 (see p. 117).

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 (see p. 45) 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 (see p. 116).

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 (see p. 116) / 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 (added in FY March 2019) / 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.

a

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)

Number of Suppliers (As of March 31, 2021)

Automotive parts	534
Materials, etc.	144
Equipment and tools	383
Total	1,061

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 (MRS) (see p.38), 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

b Mazda Supplier CSR Guidelines and Mazda Green Purchasing Guidelines

https://www.mazda.com/en/sustainability/policy/

*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

Respect for People: Activities to Address Problems regarding Conflict Minerals*1

Mazda considers that among crucial social problems in the supply chain are human rights violations and illegal extraction in disputed regions and issues regarding conflict minerals, which may be used as financial sources by armed groups. To ensure that conflict minerals and other materials that may cause social problems are not used, the Mazda Supplier CSR Guidelines clearly state Mazda's policy, and the Company requires all suppliers to comply with it. In FY March 2021, Mazda conducted a survey on conflict minerals, targeting about 300 suppliers of the parts and materials of vehicles to be supplied to companies to which Mazda vehicles are delivered, in response to the request. The survey was carried out using the format designated by the Electronic Industry Citizenship Coalition (EICC) (now the Responsible Business Alliance [RBA]).

Compliance: Promotion of Fair Business Practices C

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.

The Supplier Evaluation System d

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 quality auditing that involves on-site confirmation of actual products at both domestic and overseas sites.
Also, Mazda comprehensively evaluates its suppliers every year (295 suppliers in 2020) 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.

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 2021, a questionnaire survey was carried out about fair business practices, which attracted a lot of social interest. The survey was targeted at 114 suppliers, a major percentage of whose sales consisted of products delivered to Mazda. The survey results showed that progress has been made since FY March 2020. 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 Guideline.

C 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

d 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 (see p. 115)

*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.

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. Mazda had already completed risk inspections and made provisions against the expected Nankai Trough Earthquake and other large earthquakes. In addition, beginning in FY March 2020, the Company has pushed forward with the inspection of supply chain risks with its scope of application broadened to cover risks from landslides and flooding. In accordance with the degree of risks, Mazda strives to further advance its disaster preparedness, including reinforcement of disaster prevention and mitigation measures.
The Company will continue to enhance its BCP in cooperation with its suppliers.

Communicating with Suppliers

Information Exchange and Dialogues with Suppliers e

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 organizes an annual seminar 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 2021, amid the COVID-19 pandemic, the Company held a total of 40 remote sessions of theme discussions and meetings for opinion exchange with 121 suppliers, instead of visiting them in person.
From April 2020 to September 2020, with several COVID-19 waves, Mazda held monthly production adjustment briefing meetings with member companies of Toyukai Affiliated Corporation*3 to share the Company's views on changes in its sales due to the pandemic and on corresponding production adjustments and to provide related information with the aim of enhancing communication with suppliers. Moreover, in cooperation with Tier 1 suppliers, the Company conducted a cash management survey of about 700 suppliers throughout the entire supply chain. Based on the survey results, the Company provides suppliers that have faced difficulties in cash management with advice on the effective use of public assistance. With a strong determination to protect all suppliers from bankruptcy risks, Mazda will continue to support suppliers affected by the COVID-19 pandemic in cooperation with other suppliers.

Major Channels of Communication with Supplier

Target participants		Frequency	Aims/content
Roundtable Conference with Supplier Management	Executive-level management at major suppliers	Once a year	・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.

e Purchasing Cooperative Organizations (As of March 31, 2021)

Parts suppliers	Yokokai	167
Materials suppliers (Raw materials, equipment, molds, etc.)	Yoshinkai	78

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

WITH SHAREHOLDERS AND INVESTORS

Dialogue with Shareholders and Investors a

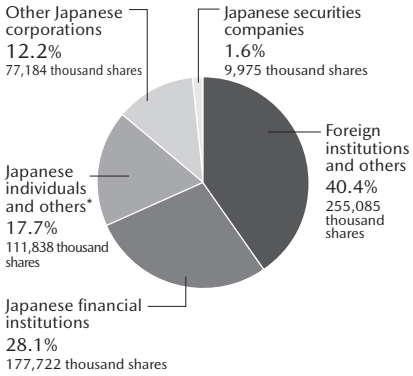
For continued growth and enhancement of corporate value over the medium and long terms, Mazda engages in a variety of investor relations initiatives in keeping with its policy of timely and appropriate disclosure of information and with constructive dialogue. In addition to general shareholders' meetings, 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 institutional investors, individual investors, and domestic and overseas securities analysts.

Mazda's official website provides information such as the schedule for general shareholders' meetings and financial results announcements, performance / financial data, notices of the general meetings of shareholders (business reports), summary of financial results, briefing materials for the financial results, Securities Report (Japanese only), annual report, Corporate Governance Report. Mazda strives for highly transparent and fair disclosure.

Mazda is planning to apply International Financial Reporting Standards (IFRS), in order to enhance the international comparability of its financial information, quality of Group management and corporate governance. Mazda will decide the appropriate timing of IFRS application, observing the trend of the adoption among Japanese companies as well as the domestic and overseas economic situations.

a Breakdown of Shareholders by Type

(as of March 31, 2021)



＊ Treasury stock is included in Japanese individuals and others

Management Conditions and Dividends for FY March 2021 b

We announced our Medium-Term Management Plan Revision in November 2020 in response to the significant changes in the business environment due to the spread of novel coronavirus (COVID-19). Based on what we have learned and reexamined during the COVID-19 pandemic and the tightening and acceleration of global environmental regulations, as well as the competition to create new value in the era of CASE, we have officially announced specific initiatives aimed at addressing structural issues. In the two-year period of creating a solid foundation leading up to fiscal year March 2022, we will complete preparations in all areas for the next stage of strong growth. Following this, we will move forward with our Medium-Term Management Plan to promote a shift in the quality of investment toward realizing electrification, improved IT, and carbon neutrality.

Mazda's global sales were 1,287 thousand units, down 9.3% year on year, due to a decline in sales in Japan, Europe, ASEAN, and other countries following the impact of the COVID-19 outbreak. Meanwhile, in markets where there were strong sales, such as the U.S. and Australia, sales overtook the recovery in demand and the sales volume was greater than that of the previous fiscal year. Consolidated wholesale volumes decreased 19.7% from the previous fiscal year to 990 thousand units.

Net sales totaled 2,882.1 billion yen, a decrease of 548.2 billion yen, or 16.0%. In the first half of the fiscal year, operating income declined 78.7 billion yen year on year to a loss of 52.9 billion yen. This decline was mainly due to a fall in wholesales associated with the global outbreak of COVID-19. Meanwhile, as a result of Companywide focused and continuous efforts to lower the break-even sales volume through sales recovery, fixed cost control, and improvement of variable profit, we achieved a significant improvement in operating income in the second half of the fiscal year, which increased 43.9 billion yen year on year to 61.7 billion yen. As a result, the operating income for the full year decreased by 34.8 billion yen, or 79.8%, to 8.8 billion yen, and the consolidated operating income ratio declined 1.0 points to 0.3%. Furthermore, regarding the lowering of break-even sales volume, we achieved just under 500 thousand units in the second half of the fiscal year, making steady progress toward achieving our goal of 1,000 thousand units, as set out in our Medium-Term Management Plan. Ordinary income fell 24.8 billion yen, or 46.8%, to 28.3 billion yen owing principally to the recording of 16.1 billion yen of foreign exchange gains and a 6.6 billion yen gain from equity in net income of affiliated companies. Net loss attributable to owners of the parent was 31.7 billion yen, compared with net income attributable to owners of the parent of 12.1 billion yen in the previous fiscal year as a result of factors such as the recording of 20.5 billion yen in fixed and other costs during the suspension of production due to the impact of the COVID-19 pandemic as an extraordinary loss and tax expenses of 34.3 billion yen.

Mazda strives to pay a stable dividend with steady increases under a basic policy of determining the dividend amount by comprehensively taking into account the Company's financial results for the fiscal year, the business environment, and the Company's financial position. For FY March 2021, we forewent a dividend payout after giving full consideration to the Company's financial results for the fiscal year and financial position.

b Management Conditions

(consolidated /billion yen)

	FY March 2019	FY March 2020	FY March 2021
Net sales	3,564.2	3,430.3	2,882.1
Operating income	82.3	43.6	8.8
Net income attributable to owners of the parent company	63.2	12.1	△31.7
Capital investment	119.7	132.6	93.0
R & D costs	134.7	135.0	127.4
Total assets	2,877.6	2,787.6	2,917.4
Equity	1,203.3	1,174.9	1,181.7

(thousand units)

		FY March 2019	FY March 2020	FY March 2021
Global sales volume	Total	1,561	1,419	1,287
	Japan	215	202	176
	North America	421	397	403
	Europe	270	264	178
	China	247	212	228
	Others	409	345	301

Investor Relations (includes financial results, annual reports)
https://www.mazda.com/en/investors

FY MARCH 2021 INITIATIVES

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 pp. 120-129 are also presented in each relevant item.)

CONTENTS

ACHIEVEMENT STATUS OF FY MARCH 2021 TARGETS

Mazda has established its CSR targets for each year. In establishing these targets, sustainability initiatives are reaffirmed in reference to the seven core subjects of the ISO 26000 social responsibility guidelines, and each division envisions the ideals that Mazda aims to achieve in the future, and summarizes them in these targets. Having completed the review of key issues (materiality) and having reached the final year of the Mazda Green Plan 2020, in FY March 2022, the Company has set about formulating the next targets. Mazda will continue to implement the PDCA (plan-do-check-act) process so as to carry out sustainability management in line with global standards.

CSR Targets for FY March 2021

(Self-assessment key ○: Accomplished, △: Nearly accomplished, ×: Not accomplished)

Items		FY March 2021 targets	FY March 2021 results	Self-assessment	ISO 26000 core subjects
Mazda CSR	CSR management	① Complete the review of key CSR issues (materiality) and specify the targets/ indicators for addressing materiality. ② Strengthen and maintain coordination between related divisions to reinforce CSR initiatives on a global basis, in line with international CSR norms. ③ Implement optimization of the contents of and opportunities for activities to raise employees' CSR awareness, and consider expanding the scope of employees to be involved in such activities.	① Based on the social issues that Mazda had identified, reviewed the key issues (materiality) with a view to being presented in the Mazda Sustainability Report. Continued efforts to specify the targets/indictors. ② Established the Basic Policy on Sustainability, and worked in cooperation with the related divisions to respond to the Tokyo Stock Exchange's market segment restructuring and the revised Corporate Governance Code. Also, continued to disclose information on climate change measures in accordance with the TCFD framework. ③ Enriched the content of awareness-raising programs and promoted employees' understanding by introducing new examples, and expanded the scope of target employees so as to strengthen the level of employees' CSR awareness.	○	6.2 Organizational governance
	Stakeholder engagement	Continue stakeholder engagement initiatives, taking into account the impact of the novel coronavirus (COVID-19) pandemic.	Held internal training focused on dialogue among employees as part of efforts to enhance engagement with employees.	○	6.2 Organizational governance
Customer Satisfaction	Sales and services	Implement measures to impart the value offered by Mazda directly to customers in order to make customers happy.	Amid the COVID-19 pandemic, maintained interaction with customers online and offered customers new ways to enjoy driving, such as digital motor sport.	○	6.7 Consumer issues
	Products	Develop products incorporating specific technologies that make "Sustainable Zoom-Zoom 2030" a reality.	Introduced the MX-30, which is equipped with i-Activesense, Skyactive-Vehicle Architecture and other features, and the MX-30 EV Model, which is equipped with e-Skyactive electric-drive technology, into the market, in line with the principles of "Sustainable Zoom-Zoom 2030."	○	6.7 Consumer issues
Quality	Quality	Establish a quality assurance system that covers production sites in Japan and overseas, ports and dealerships, to globally enable delivery of products of the same quality	Introduced a vehicle evaluation (MQIC) system, in which quality comparison and improvement can be made using the same standards on a global basis, for major dealerships in Japan in FY March 2021, and the system has been used as a tool for improving the processes after shipment.	○	6.7 Consumer issues
Safety	Safety	① Further evolve, and expand the introduction of, i-Activsense, which is a series of advanced safety technologies developed in line with Mazda Proactive Safety, the Company's safety philosophy. ② Obtain high ratings in the new car assessment programs (NCAPs) of respective countries.	①Added new functions to i-Activesense: Smart Brake Support (SBS) <Turn-Across Traffic>, Emergency Lane Keeping (ELK) <Blind Spot Assist>, and ELK <Road Keep Assist>, which were incorporated into the MX-30. ・SBS <Turn-Across Traffic>: If the system detects a danger of collision with another car coming in the opposite direction when making a right turn at an intersection, it sounds a warning and automatically applies the brake to avoid or minimize damage from a collision. ・ELK <Blind Spot Assist>: If the system detects a risk of collision with another car traveling in an adjacent lane, during lane changes or lane departure, it provides steering assistance to return the vehicle toward the center of the traveling lane. ・ELK <Road Keep Assist>: If the system predicts that the vehicle is about to stray from its lane, it provides steering assistance to prevent unintentional lane departures. ② Obtained the highest ratings in the new car assessment programs (NCAPs) of each country as follows: ・US-NCAP: Mazda3, Mazda6, CX-3, CX-30, CX-5 and CX-9 obtained 5 Stars, the highest rating. ・IIHS: Mazda3, Mazda6, CX-3, CX-5 and CX-9 obtained "2021 TSP+," the highest rating. ・Euro-NCAP safety performance evaluations: MX-30 obtained 5 Stars, the highest rating.	○	6.7 Consumer issues
Environment	Energy- and global-warming-related issues	(See Mazda Green Plan 2020)			6.5 The environment
	Promoting resource recycling				
	Cleaner emissions				
	Environmental management				

