

Honda European Environmental Report 2024

HONDA



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ESG Data Book

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Report Scope

Thirteenth report issued, published October 2024.

Data collection period: fiscal year base 1 April 2023– 31 March 2024 (referred to as FY2024). The graphs represent the evolution over the period of the last 5 fiscal years (1 April 2020 – 31 March 2024).

The year reference in the name of this report (2024) is the year of issue of the report.

This report focuses primarily on the activities undertaken during FY2024 and includes past background information and activities conducted up to the time of publication, as well as other matters including future outlook and plans.

Areas covered by this report

This report covers all entities which are controlled by the Regional Operation Board of the European region. This includes all sites in the European Region in which Honda, globally or locally, has a significant participation.

The products covered are cars, motorcycles and power equipment. Parts distribution is also covered in this report.

The report summarises data from Honda factories, national sales offices, logistics centres and regional R&D offices as well as Honda-owned dealers in Switzerland and in Germany. The detailed locations are summarised in tables (see page 147).

Information on the deployment of sustainability initiatives within Honda's global business and the efforts made in response to climate change and energy issues can be found in the global section of this report. (see page 20)

This report primarily contains information relating to the environmental impact of Honda activities in the European region. It also contains some global visions and facts to allow the reader to frame the regional information provided.

Disclaimer

This report contains past and current factual data of Honda Motor Co., Ltd. and Honda Motor Europe Ltd., as well as plans and outlook and future projections based on its management policies and management strategies as of the date of publication. These future projections are assumptions or decisions derived from the information available at the time this report was produced. Please note that the results of future business activities and events may vary depending on changes in conditions and circumstances. This report may also contain corrections, restatement or significant changes to information provided in previous reports.

