

Endeavor for Carbon Neutrality
by 2050

Resource Circulation

Basic Approach to Environmental Protection,
and Environmental Promotion Framework

Environmental Management

Initiatives for Reducing
Environmental Impact

Biodiversity Conservation

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

- 14 Mazda and Group manufacturing companies in Japan and overseas have now acquired ISO 14001 certification. (Obtained by 14 out of a total of 15 companies)
- Mazda has had dealerships in Japan certified under EcoAction 21 (EA21)*¹, an environmental management system. Introduction of the system has been completed at the Company's 15 consolidated dealerships, and is now expanded to owner-managed dealerships. As of March 2022, 25 dealerships of the Mazda/Mazda Enfini sales channel, 119 dealerships of the Mazda Autozam sales channel, and Mazda Chuhan, a used car sales company, have been certified. The dealerships that have already been certified are continuously supporting the introduction of the environmental management system at newly opened shops.
- Mazda has completed introduction of an exclusive Mazda EMS to two Mazda Group vehicle parts companies in Japan.

List of ISO 14001 Certified Production and Business Sites

Domestic production / business sites

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

Overseas production site

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

*¹ Equity-method group company*² Consolidated group company

Four domestic consolidated group companies (excluding sales companies)

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

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

Four domestic equity-method group companies

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

*⁴ The company was ISO 14001 certified in the certification scope of Mazda. As a separate business facility, the company individually acquired the certification in March 2016. As a separate company, however, the company acquired re-certification in April 2017, resulting in the exclusion of the company from the certification scope of Mazda.*⁵ Although the company was inside the certification scope of Mazda, it acquired the certification on its own in March 2013.

Development of Environmental Policies

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

Mazda Environmental Policy

Basic Policy

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

Action guidelines

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

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

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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 2022.
- 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

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 2022 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.

EMS Audit Results on ISO 14001

Mazda Motor Corporation

| | FY March 2018 | FY March 2019 | FY March 2020 | FY March 2021 | FY March 2022 |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Serious noncompliance issues | 0 | 0 | 0 | 0 | 0 |
| Minor noncompliance issues | 1 | 0 | 0 | 0 | 0 |
| Observation issues | 5 | 6 | 6 | 5 | 5 |

Group Companies

| | FY March 2022 | | |
|----------|------------------------------|----------|----|
| | Japan | Overseas | |
| ISO14001 | Serious noncompliance issues | 0 | 0 |
| | Minor noncompliance issues | 0 | 7 |
| | Observation issues | 27 | 24 |
| EA21 | Noncompliance Issues | 0 | — |
| | Minor noncompliance issues | 2 | — |
| | Issues requiring improvement | 56 | — |

Eliminating Sensory Pollution

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

Specific Initiatives in Environmental Risk Management

Environmental Monitoring

- 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 2022, there was one case 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 2022, Mazda received complaints concerning two cases, and is taking appropriate actions to address it in good faith.

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 400 times per year |
| Water quality | Treated wastewater | 43 items: cadmium, cyanide, organic phosphorus, lead, hexavalent chromium, etc. | Around 1,600 times per year |
| Noise and Vibration | Site boundaries | 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 200 times per year |

Legal Violations and Complaints

(FY March 2022)

| | | Number of incidents | Response |
|------------------|---------------|---------------------|--------------------------------------|
| Legal violations | Water quality | 1 item | Reviewed control methods |
| | Odor | 1 item | Implemented remedies for the sources |
| Complaints | Exhaust | 1 item | Implemented remedies for the sources |

*Boundary: Mazda and its Group companies

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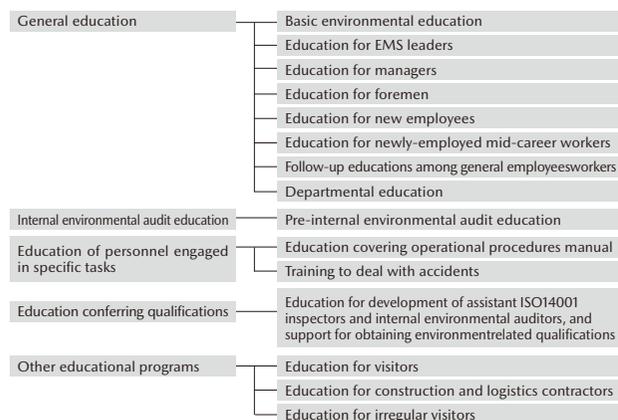
Environmental Education / Education Program Structure

As part of its EMS, Mazda conducts regular environmental education for all employees once a year, as well as education for EMS leaders 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. (P120)

Qualifications that Employees Are Encouraged to Obtain:

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

Environmental Education Structure



Routine Environmental Activities

Every day, each employee is involved in environmentally friendly initiatives in the work they are responsible for.

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

■ Emergency Drill to Prevent Marine Pollution

Mazda's plants are located close to the seas and has a high environmental risk of oil leakage from domestic vessels, etc. For the oil leakage on the sea, the Company has conducting drills based on realistic scenarios to extend oil fence to prevent the spread of oil and collecting oil floating on the sea surface and confirm the effectiveness. In 2021, the drill was cancelled due to Covid-19 pandemic, but the Company is planning to resume the drills in the future, considering the pandemic situations.

■ Campaign for Oil Spill Prevention and Traffic Safety

Jointly with Mazda Logistics Co., Ltd. and several truckload transportation companies, Mazda Motor Corporation conducts an awareness-raising campaign to prevent oil spills on roads during vehicle delivery and improve traffic safety awareness. In this campaign, which are held twice a year, awareness-raising leaflets are distributed to drivers of delivery trucks to the Hiroshima Plant and the Hofu Plant. In doing so, the Company strives to improve such drivers' awareness of the environment and safety and create a system that ensures that employees can make a quick and appropriate response in the event of an accident.

As part of prevent oil leakage from occurring, Mazda established a database to visualize maintenance status of each vehicle and information on past environmental defects and allows to timely send information alert message to transportation companies. The system began operation in March 2021. Initially around 38% of vehicles that deployed the MILK-RUN System*¹ adopted the system. As of August 2022, around 60% vehicles adopted the system. In future the Company is striving to extend the system to more suppliers to prevent oil leakage from occurring.

Campaign for Oil Spill Prevention and Traffic Safety



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



*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.