(Self-assessment key ○: Accomplished, △: Nearly accomplished, ×: Not accomplished)

	Items	FY March 2021 targets	FY March 2021 results	Self-assessment	ISO 26000 core subjects
Respect for People	Achieving of diversity	Continue to respect the diversity of employees. ① Continue and evolve training and effective development of top management in each region. ② Steadily implement plans for training female managers toward achieving the target number of female managers, and formulate the next plans.*1 ③ Continue to promote employment of people with special needs to maintain the achievement of the legally required percentage of employees with special needs (2.2%).*1	① Held the Global Leadership Development Program (GLDP) online due to the COVID-19 pandemic. ② Specified highly promising female candidates for management positions in the future, and drew up individual development plans for them. Progress is continuously followed up by the Personal Development Committee. Based on the activities undertaken thus far, new medium-term targets starting from the next fiscal year are under development*1. ③ Achieved the legally required percentage of employees with special needs, which had been raised to 2.3% (FY March 2021 results: 2.37%)*1.	○	6.3 Human rights
	Human resource development	Promote understanding of what Mazda's unique human resources and organization should be, and strengthen initiatives to take practical action to achieve the ideal state. ① Hold the MBLD#17 session themed on realizing the development of Mazda's unique human resources and organizations. ② Continue and expand initiatives to achieve the ideal state of management, toward realizing the development of Mazda's unique human resources and organizations.	① Held the "MAZDA MIRAI 2020" session for all Group employees. ② Implemented training for managers in four divisions, starting in FY March 2020.	○	6.4 Labor practices
	Work-life balance	Improve the quality of various measures for further implementation of work-life balance*1	・To increase business competitiveness, worked to realize flexible working styles and improve the environment/measures to enable individual employees to work enjoyably, and established a new leave system that allows employees involved with nursing of preschool children or family members requiring nursing care to take leave by the hour*1.	○	6.4 Labor practices
	Occupational safety and health	Promote activities based on the Safety and Health Management System. ① Continue to conduct risk assessment and improvement activities based on the assessment results.*1 ② Continue system auditing and share best practices with the related divisions.*1 ③ Achieve Japan's lowest-level workplace accident occurrence ratio, and consolidate the results of workplace accident occurrence surveys of Group companies on a global basis.	① Surveyed/identified dangerous or hazardous factors and then conducted activities to remove/reduce these factors, resulting in a 76% reduction in high-risk factors. ② Conducted system auditing in all the targeted divisions, and shared the auditing results (improvements and best practices) with related divisions. ③ Total injury frequency rate: 0.32 (decreased by 0.11 points from 2019 and ranked 5th among 14 JAMA companies)*2. Consolidated the results of workplace accident occurrence surveys of Group companies (production sites).	○	6.4 Labor practices
	Industrial relations	Maintain and improve sound labor relations through mutual respect and communication between labor and management at Mazda Motor Corporation and in each region.	Maintained and improved sound labor relations through collaboration between labor and management in Mazda Motor Corporation and in each region (resulting in no collective labor disputes).	○	6.4 Labor practices
	Respect for human rights	① Continue to support international initiatives, including the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. ② Made revisions to related internal regulations that may alienate LGBT people, and made revisions to the internal working regulations in line with the enforcement of the revised Labor Measures Comprehensive Promotion Act. Also, encouraged all divisions across the Company, Group companies and suppliers to use materials and manuals of Mazda's human rights awareness raising activities for human rights meetings and training by level,*3 including programs to promote understanding of these revisions.	① Continued to clarify support for both declarations, in the Mazda Sustainability Report 2020. ・Continued efforts to realize the principles of the UN Global Compact, such as human rights protection. ② Executed the following activities as scheduled, to raise awareness of human rights*1: ・As part of LGBT-related initiatives, revised the systems related to sexual orientation and gender identity (personnel treatment and welfare benefit systems), provided information on counseling desks, held training by level, and encouraged Group companies to use materials and manuals designed for Mazda's human rights awareness raising activities. ・Held a human rights lecture for management using an external program. (Lecture theme: "Preventing four major forms of harassment) ・Held on-site training lectures for managers at Hiroshima Plant and Hofu Plant.	○	6.3 Human rights
	Due diligence	Continue surveys and follow-up of the status of human rights initiatives throughout the value chain.	Promoted human rights initiatives throughout the value chain, recognized the status of these initiatives, and conducted surveys of these initiatives, as planned. ・Applied Mazda materials for human rights meetings to Group companies, dealerships, and parts sales companies in Japan. ・Provided advance guidance to employees dispatched to overseas Group companies on local cultures and customs. ・Checked the expressions used to disseminate information inside and outside the Company for human rights infringements. ・Responded to consultation requests from collaborating companies submitted to the Human Rights Counseling Desk. ・Presented the way the Mazda Global Hotline is managed to employees of Mazda and its Group companies. ・Conducted a questionnaire survey and hearing of local suppliers, regarding the way the Human Rights Counseling Desk was being managed. Also, presented the management method of the Mazda Global Hotline to local suppliers.	○	6.3 Human rights
Social Contributions	Corporate citizenship activities	① Implement programs based on Mazda's basic policy on initiatives and each region's local community contribution policy. Especially, proactively address new social issues that will threaten the living infrastructure. ② Continue to implement the PDCA cycle (to make efforts to resolve social issues) based on the program effect evaluation index (the Mazda Social Contribution Prize).	① Implemented activities in accordance with the basic policy (Plans for Future Activities and Three Pillars). ・Continued or newly launched around 420 programs. ・Under the COVID-19 circumstances, continued some activities (which can be implemented online) by switching from face-to-face to online (onsite lectures for elementary school children, etc.) ② Continued to implement the PDCA (plan-do-check-act) cycle.	○	6.8 Community involvement and development
	Disclosure of results regarding community involvement and development	Continue active disclosure of social contribution activities.	Continued information disclosure on the results of social contribution activities through the Social Contribution Report, the Sustainability Report, etc.	○	6.8 Community involvement and development
Management	Corporate governance	Continuously improve and strengthen corporate governance measures, in light of the purport and spirit of the Corporate Governance Code*4, and make constant improvements based on the evaluation results.	・Evaluated the effectiveness of the Board of Directors and confirmed that Mazda had achieved the objectives of its transition to a Company with an Audit & Supervisory Committee (to enable faster business decision-making, further enhance discussion of management strategies and strengthen supervisory functions of Board of Directors' meetings). ・To improve the quality of decision-making and further expedite the decision-making process, revised the Company's rules on administrative authority to conduct substantial delegation of authority. ・Amid the COVID-19 pandemic, worked to enhance information provision to outside directors and discussion at Board of Directors' meetings using a web-conference system. ・Held a general meeting of shareholders by taking thorough infection prevention measures to ensure the safety and peace of mind of the participating shareholders.	○	6.2 Organizational governance

*1 Initiatives at Mazda Motor Corporation (FY March 2021 results)
*2 Results between January and December 2020. Accident frequency, measured as the number of casualties per million person-hours worked
*3 Training programs for new recruits, mid-career hires, new band 5 (assistant manager level) and newly appointed managers
*4 Corporate governance guidelines for listed companies announced by the Tokyo Stock Exchange in June 2015

(Self-assessment key ○: Accomplished, △: Nearly accomplished, ×: Not accomplished)

	Items	FY March 2021 targets	FY March 2021 results	Self-assessment	ISO 26000 core subjects
Management	Risk management	Identify various internal and external risks and continue activities to minimize such risks. ① Improve the level of development of the risk management systems of Mazda and its Group companies, and have these systems checked and evaluated by the Risk Compliance Committee. ② Conduct training of headquarters functions (at the district group level) and communication training using communications devices. ③ Update data for the supply chain risk management system. ④ Inspect the substitutability of product materials and parts toward building a more resilient supply chain.	① Formulated the new mid-term action plan (for FY March 2021–2025), which was approved by the Risk Compliance Committee. Activities have been launched toward the following two goals. ・In addition to continuing and strengthening ongoing activities to visualize risks, establish and strengthen a system for the prevention and early detection of risks that are hard to be visualized. ・Redefine the common rules for strengthening Group risk management, and promote group-wide efforts to improve and raise the level of the system and activities of each company. ② Conducted practical disaster drills by combining simulation and practical training for various emergency situations, such as leakage of high-pressure gas, hazardous materials, etc., to prevent the spread of damage from secondary disasters to nearby areas. Also, held communication training using business transceivers to enable effective coordination between distant sites. ③ Continued to operate the SCR keeper, a supply chain risk management system, which was kept up-to-date by conducting periodic data maintenance as planned. ④ Inspected the substitutability risks of product materials and parts, as scheduled.	○	6.2 Organizational governance
	Information management	① Ensure information management through continuous awareness-raising activities.*1 ② Promote and strengthen information security measures.*1	① Continued to implement the e-learning programs entitled "Basic Rules for Handling Personal Information"*1. Continued to provide education on management of confidential information and personal information for new recruits, mid-career hires, etc.*1 ② Established business processes and created business standards in order to comply with the Cyber Security Law / Software Update Law applied to new vehicle models in Japan and Europe from July 2022.	○	6.6 Fair operating practices
	Protection of intellectual property	Promote activities to protect and make effective use of intellectual properties. ① For protection of Mazda's intellectual properties: Promote rights acquisition activities on a global basis. ・Maintain the number of patent applications at the same scale as the previous year in Japan. ・File 30% or more of the patent applications made in Japan also overseas. The primary targets for the rights acquisition activities are the United States, Germany and China, which are Mazda's major overseas sales markets. ② For the protection of the intellectual properties of other parties: ・Continue to strengthen awareness-raising activities aimed at protecting the intellectual properties of Mazda and other parties. ・Promote the appropriate use of works belonging to other parties, in conducting communication activities.	① For the protection of Mazda's intellectual properties: ・In Japan: Completed around 600 patent applications. ・Overseas: Filed around 35% of the patent applications made in Japan also overseas. Completed around 550 patent applications, aiming at promoting rights acquisition activities in the United States, Germany, China and other countries. ② For the protection of the intellectual properties of other parties: ・Held patent training as scheduled, except some seminars, with 47 participants in the basic patent seminars and 39 participants in the intellectual property risk seminar. The seminar on effective use of patent information (in collective training format) was not held due to the COVID-19 pandemic. The seminar is planned to be held online in FY March 2022. ・Enriched the menu of seminars by adding new seminars tailored to each rank or level. ・Held patent management seminars (for middle managers of the engineering division) and intermediate patent seminars (for researchers at research centers), with 121 participants and 73 participants, respectively. ・Promoted the appropriate use of trademarks: Added 385 new images to the Mazda-Shared-Image-Collection.	○	6.6 Fair operating practices
	Compliance	① Ensure compliance and improve the level of compliance awareness through continuous awareness-raising activities, etc.*1 ② Continue and strengthen support for Group companies through the provision of timely information, etc.	① Conducted compliance awareness-raising education by level (education for new recruits, newly appointed assistant managers, and newly appointed managers, guidance for newly appointed divisional general managers, etc.) *1 ② Strengthened a support system for Group companies by launching education programs for divisions responsible for supervising Group companies to ensure effective supervision and control of Group companies.	○	6.6 Fair operating practices
	Fair transactions	① Continue to conduct a questionnaire survey about promotion of fair business practices, and implement follow-up activities based on the survey results. ② Announce the Mazda Supplier CSR Guidelines to all suppliers of MTMUS, the production site in the United States.	① Conducted a questionnaire survey of suppliers about promotion of fair business practices, and implemented follow-up activities, including interviews based on the survey results. ② Disseminated the Mazda Supplier CSR Guidelines by posting them on the communication site with suppliers of MTMUS, the production site in the United States.	○	6.6 Fair operating practices