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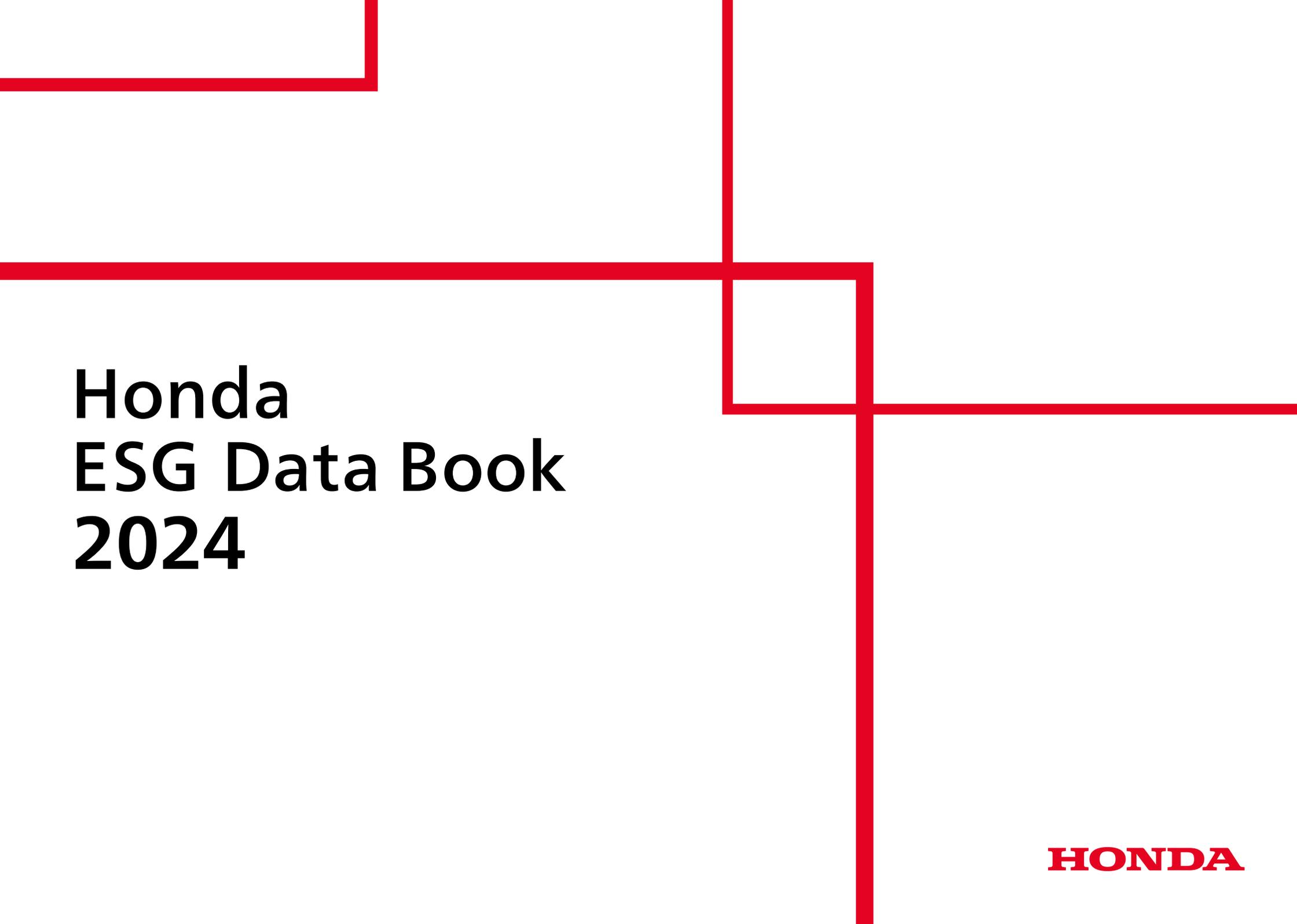
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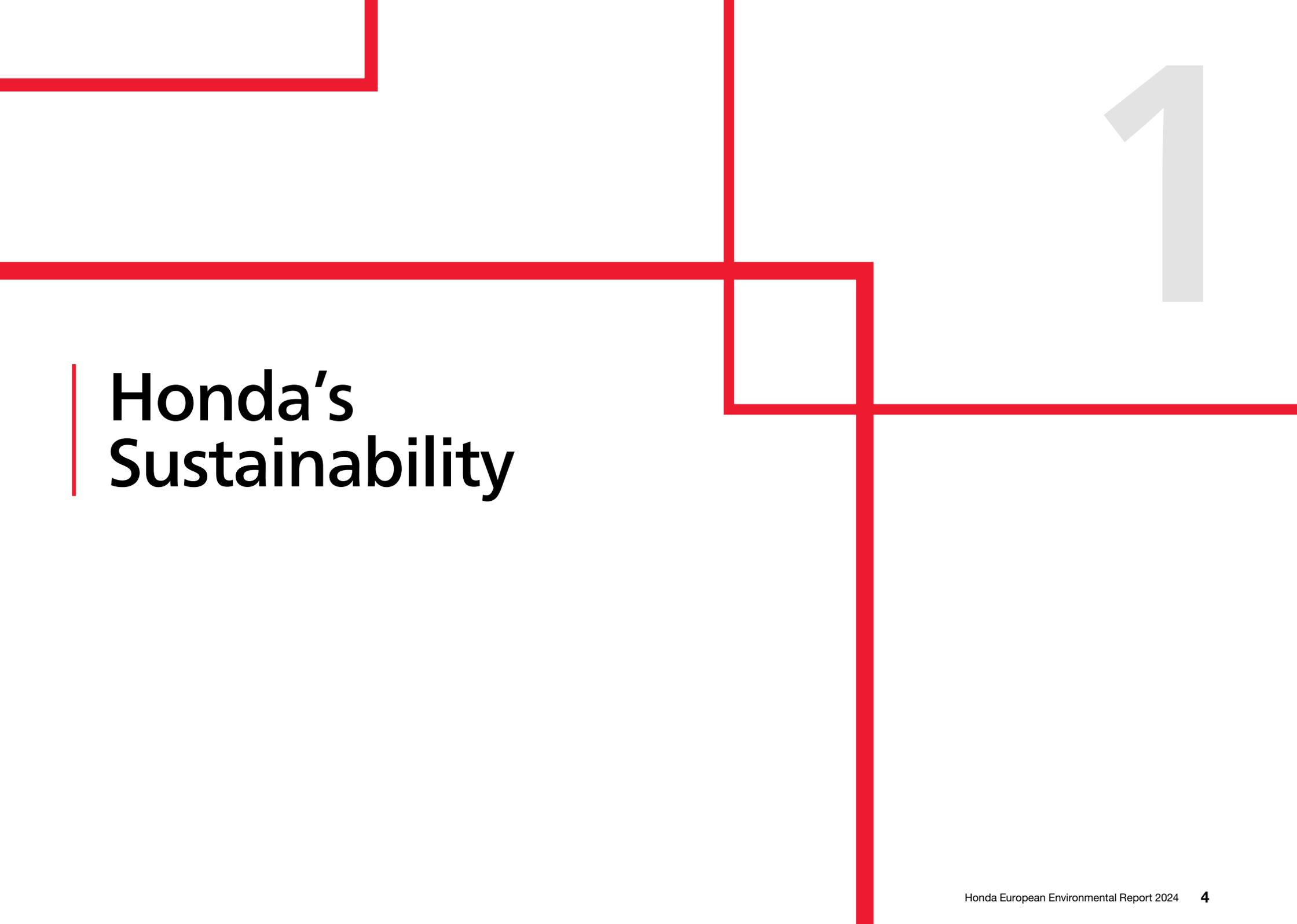
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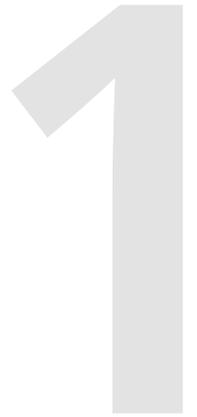


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Honda's Sustainability



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Basic Approach

The Honda Philosophy consists of Fundamental Beliefs (including "Respect for the Individual" and "The Three Joys"), the Company Principle, and Management Policies. It forms the values shared by all Honda Group companies and all of their associates and serves as the basis for corporate management and business activities as well as associates' behavior and decision-making.

Honda recognizes that the world is facing serious global concerns related to the environment, the depletion of non-renewable energy resources and food supplying shortages. The Company conducts its corporate management and business activities based on the idea of contributing to the challenge of solving these serious problems on a global scale through the continued development and evolution of our business activities.

Honda Global Brand Slogan – The Power of Dreams – expresses that the dreams of each and every one of us working together at Honda have always been the driving force of Honda. Our creative power fueled by our dreams will generate the value which we provide customers. Such value we offer will move people, inspire people and become the "power" to support people who take one step closer to their dreams. As the "power" of people who embarked on their dream-filled journeys gains momentum and spreads to the people around them, it will create new connections and realize an expanse of dreams throughout our society.

Honda always believes in the power of such infinite dreams that people pursue all around the world, and we want to be the "power" to help people realize their dreams. With these aspirations for the future, we have added a new tagline – How we move you. – which follows the "The Power of Dreams" in our Global Brand Slogan.

In specific corporate management and business activities, it is important to meet stakeholders' expectations and needs by providing value through its products and services. Equally important is to fulfill its corporate social responsibility, including consideration of the impact on the environment and society, and to contribute to social sustainability by solving social issues.

To put these ideas into practice, Honda must consciously sidestep any notion of trade-off with our pursuit of economic value. Instead, we are committed to intensifying our endeavors guided by the principle of trade-on, aiming to enhance economic value through the pursuit of social value. This strategy paves the way for a fresh path of growth for the Company.

Honda's corporate management and business activities that move people, inspire people, and spread dreams throughout the world contribute to sustainability, and the Company aims to continue to be a company people and society want to exist into the future.

HONDA
The Power of Dreams

How we move you.
CREATE ► TRANSCEND, AUGMENT

Honda Philosophy <https://global.honda/en/about/philosophy/>

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Sustainability Management Structure

Honda is promoting corporate activities grounded in the Honda Philosophy. The Honda Philosophy consists of three components: the Fundamental Beliefs, the Company Principle, and the Management Policies.

Honda's long-term management policies and medium-term management plan are approved and resolved by the Executive Council (chaired by the Director, President, and Representative Executive Officer, and Chief Executive Officer) and the Board of Directors. The Board of Directors is the final supervisory body, covering actions to address sustainability issues, including climate change issues. The Executive Council deliberates in advance on matters to be resolved by the Board of Directors and discusses important management matters within the scope of authority delegated to it by the Board of Directors.