*1 Initiatives at Mazda Motor Corporation (FY March 2021 results)

Targets and Actions in the Mazda Green Plan 2020 Mid-Term Environmental Plan

(Self-assessment key ○: Accomplished, △: Nearly accomplished, ×: Not accomplished)

Category	Item	Medium-term targets (Targets and actions by FY March 2021)	FY March 2021		Self-assessment
			Targets and actions	Results	
1. Energy- and Global-Warming-Related Issues					
a. Vehicles and vehicle technology	① Respond to fuel economy standards in each country/region.	Introduce technology to raise fuel economy, to respond fully to the fuel economy standards of each country/region.	•Meet fully the fuel economy/greenhouse gas standards of each country/region.	•Conformed to fuel economy/greenhouse gas emission regulations in Japan, the United States, Europe, and China.	○
	② Improve fuel economy using Skyactive Technology	Raise the average fuel economy of the Mazda vehicles sold worldwide by 30% by 2015 and by 50% by 2020 compared with 2008 levels.	•Promote Skyactive Technology steadily toward achieving the fuel economy target for 2020. •Promote development and implementation of technologies based on the Building-Block Strategy.	Promoted Skyactive Technology steadily, and also promoted development and implementation of technologies based on the Building-Block Strategy.	○
	③ Promote development of next-generation vehicles using biofuels, electrical power, hydrogen, etc.	Promote the development of electric motor drive technologies.	Promote the introduction of vehicles with Mazda's unique mild-hybrid system.	Expanded the introduction of Mazda's unique hybrid system, and adopted it in the MX-30.	○
			Promote sales of electric vehicles and development of plug-in hybrids.	Promoted development of electric vehicles and plug-in hybrids, and launched the MX-30 EV Model, Mazda's first mass-production electric vehicle (EV).	○
		Promote development of technologies supporting alternative fuels such as biofuels, synthetic fuels, and hydrogen.	Promote development of technologies supporting biofuels.	Promoted R&D aimed at promoting the spread of next-generation biofuels made from microalgae oil, etc.	○
b. Manufacturing, logistics, office operations, social contributions, etc.	④ Reduce CO_2 emissions from factories and offices.*1	Reduce CO_2 emissions from all Mazda Group factories and offices in Japan by 28% or more compared with 1990 levels.	Continue efforts to reduce CO_2 emissions from all Mazda Group plants and offices in Japan.	Reduced CO_2 emissions from all Mazda Group plants and offices in Japan by 60% compared with 1990 levels.	○
	⑤ Reduce CO_2 emissions from logistics.	Reduce CO_2 emissions from all Mazda Group logistics operations in Japan by 50% compared with 1990 levels.	Continue efforts to reduce CO_2 emissions from all Mazda Group logistic operations in Japan.	Reduced CO_2 emissions from all Mazda Group logistics operations in Japan by 66% compared to 1990 levels.	○
2. Promoting Resource Recycling					
a. Vehicles and vehicle technology	⑥ Promote vehicle recycling.	Develop vehicles that are easy to disassemble and recycle.	Promote development for ease of disassembly and recycling.	For the MX-30, achieved improved disassembly/recycling efficiency and thermal recyclability, carried out appropriate disposal measures, and expanded use of recycled materials.	○
		Promote the use of bioplastics.	Develop and implement bioplastics, and expand adoption.	For the MX-30, adopted bio-based engineering plastic featuring a high-quality finish without painting, in front grilles and other exterior parts of the MX-30 (some grades).	○
		Promote bumper-recycling technology.	Promote collection and recycling of damaged bumpers.	Continued to promote collection and recycling of damaged bumpers (collected bumpers: around 46,500), which were reused for undercovers, etc.	○
b. Manufacturing, logistics, office operations, social contributions, etc.	⑦ Reduce waste volumes, promote recycling.	Reduce direct landfill waste to zero*2 across the entire Mazda Group in Japan.	Reduce direct landfill waste across the entire Mazda Group in Japan to zero*2 as compared to total waste volume.	Reduced direct landfill waste across the entire Mazda Group in Japan to zero (0.1%) of total waste volume.	○
	⑧ Reduce packaging volume used.	Reduce volume of packaging and wrapping across the entire Mazda Group in Japan by 45% compared with 1990 levels.	Continue efforts to reduce volume of packing and wrapping across the Mazda Group in Japan.	Reduced volume of packaging and wrapping across the entire Mazda Group in Japan by 71% compared with 1990 levels.	○
	⑨ Reduce volume of water used and promote effective use of water.	•Reduce volume of water used across the entire Mazda Group in Japan. •Reduce volume of tap water used by 47% compared with 1990 levels.	Continue efforts to reduce the volume of water used across the Mazda Group in Japan.	Reduced volume of water used across the entire Mazda Group in Japan. Reduced volume of tap water used by 56% compared with 1990 levels.	○

*1 For CO_2 emissions calculations, the CO_2 coefficient based on the standard (Keidanren's Commitment to a Low Carbon Society) of the Keidanren (Japan Business Federation) are used. (For the calculations of FY March 2021, the coefficient of FY March 2020 is used.)

*2 Here "zero" is defined as the condition where the percentage of direct landfill is 0.5% or less of the total volume of waste generated.

(Self-assessment key ○: Accomplished, △: Nearly accomplished, ×: Not accomplished)

Category	Item	Medium-term targets (Targets and actions by FY March 2021)	FY March 2021		Self-assessment
			Targets and actions	Results	
3. Cleaner Emissions					
a. Vehicles and vehicle technology	⑩ Ensure cleaner vehicle exhaust gas emissions.	Introduce and promote low emission vehicles to improve air quality in each country and region.	Promote the introduction of low emission vehicles that meet the needs of each country and region.	Introduced low-emission vehicles that meet the needs of each country, Japan, the United States, Europe, China, and other regions.	○
	⑪ Reduce inclusion of substances of environmental burden in products.	Reduce VOCs in vehicle interiors.	Pass Ministry of Health, Labour and Welfare (MHLW) guidelines for the indoor aerial concentration in all new vehicles.	Passed Ministry of Health, Labour and Welfare (MHLW) guidelines for the indoor aerial concentration with the MX-30.	○
		Promote development and adoption of car air-conditioning systems using new refrigerants with low environmental impact.	Promote development and adoption of car air-conditioning systems using new refrigerants with low environmental impact.	Developed a car air-conditioning system using a refrigerant with low environmental impact for adoption in the MX-30.	○
b. Manufacturing, logistics, office operations, social contributions, etc.	⑫ Reduce waste volumes of PRTR substances.	Reduce waste volumes of PRTR substances across the entire Mazda Group in Japan.	Reduce waste volumes of PRTR substances across the entire Mazda Group in Japan.	Reduced waste volumes of PRTR substances across the entire Mazda Group in Japan by 22% compared with FY March 2020 levels.	○
	⑬ Reduce volumes of VOC waste emissions.	Reduce volumes of VOC waste emissions to an average 23 g/m² or less across all Mazda lines.	Continue efforts to reduce volumes of VOC waste emissions at Mazda.	Reduced volumes of VOC waste emissions to an average 17.1 g/m² across all Mazda lines.	○
4. Environmental Management					
a. Vehicles and vehicle technology	⑭ Promote life cycle assessment (LCA).	Expand the implementation of LCA (in Japan).	・Steadily implement LCA for new technologies related to environmental performance. ・To expand use of renewable energy, promote demonstration testing of the combination of renewable energy and reused batteries at business sites.	・Implemented LCA for new technologies related to environmental performance, including electric vehicles. ・Promoted demonstration testing of the combination of renewable energy and reused batteries.	○
	⑮ Promote an integrated approach to traffic systems	Improve driving technique and promote activities to raise awareness.	Improve driving technique and promote activities to raise awareness, taking a customer-centered approach.	Equipped the MX-30 with control technologies to enable operation of the accelerator/brake pedals as intended, and Skyactiv-Vehicle Architecture technologies to realize smooth driving that makes drivers feel a sense of connectedness to their cars.	○
b. Manufacturing, logistics, office operations, social contributions, etc.	⑯ Reduce the environmental risk of the Mazda Group in Japan.	Promote environmental protection activities among Mazda Suppliers.	Revise the Mazda Green Purchasing Guidelines and make the revised guidelines known to all suppliers.	・Revised the Mazda Green Purchasing Guidelines and posted the revised Guidelines on the communication site with suppliers. After that, requested suppliers at the Supplier Communication Meeting to conduct their business activities in compliance with the Guidelines.	○
		Promote the establishment and introduction of environmental management systems (EMS).	・Support 100% establishment of EMS among major suppliers. ・Support and enhance EMS at secondary suppliers.	・Supported 100% establishment of EMS among major suppliers. ・Supported and enhanced EMS at secondary suppliers.	○
			Continue to provide follow-up support to newly opened shops in obtaining certification, to maintain the EcoAction 21-certified status at all Mazda Group dealerships*1 in Japan.	Completed the introduction of EcoAction 21 at all Mazda Group dealerships*1 in Japan, and continued to support newly opened shops in obtaining certification.	○
			Provide follow-up support to auto parts sales companies*1 to ensure that they can continue steady operation of their EMS.	Provided follow-up support to auto parts dealership companies*1 in operating their EMS through periodic reports and information exchange.	○
	⑰ Promote activities to raise awareness of environmental issues.	Actively disseminate environmental information to improve environmental awareness among Mazda and Mazda Group company employees.	Continuously raise awareness inside and outside of the Group regarding environmental issues that society faces and measures throughout the entire life cycle of vehicles to reduce environmental impacts.	Provided education for all employees of Mazda and its Group companies about environmental problems, emphasizing the importance of reducing environmental impact throughout the entire life cycle of vehicles, and continuously implemented "cool-biz," "warm-biz" and "light-down" campaigns to raise their environmental awareness.	○
	⑱ Promote environmental protection activities in partnership with regional communities.	Promote environmental protection activities in regional communities by taking part in environmental volunteer activities (including regional cleanups and efforts to preserve biodiversity) and dispatching instructors to regional events and schools to offer environmental education.	Continuously raise awareness of environmental issues and deepen understanding of biodiversity based on the needs of regional communities, preserve forests, and participate in regional cleanups.	・Based on the needs of regional communities, conducted around 50 environmental activities in Japan and abroad, including forest preservation activities, support for protection of endemic species, regional cleanups, and carbon offset. ・Continuously raise environmental awareness by dispatching instructors for environmental education (one online session).	○
	⑲ Inform the public about the Mazda Group's environmental protection activities.	・Disseminate information about the Mazda Group's environmental protection activities worldwide by hosting and actively participating in environmental events. ・Actively disseminate environmental information to improve environmental awareness among Mazda customers.	Continue and enhance disclosure of information on the Mazda Group's environmental protection activities and education to raise the environmental awareness of customers.	・Continued information disclosure on the Mazda Group's environmental protection activities through the Social Contribution Report, the Mazda Sustainability Report, etc. ・Communicated to customers that trees had been purchased and donated on behalf of them to contribute to reducing CO_2 emissions from in-use Mazda vehicles. (New Zealand)	○

*1 Applicable to consolidated Group companies and equity-method Group companies in Japan.

ENVIRONMENTAL PERFORMANCE DATA

Environmental Accounting

Mazda is carefully assessing the costs and benefits of its environmental activities and is working constantly to improve their efficiency.

Data collection period: April 2020 through March 2021
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 & 14 overseas consolidated Group companies; eight domestic & five overseas equity-method Group companies

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.	1,546	1,870	3,416	1,997	2,487	4,484
Business area	Protecting the global environment	Preventing global warming, conserving energy, preventing destruction of the ozone layer, and other environmental protection activities	3,167	2,184	5,350	3,342	2,361	5,703
Business area	Recycling resources	Effective resource use, recycling waste, processing and disposing of waste	161	1,329	1,490	189	3,125	3,314
Upstream/downstream		Container recovery, recovery of end-of-life vehicle bumpers	0	142	142	0	150	150
Management activity		Employee environmental education, creating and operating environmental management systems, monitoring and measurement of environmental impact, other activities	1	946	947	1	1,423	1,425
Research and development		R&D for products, production methods and distribution, to contribute to reduced environmental impact	1,195	41,129	42,324	1,290	42,709	43,999
Social activities		Greening, beautification, and environmental improvement; support of community residents and organizations; information disclosure; and other activities	0	36	36	0	65	65
Environmental Damage		–	0	0	0	0	1	1
		Total	6,070	47,636	53,705	6,819	52,321	59,141

Overall Environmental Protection Effects

Category			Mazda unconsolidated			Mazda Group
			Environmental protective effect		Economic effect (million yen)	Economic effect (million yen)
Protecting the global environment	Global warming prevention	Production	CO_2 emissions volume (on unit sales basis)	16.2 t-CO_2/100 million yen	–	–
Protecting the global environment	Global warming prevention	Distribution	Annual shipping volume	454,350 thousand (ton-km/year)	–	–
Recycling resources		Effective use of resources, recycling	Shell sand	9,732 t (year)	28	1,033
Recycling resources		Effective use of resources, recycling	Steel scrap	18,359 t (year)	1,005	
Upstream/downstream		Product recycling	Number of discarded bumpers collected	46,515 (bumpers/year)	–	21
Other		Sale of items with commercial value	Metals	79,194 t (year)	1,618	1,648
Other		Sale of items with commercial value	Paint thinner, effluent	550 t (year)	30	
Other		Sale of items with commercial value	Empty drums, wheels, discarded tires	16,103 (units/year)		
Other		Sale of items with commercial value	Recovered sand, plastics, cardboard scraps	5,476 t (year)		
			Total		2,681	2,702

Boundary of data collection
Mazda Motor Corporation
Consolidated Group companies
21 domestic companies: Manufacturing companies: Mazda Ace Co., Ltd., Mazda Logistics Co., Ltd., Kurashiki Kako Co., Ltd., Mazda Engineering & Technology Co., Ltd.,
Sales companies: Mazda Chuhan Co., Ltd., Hakodate Mazda Co., Ltd., Tohoku Mazda Co., Ltd., Fukushima Mazda Co., Ltd., Kitakanto Mazda Co., Ltd., Koushin Mazda Co., Ltd., Kanto Mazda Co., Ltd., Shizuoka Mazda Co., Ltd., Tokai Mazda Sales Co., Ltd., Hokuriku Mazda Co., Ltd., Keiji Mazda Co., Ltd., Kansai Mazda Co., Ltd., Nishi Shikoku Mazda Co., Ltd., Kyushu Mazda Co., Ltd., Minami Kyushu Mazda Co., Ltd., Okinawa Mazda Sales Co., Ltd.,
Parts sales company: Mazda Parts Co., Ltd.
14 overseas companies: Mazda Canada Inc., Mazda Motor Manufacturing de Mexico, S.A. de C.V., Mazda Motors (Deutschland) GmbH,
Mazda Motor Europe GmbH, Mazda Motors UK Ltd., Mazda Motor Russia.OOO,
Mazda Australia Pty Ltd., Mazda Motors of New Zealand Ltd., Mazda Sales (Thailand) Co., Ltd.,
Mazda Powertrain Manufacturing (Thailand) Co., Ltd., Mazda Motor (China) Co., Ltd, Mazda Motor Taiwan Co., Ltd., Mazda Southern Africa (Pty) Ltd.,
Mazda De Colombia S.A.S.
Equity-method Group companies
8 domestic companies: Toyo Advanced Technologies Co., Ltd., Japan Climate Systems Corporation, Yoshiwa Kogyo Co., Ltd., Sanfrecce Hiroshima FC Co., Ltd., Mazda Processing Chugoku Co., Ltd., Mazda Credit Inc., MCM Energy Service Co., Ltd., Mazda Parts Sales Hiroshima Co., Ltd.
5 overseas companies: Mazda Sollers Manufacturing Rus LLC, AutoAlliance (Thailand) Co., Ltd., Changan Mazda Automobile Co., Ltd., Changan Mazda Engine Co., Ltd., FAW Mazda Motor Sales Co., Ltd.

Mazda's Corporate Activities and Impact on the Environment

Results of FY March 2021

Mazda tracks ecological data to help reduce the environmental impact of its corporate activities in all areas.

(For the period and boundary (areas A to F) of data collection, please see p.127.)

★ Subject to independent third-party verification (see p.134.)

Energy consumption in plants and offices[*1*9] [Area A]
10,262×10³GJ

Type of energy		Unit: (Thousands of GJ)			
Electricity	7,828	Diesel	38	Coal	0
Fuel oil A	26	Gasoline	54	Coke	205
Fuel oil C	10	LPG	116	Industrial steam	1,065
Kerosene	20	City gas	900		

Paper(for office equipment, etc.)[*9] [Area A]
730t

Water consumption[*8*9] [Area A]
7,635 thousand m³

Water consumption at four domestic production sites of Mazda ★ [Area F]
4,805 thousand m³

Raw materials(steel, aluminum, etc.) [Area C]
721 thousand t

Chemical substances handled[*9] [Area B]
3,911t

Wrapping and packaging materials[*9] [Area A]
20,845t

Distribution volume for domestic logistics[*9] [Area B]
474,086×10³t-km

Bumpers collected and recycled [Area B]
46,515 units

End-of-life vehicles recycled [Area B]
(FY March 2021 results based on the End-of-Life Vehicle Recycling Law)

Automobile shredder residue (ASR)

Total weight collected	27,749t
Weight of recycled materials	26,757t
Number of vehicles collected	137,818 units

Airbags

Total weight of gas generator collected	45,754kg
Weight of recycled materials	43,467kg
Number of units collected	518,732 units
Number of vehicles collected	125,020 units

Fluorocarbons

	Total weight collected[*7]	Total number of vehicles collected
Total	28,500kg	127,292 units
	Weight collected	Number of vehicles collected
CFC	85kg	762 units
HFC	28,415kg	126,530 units

Research and development
- Improving fuel economy
- Producing cleaner exhaust emissions
- Reducing vehicle noise
- Developing clean-energy vehicles
- Promoting recycling, etc.

Purchasing
- Encouraging business partners to obtain ISO 14001 certification
- Promoting green purchasin

Manufacturing
- Saving energy
- Reducing direct-to-landfill waste
- Managing chemical substances
- Promoting clean production

Logistics
- Reducing CO_2 emissions through efficient distribution
- Decreasing use of and recycling wrapping and packaging materials

Sales and after-sales service
- Communication with customers
- Promoting compliance with environmental laws and environmental beautification
- Collecting and recycling damaged bumpers

Recycling end-of-life vehicles
- Carrying out appropriate collection and recycling
- Studying and researching the end-of-life vehicle recycling technologies
- Using recycled parts

Scope1, Scope2[*2]

Emissions of greenhouse gases in plants and offices[*1*8*9] [Area A]
534 thousand t-CO_2

CO_2 emissions: **529 thousand t-CO_2**
Emission of greenhouse gases other than CO_2: **5 thousand t-CO_2**

CO_2 emissions from energy consumption at four domestic production sites of Mazda and five overseas production companies ★ [Area D]
441 thousand t-CO_2

SOx emissions[*9] **97t** **NOx emissions**[*9] [Area B] **292t**

Wastewater[*9] [Area A]
6,542 thousand m³

Direct-to-landfill waste[*9] [Area A]
1,083t

Amount of waste at four domestic production sites of Mazda ★ [Area F]
17,723t

Chemical substances discharge[*9] **682t** **Chemical substances transfer**[*9] [Area B] **109t**

Scope3[*3]

Category 1: Purchased goods and services [Area C]
(Emissions from resource collection stage to manufacturing stage) **3,600 thousand t-CO_2**

Category 2: Capital goods[*4] [Area C]
(Emissions from construction and manufacturing of capital goods) **93,214t-CO_2**

Category 3: Fuel- and energy-related activities not included in Scope 1 or 2[*4*9] ★ [Area D]
(Emissions from the manufacturing process of purchased electricity/heat) **97,149t-CO_2**

Category 4: Upstream transportation and distribution[*9] [Area B]
(Emissions associated with distribution of purchased products/services) **25,645t-CO_2**

Category 5: Waste generated in operations[*4] ★ [Area F]
(Emissions related to scrapping and disposal of waste generated in business activities) **3,795t-CO_2**

Category 6: Business travel[*4] ★ [Area C]
(Emissions from transportation means used for employees' business travel) **317t-CO_2**

Category 7: Employee commuting[*4] ★ [Area C]
(Emissions from transportation means used for employees' commuting) **4,872t-CO_2**

Category 8: Upstream leased assets[*5] [Area A]
(Emissions related to operation of assets on lease from other companies) **0t-CO_2**

Category 9: Downstream transportation & distribution[*9] [Area B]
(Emissions associated with distribution of products) **53,803t-CO_2**

Category 10: Processing of sold products [Area A]
(Emissions generated when semi-manufactured products are processed by downstream operators) **0t-CO_2**

Category 11: Use of sold products [Area E]
(Emissions associated with use of products) **27,386 thousand t-CO_2**

Category 12: Disposal of sold products [Area E]
(Emissions related to disposal and processing of products and their containers/packages) **337,605t-CO_2**

Category 13: Downstream leased assets[*5] [Area A]
(Emissions related to operation of assets on lease to other companies) **0t-CO_2**

Category 14: Franchises [Area A]
(Emissions of Scopes 1 and 2 in operators with whom franchise contracts have been concluded) **0t-CO_2**

Category 15: Investments[*6] [Area A]
(Emissions related to the management of investment (excluding Scopes 1 and 2)) **0t-CO_2**

Global sales volume[*7]
(Total retail units of Mazda-brand vehicles sold on a global basis) **1,287 thousand units**

176 thousand units in Japan **1,111 thousand units in overseas**

∗1 Energy consumption and greenhouse gas emissions are calculated using the energy conversion factor and carbon emission factor based on the standards of the Japan Automobile Manufacturers Association, Inc. (JAMA) (Commitment to a Low Carbon Society). (The FY March 2020 factors are used for FY March 2021.) CO_2 emissions resulting from power consumption by overseas companies are calculated by applying the factor shown in the IEA Emission Factors 2019 issued by International Energy Agency (IEA).

∗2 Scope 1: Direct emissions from consumption of fuels and industrial processes; Scope 2: Emissions associated with consumption of purchased heat/electricity (indirect emissions from energy consumption)

∗3 Scope 3: Other indirect emissions are calculated using Mazda's own calculation method, based on the Ministry of the Environment's emission basic unit database (ver. 2.3, released in December 2017) for organizations to use when calculating greenhouse effect gas emissions generated throughout their supply chains. (Source: https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/GuideLine_ver2.3.pdf)

∗4 CO_2 emissions are calculated based on the Ministry of the Environment's CO_2 Emission Intensity Database (Ver.3.1) released in March 2021 for organizations to use in calculating greenhouse gas emissions from their supply chains. (Source:https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V3-1.xlsx)

∗5 Categories 8 and 13 are included in the greenhouse gas emissions from plants and offices.

∗6 Category 15 for group companies is included in the greenhouse gas emissions from plants and offices.

∗7 The total figure is rounded and may not match the sum of individual items.

∗8 Including figures assured by a third-party (see p.134).