In response to the need to address various risks associated with business activities and to oversee business operations for the sustainable development of society and Honda, Honda has designated knowledge in ESG and Sustainability, including ability in addressing climate change issues, as one of the necessary skills and appointed directors accordingly.

Each Operation and Supervisory Unit and subsidiary formulates and promotes action plans and measures based on the company-wide long-term management policies and medium-term management plan, and important matters are reported and approved at the Executive Council as appropriate. In each area of environment, safety, human resources, human rights, occupational safety and health, quality, and supply chain (purchasing and logistics), conference bodies have been established to promote global management through information sharing and discussions. For important cross-departmental issues such as addressing climate change issues, a cross-departmental task force is formed under the direct supervision of management members to consider and propose action plans and measures as appropriate, and important matters are reported and approved at the Executive Council. Compliance and risk management related to each area are operated by the Company's basic policies for the development of internal control systems.

So far, policies and initiatives for sustainability issues have been discussed and examined at the Corporate Integration Strategy Meeting, which was set up for the purpose of building consensus on the company-wide direction based on internal and external environmental recognitions and material issues to be addressed as a corporate entity. In addition, the World Environment and Safety Strategy Committee was set up to promote and reinforce efforts in the environmental and safety-related areas.

In FY2024, Honda clarified KGIs (Key Goal Indicators overseen by the Board of Directors) and KPIs (Key Performance Indicators overseen by Executive Council), which are company-wide goals, and upgraded the management operation structure with the aim of achieving corporate operations that can be speedily linked to the value provided. Under the new structure, Operations and Supervisory Units and subsidiaries, as well as cross-departmental task force, consider and propose action plans and measures as appropriate, and important matters are reported and approved at the Executive Council. As a result of this upgrading, the Corporate Integration Strategy Meeting and the World Environment and Safety Strategy Committee, which had been held basically once a year, have been dissolved.

The Board of Directors and the Executive Council regularly monitor the progress of KGIs for which the Board of Directors is responsible for supervision and KPIs for which the Executive Council is responsible for execution, thereby reinforcing management governance. Please refer to Item 6 B. "Compensation." in the Form-20F for details of the executive remuneration system linked to financial and non-financial indicators.

Form-20F https://global.honda/en/investors/library/form20_f.html

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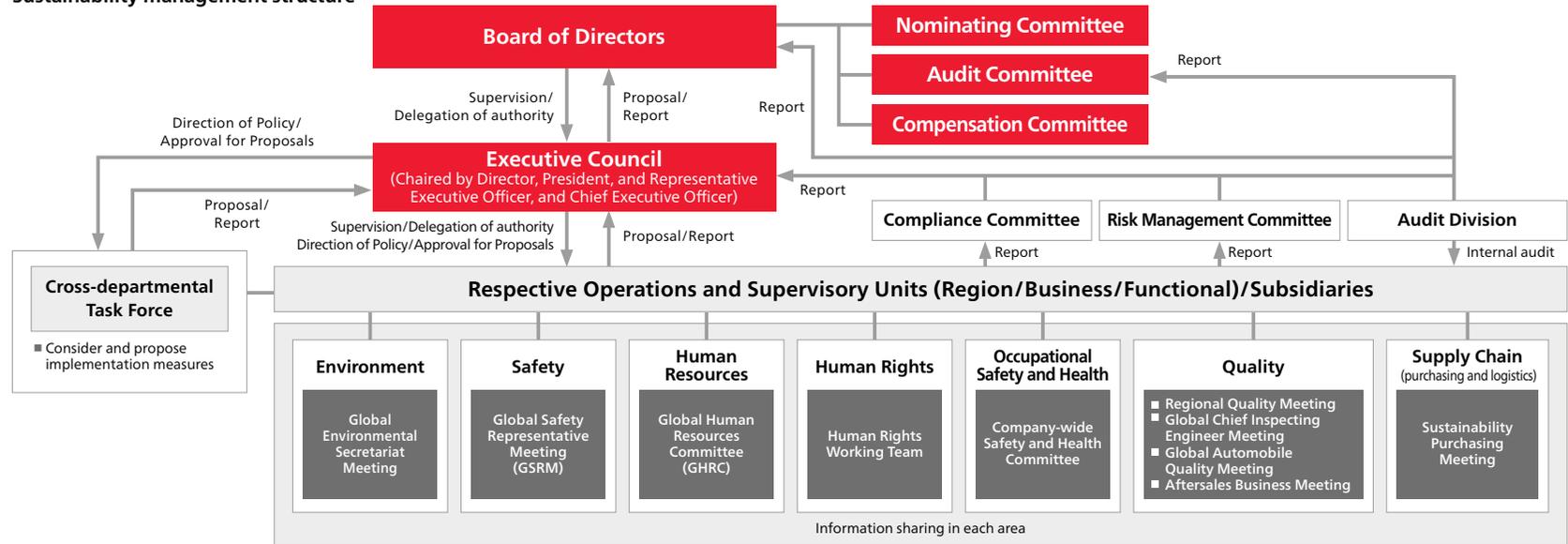
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Sustainability Management Structure

Sustainability management structure



Overview of sustainability-related meetings

| Area | Meeting structure | Details |
|---|---|--|
| Environment | Global Environmental Secretariat Meeting | Share the Group's latest policies on initiatives in light of international trends and management discussions, and discuss global issues to achieve medium- and long-term targets |
| Safety | Global Safety Representative Meeting (GSRM) | Discuss inter-regional safety issues, including sharing details of the promotion toward the new safety goals and discussing how to strengthen efforts to achieve zero traffic collision fatalities |
| Human Resources | Global Human Resources Committee (GHRC) | HR managers from around the world gather to discuss HR issues specific to each region, to develop global HR strategy and its deployment across the Company |
| Human Rights | Human Rights Working Team | Working to strengthen the initiatives and encourage associates to take appropriate action through human rights due diligence measures, including assessments for Honda Group domestic and overseas business sites and suppliers, as well as awareness-raising activities |
| Occupational Safety and Health | Company-wide Safety and Health Committee | Under the safety principle of "No safety, no production," direct the development and implementation of company-wide policies on safety and health, and strengthen governance in the area of safety and health |
| Quality | Motorcycle/Power products | Regional Quality Meeting |
| | Automobile | Global Chief Inspecting Engineer Meeting |
| | | Global Automobile Quality Meeting |
| Aftersales business | Motorcycle | Share policies and measures globally between headquarters and regional managers, with the aim to set as global benchmark levels to enable the provision of higher-quality services on-site |
| | Automobile | |
| | Power products | |
| Supply Chain (purchasing and logistics) | Sustainability Purchasing Meeting | To strengthen low-carbon initiatives and human rights and compliance efforts throughout the global supply chain, discuss and coordinate policies and means of achieving globally unified measures among working-level staff from each region |

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Stakeholder Engagement

Basic Approach

To be a company society wants to exist, Honda needs to put into practice the communication cycle. This means to: 1) appropriately and accurately convey to society the value that it seeks to provide; 2) grasp and understand the demands and expectations of diverse stakeholders toward Honda; 3) translate these into concrete measures and implement them; and 4) listen to stakeholders' evaluations of its activities.