∗9 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

Period of Data Collection: FY March 2021 (April 2020–March 2021)

Boundary of Data Collection	**Area A: Mazda Motor Corporation, 22 domestic consolidated Group companies and eight domestic equity-method Group companies, and 14 overseas consolidated Group companies and five overseas equity-method Group companies.** **Area B: Mazda Motor Corporation, 22 domestic consolidated Group companies and eight domestic equity-method Group companies.** **Area C: Mazda Motor Corporation.** **Area D: Mazda Motor Corporation, four domestic production sites and five overseas production companies (two consolidated Group companies and three equity-method Group companies).** **Area E: Domestic and major sales regions (North America, Europe and China)** **Area F: Four domestic production sites of Mazda (Head Office (Hiroshima), Miyoshi Plant, Hofu Plant (Nishinoura District), and Hofu Plant (Nakanoseki District) (including non-manufacturing areas such as product development))**
Mazda Motor Corporation	Hiroshima Head Office, Hiroshima Plant, Miyoshi Plant, Hofu Plant (Nishinoura district), Hofu Plant (Nakanoseki district), Tokyo Office, Osaka Fleet Sales Gr., Mazda R&D Center Yokohama, Hokkaido Kenbuchi Proving Ground, Hokkaido Nakasatsunai Proving Ground, Mine Proving Ground, Parts Centers (2 sites), Mazda Technical Service Centers (6 sites), Mazda Training Centers (2 sites), Mazda Saka Studio, Mazda Education Center, Mazda Hospital
Consolidated Group companies	
22 domestic companies	Manufacturing companies: Mazda Ace Co., Ltd., Mazda Logistics Co., Ltd., Kurashiki Kako Co., Ltd., Mazda Engineering & Technology Co., Ltd. Sales companies: Mazda Chuhan Co., Ltd., Mazda Motor International, Hakodate Mazda Co., Ltd., Tohoku Mazda Co., Ltd., Fukushima Mazda Co., Ltd., Kitakanto Mazda Co., Ltd., Koushin Mazda Co., Ltd., Kanto Mazda Co., Ltd., Shizuoka Mazda Co., Ltd., Tokai Mazda Sales Co., Ltd., Hokuriku Mazda Co., Ltd., Keiji Mazda Co., Ltd., Kansai Mazda Co., Ltd., Nishi-Shikoku Mazda Co., Ltd., Kyushu Mazda Co., Ltd., Minami-Kyushu Mazda Co., Ltd., Okinawa Mazda Sales Co., Ltd. Parts sales company: Mazda Parts Co., Ltd.
14 overseas companies	Mazda Canada, Inc., Mazda Motor Manufacturing de Mexico S.A. de C.V., Mazda Motors (Deutschland) GmbH, Mazda Motor Europe GmbH, Mazda Motors UK Ltd., Mazda Motor Russia, OOO, Mazda Australia Pty Ltd., Mazda Motors of New Zealand Ltd., Mazda Sales (Thailand) Co., Mazda Powertrain Manufacturing (Thailand) Co., Ltd., Mazda Motor (China) Co., Ltd., Mazda Motor Taiwan Co., Ltd., Mazda Southern Africa (Pty) Ltd., Mazda de Colombia S.A.S.
Equity-Method Group Companies	
8 domestic companies	Toyo Advanced Technologies Co., Ltd., Japan Climate Systems Corporation, Yoshiwa Kogyo Co., Ltd., Sanfrecce Hiroshima FC, Mazda Processing Chugoku Co., Ltd., Mazda Credit, Inc., MCM Energy Service Co., Ltd., Mazda Parts Sales Hiroshima Co., Ltd.
5 overseas companies	Mazda Sollers Manufacturing Rus LLC, AutoAlliance (Thailand) Co., Ltd., Changan Mazda Automobile Co., Ltd., Changan Mazda Engine Co., Ltd., FAW Mazda Motor Sales Co., Ltd.

FY March 2021 Data on Water and Atmosphere

Water Pollutants

Wastewater Drainage Destination: Enko River and Kaita Bay

Site	Water Pollutants	Unit	Regulation	Actual		
				Max.	Min.	Avg.
Hiroshima Plant	pH (freshwater)	—	5.8〜8.6	7.8	6.5	7.1
	pH (seawater)	—	5.5〜9.0	7.5	6.8	7.2
	BOD	mg／L	160	2.7	ND	<1.3
	COD	mg／L	20	12	1.6	4.4
	SS	mg／L	200	16	ND	<4.9
	Oil	mg／L	5	0.7	ND	<0.5
	Fluorine (freshwater)	mg／L	8	0.2	ND	<0.1
	Fluorine (seawater)	mg／L	15	8.5	0.1	2.9
	Copper	mg／L	3	0.01	ND	<0.01
	Zinc	mg／L	2	0.73	0.02	0.15
	Soluble iron	mg／L	10	0.2	ND	<0.1
	Soluble manganese	mg／L	10	1	ND	<0.2
	Chromium	mg／L	2	0.1	ND	<0.02
	Selenium	mg／L	0.1	0.004	ND	<0.002
	Total nitrogen	mg／L	120	11	1.5	4.8
	Total phosphorus	mg／L	16	3.2	ND	<0.4
	Coliform groups	colonies/cm³	3,000	600	ND	<43
	Boron (freshwater)	mg／L	10	0.4	ND	<0.2
	Boron (seawater)	mg／L	230	3.3	0.1	1.7

The following substances were not detected: cadmium, cyanogen, organic phosphorus, lead, hexavalent chromium, arsenic, mercury, alkyl mercury, PCBs, trichloroethylene, tetrachloroethylene, dichloromethane, carbon tetrachloride, 1.2-dichloroethane, 1.1-dichloroethylene, 1.2-dichloroethylene, 1.1.1-trichloroethane, 1.1.2-trichloroethane, 1.3-dichloropropene, thiuram, simazine, thiobencarb, benzene, 1.4-dioxane and phenol.

Wastewater Drainage Destination: Basen River

Site	Water Pollutants	Unit	Regulation	Actual		
				Max.	Min.	Avg.
Miyoshi Plant	pH	—	5.8〜8.6	7.6	7.2	7.4
	BOD	mg／L	90	5.7	1.1	3.1
	SS	mg／L	90	12	2	6.5
	Soluble manganese	mg／L	10	0.2	ND	<0.1
	Total nitrogen	mg／L	120	2.4	2.4	2.4
	Coliform groups	colonies/cm³	3,000	700	ND	<13
	Ammonia, ammonium, nitrous acid, and nitrous acid compounds	mg／L	100	2.1	2.1	2.1

The following substances were not detected: cadmium, cyanogen, organic phosphorus, lead, hexavalent chromium, arsenic, mercury, alkyl mercury, PCBs, trichloroethylene, tetrachloroethylene, dichloromethane, carbon tetrachloride, 1.2-dichloroethane, 1.1-dichloroethylene, 1.2-dichloroethylene, 1.1.1-trichloroethane, 1.1.2-trichloroethane, 1.3-dichloropropene, thiuram, simazine, thiobencarb, benzene, selenium, fluorine, boron, 1.4-dioxane, oil, total phosphorus, phenol, copper, zinc, soluble iron and chromium.

Wastewater Drainage Destination: Oumi Bay

Site	Water Pollutants	Unit	Regulation	Actual		
				Max.	Min.	Avg.
Nishinoura District, Hofu Plant	pH	—	5.0〜9.0	7.2	6.1	6.9
	COD	mg／L	50	11.6	2.1	7.1
	SS	mg／L	40	2.1	0.5	1.3
	Oil	mg／L	2	0.5	0.5	0.5
	Zinc	mg／L	2	0.59	0.17	0.4
	Soluble manganese	mg／L	10	0.3	ND	<0.2
	Total nitrogen	mg／L	120	8	0.6	2.9
	Total phosphorus	mg／L	16	3.8	0.3	1.9
	Coliform groups	colonies/cm³	3,000	120	ND	<60
	Boron	mg／L	230	1.2	1.2	1.2
	Fluorine	mg／L	15	5.6	2.6	4.1
	Ammonia, ammonium, nitrous acid, and nitrous acid compounds	mg／L	100	3.0	0.33	1.7

The following substances were not detected: cadmium, cyanogen, organic phosphorus, lead, hexavalent chromium, arsenic, mercury, alkyl mercury, PCBs, trichloroethylene, tetrachloroethylene, dichloromethane, carbon tetrachloride, 1.2-dichloroethane, 1.1-dichloroethylene, 1.2-dichloroethylene, 1.1.1-trichloroethane, 1.1.2-trichloroethane, 1.3-dichloropropene, thiuram, simazine, thiobencarb, benzene, selenium, 1.4-dioxane, phenol, copper, soluble iron and chromium.

Wastewater Drainage Destination: Oumi Bay

Site	Water Pollutants	Unit	Regulation	Actual		
				Max.	Min.	Avg.
Nakanoseki District, Hofu Plant	pH	—	5.0〜9.0	7.7	6.1	7.2
	COD	mg／L	50	6.2	4.0	4.9
	SS	mg／L	40	12	1	2.6
	Zinc	mg／L	2	0.25	0.1	0.18
	Soluble manganese	mg／L	10	1.7	ND	<0.9
	Total nitrogen	mg／L	120	14.8	2.0	6.5
	Total phosphorus	mg／L	16	1.5	0.08	0.7
	Coliform groups	colonies/cm³	3,000	2	ND	<1
	Ammonia, ammonium, nitrous acid, and nitrous acid compounds	mg／L	100	7.5	3.9	5.7

The following substances were not detected: cadmium, cyanogen, organic phosphorus, lead, hexavalent chromium, arsenic, mercury, alkyl mercury, PCBs, trichloroethylene, tetrachloroethylene, dichloromethane, carbon tetrachloride, 1.2-dichloroethane, 1.1-dichloroethylene, 1.2-dichloroethylene, 1.1.1-trichloroethane, 1.1.2-trichloroethane, 1.3-dichloropropene, thiuram, simazine, thiobencarb, benzene, selenium, fluorine, boron, 1.4-dioxane, oil, phenol, copper, soluble iron and chromium.

Atmospheric Pollutants

Site	Atmospheric Pollutants		Unit	Regulation	Actual (Max.)
Hiroshima Plant	NOx	Boilers	ppm	150	54
		Drying ovens	ppm	250	120
				230	73
		Melting furnaces	ppm	180	49
		Diesel engines	ppm	950	630
		Heating furnaces	ppm	200	84
				180	46
				150	93
	Dust	Boilers	g／m³N	0.25	0.011
				0.1	0.0016
		Drying ovens	g／m³N	0.4	0.0019
				0.35	0.0029
				0.2	0.0063
				0.15	0.044
		Melting furnaces	g／m³N	0.4	0.017
				0.20	0.063
				0.10	0.002
		Diesel engines	g／m³N	0.10	0.018
		Heating furnaces	g／m³N	0.4	0.0042
				0.25	<0.005
				0.20	0.027
	SOx	K-value regulation	—	7	3.8
	VOC	Painting facilities	ppm	700	315
		Washing facilities	ppm	400	110
Miyoshi Plant	NOx	Boilers	ppm	250	150
		Diesel engines	ppm	950	620
	Dust	Boilers	g／m³N	0.30	0.012
		Diesel engines	g／m³N	0.10	0.078
Nishinoura District, Hofu Plant	NOx	Boilers	ppm	150	80
				130	110
		Drying ovens	ppm	230	48
	Dust	Boilers	g／m³N	0.10	0.003
		Drying ovens	g／m³N	0.35	0.003
				0.30	0.004
				0.20	0.005
	SOx	K-value regulation	—	4.5	0.149
		Total pollutant load control	m³N／h	17.59	0.507
	VOC	Painting facilities	ppm	700	270
Nakanoseki District, Hofu Plant	NOx	Melting furnaces	ppm	180	34
	Dust	Heating furnaces	g／m³N	0.25	0.002
				0.20	0.002
		Melting furnaces	g／m³N	0.20	0.05
	SOx	K-value regulation	—	4.5	0.08
		Total pollutant load control	m³N／h	8.37	0.001

Volume of PRTR-designated Pollutants Emitted and Transferred in FY March 2021

(Items marked with an asterisk (*) are Class 1 designated chemical substances of which 500 kg/year or more are handled.)

Hiroshima Plant

Unit: (kg/year)

Substance No.	Substance group	Amount handled	Volume emitted				Amount consumed	Amount disposed	Amount transferred	Amount recycled
			Air	Water	Soil				Waste products	
1	Water-soluble zinc compounds	36,178	0	579	0	579	31,619	3,980	0	0
53	Ethyl benzene	93,074	25,435	0	0	25,435	33,776	25,451	0	8,412
80	Xylene	358,592	129,559	0	0	129,559	140,894	64,611	0	23,528
87	Chromium and trivalent chromium compounds	31,065	0	0	0	0	30,467	0	598	0
88*	Hexavalent chromium compounds	1,458	0	0	0	0	860	598	0	0
258	1,3,5,7-tetraazetoricyclo [3.3.1.1^{3,7}] decane	2,610	0	0	0	0	0	2,610	0	0
277	Triethylamine	132,776	797	0	0	797	0	131,979	0	0
296	1,2,4-trimethylbenzene	198,006	57,528	0	0	57,528	87,703	52,775	0	0
297	1,3,5-trimethylbenzene	23,674	10,680	0	0	10,680	1,246	11,110	0	638
300	Toluene	615,962	97,845	0	0	97,845	290,653	187,837	0	39,627
309*	Nickel compounds	3,797	0	456	0	456	1,310	0	2,031	0
349	Phenol	20,940	0	1	0	1	0	20,939	0	0
355	Bis (2-ethylhexyl) phthalate	1,463	0	0	0	0	1,419	0	44	0
374	Hydrogen fluoride and its water-soluble salts	2,955	0	473	0	473	0	2,482	0	0
392	n-Hexane	113,554	284	0	0	284	97,463	15,807	0	0
400*	Benzene	22,380	28	0	0	28	17,456	4,896	0	0
411*	Formaldehyde	1,992	603	0	0	603	0	1,389	0	0
412	Manganese and its compounds	35,701	0	289	0	289	33,710	0	1,652	50
438	Methylnaphthalene	5,141	26	0	0	26	0	5,115	0	0
448	Diisocyanate (methylene-bis [4,1-phenylene])	179,594	0	0	0	0	0	179,594	0	0
453	Molybdenum and its compounds	1,207	0	0	0	0	841	0	53	313
302	Naphthalene	12,738	64	0	0	64	0	12,674	0	0
	Total	1,894,857	322,849	1,798	0	324,647	769,417	723,847	4,378	72,568