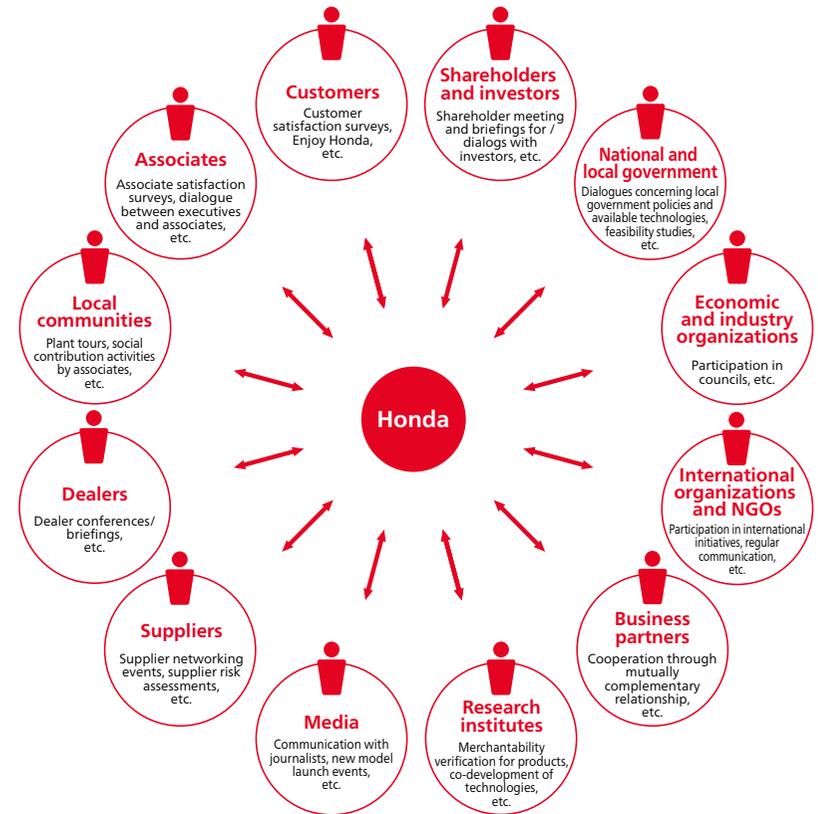
Especially in recent years, the growing scale and globalization of companies, along with the rapid proliferation of IT, have heightened the impact of companies on society, and vice-versa. As this process continues to accelerate, Honda considers that dialogue with stakeholders is a beneficial tool that leads to a proper understanding of stakeholders regarding the Company's initiatives while also giving the Company an understanding of changes and risks in the social environment.

Based on this understanding, Honda engages in dialogues globally through various opportunities. These dialogues are conducted between key stakeholders (who are either impacted by Honda's business activities or whose activities impact Honda's business activities) as shown in the diagram at the right and respective divisions within Honda.

For example, in engagements with shareholders and investors, Honda holds dialogues to help them better understand the Company through shareholder relations and investor relations.

In addition, opinions gained from dialogues with leading ESG rating organizations and NGOs are used to consider corporate activities that Honda should undertake.