Miyoshi Plant

Substance No.	Substance group	Amount handled	Volume emitted				Amount consumed	Amount disposed	Amount transferred	Amount recycled
			Air	Water	Soil				Waste products	
53	Ethyl benzene	1,963	0	0	0	0	0	1,963	0	0
80	Xylene	8,337	1	0	0	1	0	8,336	0	0
296	1,2,4-trimethylbenzene	5,415	1	0	0	1	0	5,414	0	0
300	Toluene	23,563	8	0	0	8	0	23,555	0	0
392	n-Hexane	3,667	9	0	0	9	0	3,658	0	0
400*	Benzene	873	1	0	0	1	0	872	0	0
438	Methylnaphthalene	2,416	12	0	0	12	0	2,404	0	0
	Total	46,234	32	0	0	32	0	46,202	0	0

Nishinoura District, Hofu Plant

Substance No.	Substance group	Amount handled	Volume emitted				Amount consumed	Amount disposed	Amount transferred	Amount recycled
			Air	Water	Soil				Waste products	
1	Water-soluble zinc compounds	11,096	0	178	0	178	9,698	1,220	0	0
53	Ethyl benzene	97,018	57,304	0	0	57,304	28,558	11,156	0	0
80	Xylene	190,358	44,263	0	0	44,263	119,098	11,390	0	15,607
296	1,2,4-trimethylbenzene	133,931	39,367	0	0	39,367	74,082	11,256	0	9,226
297	1,3,5-trimethylbenzene	13,851	8,648	0	0	8,648	855	2,067	0	2,281
300	Toluene	432,835	163,913	0	0	163,913	243,822	17,570	0	7,530
309*	Nickel compounds	2,174	0	261	0	261	750	0	1,163	0
392	n-Hexane	84,077	211	0	0	211	82,980	886	0	0
400*	Benzene	14,976	19	0	0	19	14,799	158	0	0
412	Manganese and its compounds	3,042	0	160	0	160	1,937	0	916	29
	Total	983,358	313,725	599	0	314,324	576,579	55,703	2,079	34,673

Nakanoseki District, Hofu Plant

(No applicable chemical substances subject to reporting. (The volume of the PRTR-designated groups' substances handled is less than the designated volume subject to reporting.)

Company Total

Substance No.	Substance group	Amount handled	Volume emitted				Amount consumed	Amount disposed	Amount transferred	Amount recycled
			Air	Water	Soil				Waste products	
	Total	2,945,330	636,614	2,397	0	639,011	1,345,996	846,625	6,457	107,241

Major Product Lineup

MAZDA 2

Global Sales Volume
88 thousand units

Sales markets
J N E O

Production bases
J N O

MAZDA 3

Global Sales Volume
243 thousand units

Sales markets
J N E C O

Production bases
J N C O

MAZDA 6

Global Sales Volume
82 thousand units

Sales markets
J N E C O

Production bases
J E C O

MAZDA CX-3

Global Sales Volume
65 thousand units

Sales markets
J N E O

Production bases
J O

MAZDA CX-30

Global Sales Volume
193 thousand units

Sales markets
J N E C O

Production bases
J N E C O

MAZDA CX-4

Global Sales Volume
49 thousand units

Sales markets
C

Production bases
C

MAZDA CX-5

Global Sales Volume
375 thousand units

Sales markets
J N E C O

Production bases
J E C O

MAZDA CX-8

Global Sales Volume
31 thousand units

Sales markets
J C O

Production bases
J C O

MAZDA CX-9

Global Sales Volume
55 thousand units

Sales markets
N E O

Production bases
J E

MAZDA MX-30

Global Sales Volume
16 thousand units

Sales markets
J E O

Production bases
J

MAZDA MX-5

(Japanese name: Mazda Roadster)

Global Sales Volume
23 thousand units

Sales markets
J N E O

Production bases
J

MAZDA BT-50

Global Sales Volume
25 thousand units

Sales markets
O

Production bases
O

Sales markets and production bases
J Japan N North America E Europe C China O Other markets

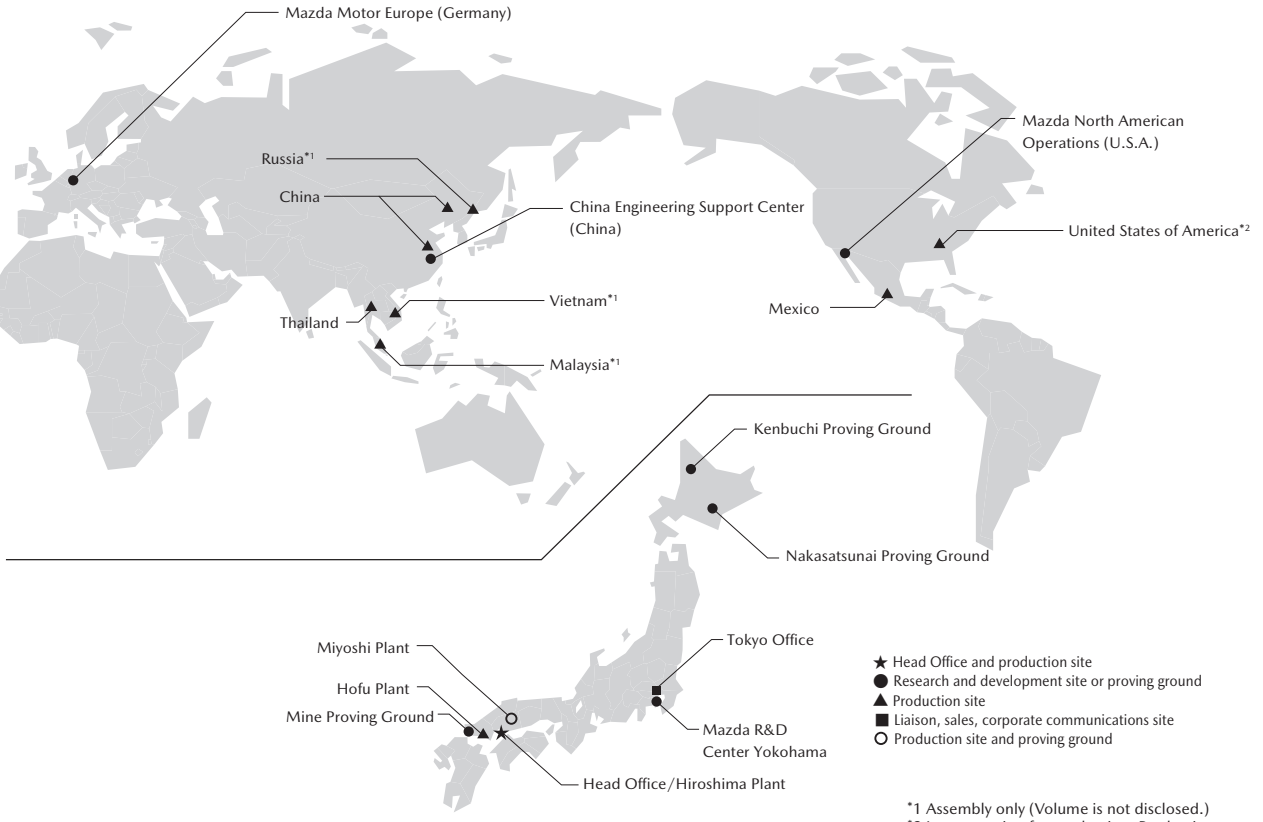
* Global sales volume is for fiscal year March 2021; sales markets and production bases are as of March 31, 2021.
* Vehicle specifications differ by market.

Corporate Profile (as of March 31, 2021)

Company name:	Mazda Motor Corporation
Founded:	January 30, 1920
Head Office:	3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima 730-8670, Japan
Main business lines:	Manufacture and sales of passenger cars and commercial vehicles
Stock information:	1,200,000,000 total shares issuable 631,803,979 total outstanding shares 146,297 shareholders
Capital:	284 billion yen
Employees:	Consolidated Total: 49,786*1
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, Thailand, Mexico, Vietnam,*2 Malaysia,*2 Russia*2
Sales companies:	Japan: 212, Overseas: 136
Principal products:	Four-wheeled vehicles, gasoline reciprocating engines, diesel engines, automatic and manual transmissions for vehicles

*1 Excluding the number of Mazda Group employees dispatched to companies outside the Group, but including the number of employees dispatched to Mazda Group companies from outside the Group.
*2 Assembly only (Volume is not disclosed.)

Global Network (as of March 31, 2021)



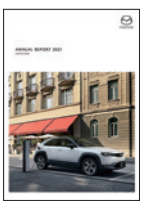
*1 Assembly only (Volume is not disclosed.)
*2 In preparation for production. Production launch of Mazda vehicles is scheduled for 2022.
(As of March 31, 2021)

For more details about major facilities, see Company Profile 2021 (pp.16-29.)
https://www.mazda.com/en/about/profile/library/

Other Information

Official website
Sustainability
Mazda's sustainability initiatives and other general information
https://www.mazda.com/en/sustainability/

Mazda Sustainability Report
https://www.mazda.com/en/sustainability/report/



Annual Report
https://www.mazda.com/en/investors/library/annual/

Mazda Technical Review
https://www.mazda.com/en/innovation/technology/mazda-technical-review/
(For English, Summary is available)

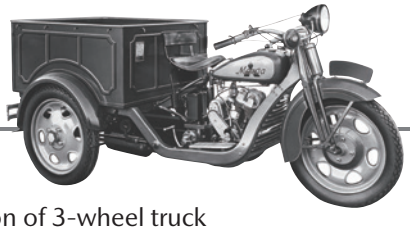
History of Mazda

1920

Corporate | Product*

1920.1 Toyo Cork Kogyo Co., Ltd. is founded
1921.3 Jujiro Matsuda becomes president
1927.9 Company becomes Toyo Kogyo Co., Ltd.

1920–



1931.10
Production of 3-wheel truck "Mazda-go DA model," Mazda's first automobile, begins

1930

1930.9 New plant is constructed in Hiroshima (Fuchu-cho, Aki-gun)

1932 Export of 3-wheel trucks begins
1936.4 Caravan of 3-wheel trucks from Kagoshima to Tokyo (advertising campaign)
1936.4 New logo is introduced

1936.4–

1940

1945.8 Mazda loans part of Head Office building to Hiroshima prefectural government, court, news media, etc.
Regarding the Hiroshima prefectural government all functions are temporarily transferred there (until July 1946)
1945.12 Production of 3-wheel trucks suspended since August 1945 resumes
1949.8 3-wheel trucks export restart

1950

1951 New logo is introduced
1951.12 Tsuneji Matsuda becomes president

1951–

1959.7 New logo is introduced

1959.7–

1950.6
4-wheel light truck "CA model" is launched

1960

1961.7 Mazda enters into technical cooperation with NSU/Wankel on rotary engines
1963.3 Cumulative domestic production reaches 1 million vehicles
1965.5 Miyoshi Proving Ground is completed
1966.11 Operations at new passenger car plant (Ujina) in Hiroshima begin

1967.3 Full-scale exports to the European market begin

1960.5
"R360 Coupe," Mazda's first passenger car, is launched

1962.2
The first "Carol" is launched

1963.10
The first "Familia" is launched

1966.5
The first "Bongo" is launched

1967.5
"Cosmo Sport (110s)," Mazda's first rotary engine vehicle is launched (Selected as the Japan Automotive Hall of Fame's "2003 Historic Car of Japan")

1966.8
The first "Luce" is launched

1970

1970.4 Exports to the U.S. begin
1970.11 Kouhei Matsuda becomes president
1975.1 New logo is introduced

1975.1–

1977.12 Yoshiki Yamasaki becomes president
1979.6 Cumulative domestic production reaches 10 million vehicles
1979.11 Ford Motor Company and Mazda enter into a capital tie-up

1970.5
The first "Capella (RX-2)" is launched

1971.8
The first "Titan" is launched

1971.9
The first "Savanna (RX-3)" is launched

1975.10
The first "Cosmo" is launched

1978.3
The first "Savanna RX-7 (RX-7)" is launched

1980

1981.12 Operations at Hofu Transmission Plant (Nakanoseki district) begin
1982.9 Operations of manufacturing passenger cars at Hofu plant (Nishinoura district) begin
1984.5 Company is renamed Mazda Motor Corporation
1984.10 Mazda Foundation is established
1984.11 Kenichi Yamamoto becomes president
1985.1 Mazda Motor Manufacturing (USA) Corporation (MMUC), now Auto Alliance International (AAI), is established (-2012.8)
1987.4 Cumulative domestic production reaches 20 million vehicles
1987.6 New research center is opened in Yokohama, Japan (the current Mazda R&D Center Yokohama)
1987.12 Norimasa Furuta becomes president
1988.4 Mazda Technical College is established
1988.5 Mazda Research and Development Center is established in Irvine, CA (U.S.)

1980.6
"Familia (GLC/323)" is fully redesigned (Receives the "1980-1981 Car of the Year Japan")

1982.9
"Capella (Telstar)" is fully redesigned (Receives the "1982-1983 Car of the Year Japan")

1989.9
The first "Roadster (MX-5)" is launched (Selected as the Japan Automotive Hall of Fame's "2019 Historic Car of Japan")

1990

1990.1 Hokkaido Kenbuchi Proving Ground for cold-weather testing is completed
1990.5 European R&D Representative Office (MRE) is completed
1991.12 Yoshihiro Wada becomes president
1995.4 Cumulative domestic production reaches 30 million vehicles
1995.11 Mazda and Ford jointly establish Auto Alliance (Thailand) Company Limited (AAT), a joint venture production company
1996.3 Mazda website is opened
1996.6 Henry D.G. Wallace becomes president
1997.6 New logo is introduced
1997.11 James E. Miller becomes president
1999.12 Mark Fields becomes president

1997.6–

1991.6
Mazda 787B wins the 59th Le Mans 24-Hour Endurance Race, claiming the first ever victory for a Japanese automobile

1990.1
The first "MPV" is launched

1991.12
"RX-7" is fully redesigned (Receives the "1991-1992 RJC New Car of the Year")

1996.8
The first "Demio (Mazda2)" is launched (Receives the "1996-1997 RJC New Car of the Year")

1999.4
The first "Premacy (Mazda5)" is launched

* Launch date is based on the Japanese market

2000

Corporate

2000.11 Mid-term plan “Millennium Plan” is announced
2002.1 Hokkaido Nakasatsunai Proving Ground is completed
2002.4 New brand statement “Zoom-Zoom” is introduced
2002.6 Lewis Booth becomes president and CEO
2003.1 Production of “Mazda6” commences at FAW Car Company in China
2003.8 Hisakazu Imaki becomes president and CEO
2004.11 Mid-term plan “Mazda Momentum” is announced
2005.8 China Engineering Support Center is opened
2006.5 Mine Proving Ground is completed
2007.3 Mid-term plan “Mazda Advancement Plan” is announced
2007.3 Long-term vision for technology development “Sustainable Zoom-Zoom” is announced
2007.4 Operations commence at an engine manufacturing plant in China (CFME, now CME)
2007.7 Cumulative domestic production reaches 40 million vehicles
2007.10 Operations commence at a manufacturing plant in Nanjing, China (CFMA, now CMA)
2008.11 Takashi Yamanouchi becomes president and CEO

Product*

2000.7
“Roadster (MX-5)” is recognized by Guinness World Records as the world's largest production of lightweight open two-seater sports car

2002.5
The first “Atenza (Mazda6)” is launched (Receives the “2003 RJC Car of the Year”)

2003.4
“RX-8” is launched (Receives the “2004 RJC Car of The Year”)

2003.10
The first “Axela (Mazda3)” is launched

2005.8
“Roadster (MX-5)” is fully redesigned (Receives the “2005-2006 Car of the Year Japan”)

2006.2
Leasing of hydrogen vehicle, “RX-8 Hydrogen RE,” is started

2006.3
Global presentation of the first “BT-50” at Bangkok International Motor Show

2006.10
Production of the first “CX-9” commences

2006.12
“CX-7” is launched

2007.7
“Demio (Mazda2)” is fully redesigned (Receives the “2008 RJC Car of the Year” and the “2008 World Car of the Year”)

2008.7
“Biante” is launched

2009.3
Leasing of hydrogen vehicle, “Premacy Hydrogen RE Hybrid,” is started

2010

Corporate

2010.4 “Framework for Medium-and Long-term Initiatives” is announced
2012.2 “Structural Reform Plan” is announced
2012.9 Mazda and Sollers establish Mazda Sollers (MSMR), a joint venture production company in Russia
2012.9 Mazda and Bermaz establish Mazda Malaysia (MMSB), a joint venture company
2013.1 Business agreement is concluded for the development and production of Fiat brand two-seater convertible sports car
2013.6 Masamichi Kogai becomes president and CEO
2014.1 Operations commence at Mazda de Mexico Vehicle Operation (MMVO), a production facility in Mexico
2015.1 Operations commence at Mazda Powertrain Manufacturing (Thailand) (MPMT), a transmission plant in Thailand
2015.4 “Structural Reform Stage 2” is announced
2015.4 New Corporate Vision is established
2017.8 Agreement is entered into with Toyota on business and capital tie-up
2017.8 Long-term vision for technology development “Sustainable Zoom-Zoom 2030” is announced
2018.3 Mazda and Toyota establish a joint-venture company, “Mazda Toyota Manufacturing U.S.A.”
2018.5 Cumulative domestic production reaches 50 million vehicles
2018.6 Akira Marumoto becomes president and CEO
2019.11 “Medium-Term Management Plan” is announced

Product*

2010.10
Skyactiv Technology is announced

2012.2
“CX-5” is launched (Receives the “2012-2013 Car of the Year Japan”)

2012.11
“Atenza (Mazda6)” is fully redesigned (Receives the “2014 RJC Car of the Year”)

2013.6
Commenced public road test of leased hydrogen vehicles, “Premacy Hydrogen RE Range Extender EV”

2013.11
“Axela (Mazda3)” is fully redesigned

2014.9
“Demio (Mazda2)” is fully redesigned (Receives the “2014-2015 Car of the Year Japan”)

2015.2
“CX-3” is launched

2015.5 “Roadster (MX-5)” is fully redesigned (Receives the “2015-2016 Car of the Year Japan,” the “2016 World Car of the Year,” and the “2016 World Car Design of the Year”)

2015.7
“Mazda BT-50” is fully redesigned and production commences in Thailand

2016.2
“CX-9” is fully redesigned and production commences

2016.4
“CX-4” makes its world debut

2016.7
A series of Mazda’s vehicle motion control technologies “Skyactiv Vehicle Dynamics” is announced

2016.12
“CX-5” is fully redesigned

2017.8
New-generation gasoline engine “Skyactiv-X” is announced

2017.12
“CX-8” is launched

2019.5
“Mazda3” is launched (Receives the “2020 World Car Design of the Year”)

2019.9
“CX-30” is launched

2020

Corporate

2020.1 Mazda marks the 100th anniversary of its founding
2020.11 Medium-Term Management Plan is revised

Product*

2020.6
“BT-50” is fully redesigned and makes its world debut

2020.10
"MX-30" is launched (Receives “Design Car of the Year” at the “2020-2021 Car of the Year Japan”)

2021

* Launch date is based on the Japanese market

Third-Party Verification

The Mazda Sustainability Report 2021 [In-Depth Version] 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 star mark (★).

JQA

No.1811004244-2

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 whether the GHG emissions (energy-derived CO2 emissions from Scope 1, 2 and four categories of Scope 3 [Category 3, 5, 6 and 7]), water use and waste emissions for FY 2020 (hereafter "the Environmental data") were correctly indicated in the "Mazda Sustainability Report 2021 [In-depth version]" (hereafter "the Report") created by the Company. The Environmental 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 "Mazda's Corporate Activities and Impact on the Environment" of the Report. The content of our verification was to express our conclusion, based on our verification procedure, on whether the Environmental data was correctly indicated in accordance with the "Publish process of Mazda Sustainability Report: Environmental data which is Third party assured (dated January 25, 2022)" (hereafter "the Rules"). The purpose of the verification was to evaluate the Environmental data indicated in the Report objectively and to enhance the credibility of the Report.

*The fiscal year 2020 of Mazda Motor Corporation ended on March 31, 2021.

2. Procedure Performed

JQA conducted verification in accordance with "ISO 14064-3" for GHG emissions and with "ISAE3000" for water use and waste emissions, respectively. Each boundary of the environmental information for this verification assignment are:

- For Scope1, 2 GHG emissions (energy-derived CO2 emissions) and Scope 3 GHG emission (Category 3), four domestic production sites of the Company and five overseas production companies.
- For Scope 3 GHG emission (Category 5), water use and waste emissions, four domestic production sites of the Company.
- For Scope 3 GHG emissions (Category 6 and 7), the Company.

It should be noted that four domestic production sites of the Company are Hiroshima Plant, Miyoshi Plant, Nishinoura district and Nakanoseki district of Hofu Plant, and five overseas production companies are AutoAlliance (Thailand) Co., Ltd., Changan Mazda Engine Co., Ltd., Changan Mazda Automobile Co., Ltd., Mazda Powertrain Manufacturing (Thailand) Co., Ltd. and Mazda Motor Manufacturing de Mexico, S.A. de C.V.. The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent each of the total emissions and total amount of water use in the Report. Our verification procedure included checking the Environmental data indicated in the Report against that included 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 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 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
March 17, 2022

Third-Party Assurance

The Mazda Sustainability Report 2021 [In-Depth Version] was assured by a third party to improve the reliability of the data disclosed in the report.
Items assured by the third party are indicated by a checkmark (☑).

KPMG

Independent Assurance Report

To the Representative Director, President and CEO of Mazda Motor Corporation

We were engaged by Mazda Motor Corporation (the "Company") to undertake a limited assurance engagement of the social performance indicators marked with "☑" (the "Indicators") for the period from April 1, 2020 to March 31, 2021 included in its SUSTAINABILITY REPORT 2021 (IN-DEPTH VERSION) (the "Report") for the fiscal year ended March 31, 2021.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of the Company's headquarters selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Yukinobu Matsuo, Partner, Board Director
KPMG AZSA Sustainability Co., Ltd.
Osaka, Japan
March 22, 2022

GRI Content Index

The table below shows the pages in this report containing information relevant to each of the required disclosures under the GRI Sustainability Reporting Standards and its Core option, and each of the ISO 26000 subjects.

Core option requirements	GRI Standard	Disclosures	Relevant pages/ Reason for omission in parentheses	ISO26000
	102	**General Disclosures**		
	GRI 102：	**General Disclosures 2016**		
	1	**Organizational profile**		
✔	102-1	Name of the organization	131	—
✔	102-2	Activities, brands, products, and services	130、131 • Securities Report*2	—
✔	102-3	Location of headquarters	131	—
✔	102-4	Location of operations	131	—
✔	102-5	Ownership and legal form	131	—
✔	102-6	Markets served	130、131 • Securities Report*2	—
✔	102-7	Scale of the organization	118、131	—
✔	102-8	Information on employees and other workers	62	6.4、6.4.3
✔	102-9	Supply chain	115	—
✔	102-10	Significant changes to the organization and its supply chain	N/A	—
✔	102-11	Precautionary Principle or approach	108-111	6.2
✔	102-12	External initiatives	27	6.2
✔	102-13	Membership of associations	27	6.2
	2	**Strategy**		
✔	102-14	Statement from senior decision-maker	4-5	6.2
	102-15	Key impacts, risks, and opportunities	9、12-25	6.2
	3	**Ethics and integrity**		
✔	102-16	Values, principles, standards, and norms of behavior	6、8、112	—
	102-17	Mechanisms for advice and concerns about ethics	112-114	—
	4	**Governance**		
✔	102-18	Governance structure	10、104-105	6.2
	102-19	Delegating authority	10	—
	102-20	Executive-level responsibility for economic, environmental, and social topics	10	—
	102-21	Consulting stakeholders on economic, environmental, and social topics	26	6.2
	102-22	Composition of the highest governance body and its committees	104-105 • Securities Report*2	6.2
	102-23	Chair of the highest governance body	• Corporate Governance Report*1 • Securities Report*2	6.2
	102-24	Nominating and selecting the highest governance body	• Corporate Governance Report*1 • Securities Report*2	6.2
	102-25	Conflicts of interest	• Corporate Governance Report*1	6.2
	102-26	Role of highest governance body in setting purpose, values, and strategy	10	—
	102-27	Collective knowledge of highest governance body	• Corporate Governance Report*1	—

*1 Corporate Governance Report https://www.mazda.com/en/investors/library/governance/
*2 Securities Report (Japanese only) https://www.mazda.com/ja/investors/library/s-report/