Stakeholder engagement





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Stakeholder Engagement

Examples of initiatives in FY2024

| Stakeholder | Key means of dialogue | Overview | Frequency | Point of contact |
|--------------------------------------|---|--|--------------|---|
| Customers | Customer satisfaction survey | To ensure customer satisfaction worldwide, we conduct a customer satisfaction survey for customers who have received service at a dealer around the world and engage in improvement activities to provide high-quality service operations. | Annually | Customer-related divisions |
| Shareholders and investors | Financial results meeting | We hold web conferences with simultaneous interpretation for investors and analysts in Japan and overseas on the overview of our financial results and various initiatives. For those unable to attend meetings due to time differences or other reasons, the minutes are posted on the website in both Japanese and English. | 4 times/year | Finance Division |
| | Dialogue through individual sessions and conferences | We hold sessions and opinion exchange meetings to explain our financial conditions as well as production, R&D, and business strategies. We use the valuable feedback we receive to further enhance our corporate value. | Year round | |
| Suppliers | Suppliers Conferences | We hold periodic conferences to share with suppliers the direction of our business and the substance of our initiatives and to communicate Honda's company-wide policies and purchasing policies. We also present Supplier Awards to recognize those suppliers who have achieved outstanding results in each aspect of QCDD [®] . At the end of a conference, we conduct a questionnaire survey for participants to identify their level of satisfaction and what can be improved for the next event as an effort to further enhance this activity. | Annually | Purchasing Division |
| | Business plan networking events and meetings to share business status | We share our medium- to long-term management policies, business plans, and information on sustainability-related matters (ESG issues, compliance, corporate governance, and risk assessment). | Annually | |
| | ESG inspection of suppliers | We conduct an ESG inspection for key suppliers to confirm the status of their initiatives to prevent compliance violations and risks related to human rights, and to reduce our environmental impact in accordance with the Honda Supplier Sustainability Guidelines. (→ p. 101) If a problem is likely to occur or has occurred in this process, we communicate with suppliers and implement activities for improvement. | Annually | |
| Economic and industry organizations | Participation in activities of industry organizations | We participate in various councils to identify the expectations and demands of society through activities of industrial organizations, create a sustainable business environment and contribute to society. | Year round | Government and Industry Relations Division |
| International organizations and NGOs | Participation in international initiatives | We participate in various councils to identify the expectations and demands of society and contribute to society, toward the realization of a sustainable society. | Year round | Sustainability Planning Division |
| Local communities | Driving safety promotion activities | Honda adheres to the global safety slogan "Safety for Everyone" and takes an active role in promoting traffic safety for all members of society who participate in transportation, from children to the elderly. This is achieved through the principles of "safety handed down from person to person" and "participatory experiential education," as well as the use of safe driving support technology to prevent accidents. Honda is currently engaged in traffic safety promotion activities in 43 countries and regions worldwide. | Year round | Traffic Safety Promotion Operations |
| | Helping people with disabilities who want to resume driving | We aim to reduce the gap in social participation by expanding transportation options, and we support the establishment of a support system in the local community for people who wish to resume driving by providing welfare vehicles (driving support devices) and supporting occupational therapists and others. | Year round | |
| | Beach clean-up project | We undertake joint activities among members of the Honda Group and local residents to clean up the beaches using our originally developed equipment. Since the launch of the project in 2006, we have conducted the activities about 429 times on various beaches across Japan, and the cumulative total of beach trash collected by the project amounts to 542 tons. | | |
| | Activities to conserve Satoyama landscapes | We have concluded an agreement with Hachioji City, Tokyo, in which Honda's associates and their families carry out Satoyama landscape conservation activities within the Kamikawa no Sato Special Green Space Conservation District. | Year round | |
| National and local governments | Support for disaster affected areas | Considering the current status of society-wide efforts toward recovery from the Noto Peninsula earthquake that occurred in January 2024, we have provided 35 million yen in relief funds. We have also offered to provide 15-million-yen worth of supplies, including generators and high-pressure cleaners. | | Divisions in charge of promoting social contribution activities, others |
| Associates | Measurement of associates' engagement | We measure the level of associates' engagement and take initiatives according to the results for creating a more comfortable and conducive work environment. | Annually | Human Resources Division |

* Quality, cost, delivery, development, and environment

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Stakeholder Engagement

Cooperation with External Organizations

To carry out its responsibility as a global mobility company, Honda engages in dialogues with government, economic and industry organizations and also cooperates with external bodies. In Japan, Honda executives serve as vice chairman and committee head within the Japan Automobile Manufacturers Association (JAMA); committee head in the Japan Business Federation (Keidanren); and vice chairman and committee head in the Tokyo Chamber of Commerce and Industry.

In addition, Honda executives serve as committee and working group chairs in the international motorcycle industry body, the International Motorcycle Manufacturers Association (IMMA). Furthermore, Honda cooperates with initiatives related to sustainability through membership in the World Economic Forum (WEF) and the World Business Council for Sustainable Development (WBCSD).

Honda has delegated the authority to Regional Operations within a certain scope when executing business in respective regions in order to enhance local autonomy and enable speedy decision-making. Political contributions* can be made following required internal procedures based on the laws and regulations of respective countries.

* Political contributions were made to the People's Political Association in the amounts of ¥25 million in FY2021, ¥25 million in FY2022 and ¥25 million in FY2023. Honda has confirmed that these expenditures do not infringe on the Honda Guidelines for the Prevention of Bribery and Corruption.

Appropriate Advertising and Publicity

To continue to live up to the trust and expectations of customers and society, Honda engages in advertising, publicity, and sales promotion activities in good faith, avoiding misleading expressions and explanations about products and product characteristics, and refraining from exaggerated advertising.

When expressing or explaining the superiority of Honda products or services over those of other competitors, Honda will not make exaggerated advertising without rational and objective evidence, in accordance with applicable laws and regulations, when promoting Honda products and sales activities so as not to mislead our customers.