Core option requirements	GRI Standard	Disclosures	Relevant pages/ Reason for omission in parentheses	ISO26000
	102-28	Evaluating the highest governance body's performance	105	6.2
	102-29	Identifying and managing economic, environmental, and social impacts	9	6.2
	102-30	Effectiveness of risk management processes	108	—
	102-31	Review of economic, environmental, and social topics	120-124	6.2
	102-32	Highest governance body's role in sustainability reporting	—	—
	102-33	Communicating critical concerns	113	6.2
	102-34	Nature and total number of critical concerns	113	—
	102-35	Remuneration policies	104-105 • Corporate Governance Report*1 • Securities Report*2	6.2
	102-36	Process for determining remuneration	• Corporate Governance Report*1	—
	102-37	Stakeholders' involvement in remuneration	• Securities Report*2	6.2
	102-38	Annual total compensation ratio	—	—
	102-39	Percentage increase in annual total compensation ratio	—	—
	5	**Stakeholder engagement**		
✔	102-40	List of stakeholder groups	26	6.2
✔	102-41	Collective bargaining agreements	68	6.3.10、6.4 6.4.3、6.4.4 6.4.5
✔	102-42	Identifying and selecting stakeholders	26	6.2
✔	102-43	Approach to stakeholder engagement	26	6.2、6.7 6.7.4、6.7.5 6.7.6、6.7.8 6.7.9
✔	102-44	Key topics and concerns raised	26-27、56、60、63、74、96	6.2
	6	**Reporting practice**		
✔	102-45	Entities included in the consolidated financial statements	3 • Securities Report*2	6.2
✔	102-46	Defining report content and topic Boundaries	3、27	—
✔	102-47	List of material topics	9	—
✔	102-48	Restatements of information	N/A	—
✔	102-49	Changes in reporting	9	—
✔	102-50	Reporting period	3	—
✔	102-51	Date of most recent report	3	—
✔	102-52	Reporting cycle	3	—
✔	102-53	Contact point for questions regarding the report	142	—
✔	102-54	Claims of reporting in accordance with the GRI Standards	3	—
✔	102-55	GRI content index	136-141	—
✔	102-56	External assurance	134、135	7.5.3
	103	**Management Approach**		
	GRI 103：	Management Approach 2016		
	103-1	Explanation of the material topic and its Boundary	9、12-25、120-124	—
	103-2	The management approach and its components	120-124	—
	103-3	Evaluation of the management approach	120-124	—

*1 Corporate Governance Report https://www.mazda.com/en/investors/library/governance/
*2 Securities Report (Japanese only) https://www.mazda.com/ja/investors/library/s-report/

●：Important issues specified by Mazda

Core option requirements	GRI Standard	Disclosures	Relevant pages/ Reason for omission in parentheses	ISO26000
	200	**Economic**		
●	**GRI 201：**	**Economic Performance 2016**		
	201-1	Direct economic value generated and distributed	63、88、118	6.8、6.8.3 6.8.7、6.8.9
	201-2	Financial implications and other risks and opportunities due to climate change	29	6.5.5
	201-3	Defined benefit plan obligations and other retirement plans	• Securities Report*1	—
	201-4	Financial assistance received from government	—	—
●	**GRI 202：**	**Market Presence 2016**		
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—	6.4.4、6.8
	202-2	Proportion of senior management hired from the local community	61	6.8、6.8.5 6.8.7
●	**GRI 203：**	**Indirect Economic Impacts 2016**		
	203-1	Infrastructure investments and services supported	84	6.3.9、6.8 6.8.3、6.8.4 6.8.5、6.8.6 6.8.7、6.8.9
	203-2	Significant indirect economic impacts	86-90	6.3.9、6.6.6 6.6.7、6.7.8 6.8、6.8.5 6.8.6、6.8.7 6.8.9
●	**GRI 204：**	**Procurement Practices 2016**		
	204-1	Proportion of spending on local suppliers	(Confidential information)	6.6.6、6.8 6.8.5、6.8.7
●	**GRI 205：**	**Anti-corruption 2016**		
	205-1	Operations assessed for risks related to corruption	—	6.6、6.6.3
	205-2	Communication and training about anti-corruption policies and procedures	112-113、116	6.6、6.6.3
	205-3	Confirmed incidents of corruption and actions taken	N/A	6.6、6.6.3
	GRI 206：	Anti-competitive Behavior 2016		
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A	6.6、6.6.5 6.6.7
●	**GRI 207：**	**Tax 2019**		
	207-1	Approach to tax	—	—
	207-2	Tax governance, control, and risk management	113	—
	207-3	Stakeholder engagement and management of concerns	113	—
	207-4	Country-by-country reporting	—	—
	300	**Environmental**		
●	**GRI 301：**	**Materials 2016**		
	301-1	Materials used by weight or volume	126	6.5.4
	301-2	Recycled input materials used	42-43	6.5.4
	301-3	Reclaimed products and their packaging materials	40、42-43、126	6.5.3、6.5.4 6.7.5
●	**GRI 302：**	**Energy 2016**		
	302-1	Energy consumption within the organization	35-36、126	6.5.4
	302-2	Energy consumption outside of the organization	—	6.5.4
	302-3	Energy intensity	—	6.5.4
	302-4	Reduction of energy consumption	35-38	6.5.4、6.5.5
	302-5	Reductions in energy requirements of products and services	31-34	6.5.4、6.5.5

*1 Securities Report (Japanese only) https://www.mazda.com/ja/investors/library/s-report/

Core option requirements	GRI Standard	Disclosures	Relevant pages/ Reason for omission in parentheses	ISO26000
●	**GRI 303：**	**Water 2018**		
	303-2	Interactions with water as a shared resource	15、41	6.5.4
	303-2	Management of water discharge-related impacts	15、41	6.5.4
	303-3	Water withdrawal	—	6.5.4
	303-4	Water discharge	126、128	6.5.4
	303-5	Water consumption	—	6.5.4
	GRI 304：	Biodiversity 2016		
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—	6.5.6
	304-2	Significant impacts of activities, products, and services on biodiversity	—	6.5.6
	304-3	Habitats protected or restored	—	6.5.6
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	52	6.5.6
●	**GRI 305：**	**Emissions 2016**		
	305-1	Direct (Scope1) GHG emissions	35、126-127	6.5.5
	305-2	Energy indirect (Scope2) GHG emissions	35、126-127	6.5.5
	305-3	Other indirect (Scope3) GHG emissions	37、126	6.5.5
	305-4	GHG emissions intensity	35	6.5.5
	305-5	Reduction of GHG emissions	35	6.5.5
	305-6	Emissions of ozone-depleting substances (ODS)	126	6.5.3、6.5.5
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	126、128	6.5.3
●	**GRI 306：**	**Waste 2020**		
	306-1	Waste generation and significant waste-related impacts	40、126	6.5.3、6.5.4
	306-2	Management of significant waste-related impacts	39-40、42-43	6.5.3
	306-3	Waste generated	126	6.5.3
	306-4	Waste diverted from disposal	40	6.5.3
	306-5	Waste directed to disposal	126	6.5.4
●	**GRI 307：**	**Environmental Compliance 2016**		
	307-1	Non-compliance with environmental laws and regulations	45	4.6
●	**GRI 308：**	**Supplier Environmental Assessment 2016**		
	308-1	New suppliers that were screened using environmental criteria	(Confidential information)	6.3.5、6.6.6 7.3.1
	308-2	Negative environmental impacts in the supply chain and actions taken	116	6.3.5、6.6.6 7.3.1
	400	**Social**		
●	**GRI 401：**	**Employment 2016**		
	401-1	New employee hires and employee turnover	61-62	6.4、6.4.3
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—	6.4、6.4.3 6.4.4
	401-3	Parental leave	67	6.4、6.4.3
●	**GRI 402：**	**Labor/Management Relations 2016**		
	402-1	Minimum notice periods regarding operational changes	68	6.4、6.4.3 6.4.4、6.4.5

Core option requirements	GRI Standard	Disclosures	Relevant pages/ Reason for omission in parentheses	ISO26000
●	**GRI 403：**	**Occupational Health and Safety 2018**		
	403-1	Occupational health and safety management system	69	6.4、6.4.6
	403-2	Hazard identification, risk assessment, and incident investigation	69-72	6.4、6.4.6
	403-3	Occupational health services	69-72	6.4、6.4.6
	403-4	Worker participation, consultation, and communication on occupational health and safety	69	6.4、6.4.6
	403-5	Worker training on occupational health and safety	70	6.4、6.4.6
	403-6	Promotion of worker health	71-72	6.4、6.4.6
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	69	6.4、6.4.6
	403-8	Workers covered by an occupational health and safety management system	69	6.4、6.4.6
	403-9	Work-related injuries	69-72	6.4、6.4.6
	403-10	Work-related ill health	69-72	6.4、6.4.6
●	**GRI 404：**	**Training and Education 2016**		
	404-1	Average hours of training per year per employee	64	6.4、6.4.7
	404-2	Programs for upgrading employee skills and transition assistance programs	64	6.4、6.4.7 6.8.5
	404-3	Percentage of employees receiving regular performance and career development reviews	65	6.4、6.4.7
●	**GRI 405：**	**Diversity and Equal Opportunity 2016**		
	405-1	Diversity of governance bodies and employees	62、104	6.3.7、6.3.10 6.4、6.4.3
	405-2	Ratio of basic salary and remuneration of women to men	63	6.3.7、6.3.10 6.4、6.4.3 6.4.4
	GRI 406：	Non-discrimination 2016		
	406-1	Incidents of discrimination and corrective actions taken	74	6.3、6.3.6 6.3.7、6.3.10 6.4.3
	GRI 407：	Freedom of Association and Collective Bargaining 2016		
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—	6.3、6.3.3 6.3.4、6.3.5 6.3.8、6.3.10 6.4.3、6.4.5
	GRI 408：	Child Labor 2016		
	408-1	Operations and suppliers at significant risk for incidents of child labor	73-74、115-116	6.3、6.3.3 6.3.4、6.3.5 6.3.7、6.3.10

Core option requirements	GRI Standard	Disclosures	Relevant pages/ Reason for omission in parentheses	ISO26000
●	**GRI 409：**	**Forced or Compulsory Labor 2016**		
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	73-74、115-116	6.3、6.3.3 6.3.4、6.3.5 6.3.7、6.3.10
	GRI 410：	Security Practices 2016		
	410-1	Security personnel trained in human rights policies or procedures	—	6.3、6.3.5 6.4.3、6.6.6
	GRI 411：	Rights of Indigenous Peoples 2016		
	411-1	Incidents of violations involving rights of indigenous peoples	—	6.3、6.3.6 6.3.7、6.3.8 6.6.7
	GRI 412：	Human Rights Assessment 2016		
	412-1	Operations that have been subject to human rights reviews or impact assessments	73-75	6.3、6.3.3 6.3.4、6.3.5
	412-2	Employee training on human rights policies or procedures	73-75	6.3、6.3.5
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—	6.3、6.3.3 6.3.5、6.6.6
●	**GRI 413：**	**Local Communities 2016**		
	413-1	Operations with local community engagement, impact assessments, and development programs	86	6.3.9、6.6.7 6.8、6.8.5 6.8.7
	413-2	Operations with significant actual and potential negative impacts on local communities	—	6.3.9、6.5.3 6.5.6、6.8.9
●	**GRI 414：**	**Supplier Social Assessment 2016**		
	414-1	New suppliers that were screened using social criteria	(Confidential information)	—
	414-2	Negative social impacts in the supply chain and actions taken	116	—
	GRI 415：	Public Policy 2016		
	415-1	Political contributions	—	—
●	**GRI 416：**	**Customer Health and Safety 2016**		
	416-1	Assessment of the health and safety impacts of product and service categories	83	6.3.9、6.6.6 6.7、6.7.4 6.7.5
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	—	6.3.9、6.6.6 6.7、6.7.4 6.7.5
●	**GRI 417：**	**Marketing and Labeling 2016**		
	417-1	Requirements for product and service information and labeling	—	6.7、6.7.3 6.7.4、6.7.5 6.7.6、6.7.9
	417-2	Incidents of non-compliance concerning product and service information and labeling	—	6.7、6.7.3 6.7.4、6.7.5 6.7.6、6.7.9
	417-3	Incidents of non-compliance concerning marketing communications	N/A	6.7、6.7.3 6.7.6、6.7.9
●	**GRI 418：**	**Customer Privacy 2016**		
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	6.7、6.7.7
●	**GRI 419：**	**Socioeconomic Compliance 2016**		
	419-1	Non-compliance with laws and regulations in the social and economic area	112 (Not legal violations, but just relevant information)	6.6、6.6.3 6.6.7、6.8.7

Mazda Motor Corporation
CSR & Environment Department, Corporate Services Division
TEL +81-82-287-4066 FAX +81-82-287-5315
E-mail csre-sr@mazda.co.jp
Head Office: 3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima 730-8670, Japan
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