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Honda's Initiatives and the SDGs

Contribution to SDGs

In order to share joys with stakeholders, Honda seeks to contribute to the advancement of a mobility society with its original and useful technologies that anticipate the needs of the times.

This approach aligns with the United Nations' SDGs, specifically, Goal 9 "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation," Goal 12 "Ensure sustainable consumption and production patterns" and Goal 17 "Strengthen the means of implementation and revitalize the

global partnership for sustainable development," and aligns with Honda's overall corporate activities.

Honda also believes that creating value for society while pursuing economic value will lead to sustainable corporate management and ultimately contribute to the sustainability of society. The Company will contribute to the achievement of the SDGs through its corporate activities.

Initiatives by priority issue

| Priority issues | Honda's initiatives | SDGs Goals supported by Honda | |
|-----------------|---|--|--|
| Environment | <p>Responding to climate change and energy issues</p> <p>Initiatives for carbon neutrality Clean energy initiatives Logistics initiatives Initiatives to achieve carbon neutrality with suppliers</p> | <p>With a view to leading the way in realizing a carbon-free society, Honda undertakes corporate activities while considering all processes from the procurement of raw materials to end use of its products. Honda believes its measures against climate change, including vehicle electrification and the use of portable batteries and hydrogen energy, will lead to stabilizing food production, ensuring energy supply and facilitating the creation of more comfortable communities.</p> | |
| | <p>Advancing powertrain electrification</p> <p>Advancing powertrain electrification</p> | <p>Honda is pushing ahead with the preservation of clean air and water resources by developing technologies to clean exhaust emissions from product usage and reduce harmful substances contained in the exhaust air and wastewater from production processes.</p> | |
| | <p>Preservation of clean air</p> <p>Preservation of clean air</p> | <p>Honda is cooperating and collaborating with both internal and external stakeholders to realize zero risk in relation to resources and waste generated during the stages from resource procurement to product disposal. From the standpoint of resource circulation, Honda will offer products with the utmost consideration for the environment and strives to reduce waste.</p> | |
| | <p>Utilizing resources efficiently and waste management</p> <p>Resource circulation initiatives Waste management initiatives</p> | <p>Honda contributes to the conservation of precious freshwater by thoroughly managing the amount of water intake and quality of wastewater at its plants and by installing equipment capable of 100% water recycling and reuse. Honda also manages a water conservation fund in North America, which supports the improvement and preservation of coastal areas for future generations.</p> | |
| | <p>Conserving water resources</p> <p>Water resources initiatives</p> | <p>Honda believes that minimizing the environmental impact of its products and corporate activities is its greatest contribution to biodiversity conservation. Accordingly, Honda has specified its priority areas in the Honda Biodiversity Guidelines, including the development of environmental technology, initiatives based on corporate activities and initiatives for living in harmony with local communities and has been proactively promoting them.</p> | |
| | <p>Managing chemical substances and preventing pollution</p> <p>Management and reduction of chemical substances</p> | <p>Honda manages and works to reduce chemical substances contained in automotive components from the product design and development stages. Relevant information is tabulated and managed throughout the supply chain via a system to collect information on materials and chemical substances contained in components. Honda is also making efforts to reduce heavy metals that are considered to have negative impacts on the environment, including water quality.</p> | |



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Initiatives by priority issue

| Priority issues | | Honda's initiatives | | SDGs Goals supported by Honda | | | | |
|-----------------|---|--|---|---|--|--|--|--|
| Safety | Significantly reducing traffic fatalities | To realize a zero traffic collision society | Under its global safety slogan, "Safety for Everyone," Honda aims to realize a society with zero traffic accidents in terms of hardware and software through the development and spread of safety technologies for automobiles, such as the Honda SENSING advanced safety and driver-assistance system, while engaging in worldwide initiatives to provide education on traffic safety including motorcycles. | | | | | |
| | Human resources | Developing and securing excellent human resources, Expanding diversity | Promoting diversity to maximize corporate comprehensive strength Diversity-related initiatives | Honda respects individual differences and encourages the integration of these individualities. While positioning human resources diversification as a company-wide priority task, Honda is working to expand women's participation in the workplace, promote an understanding and acceptance of LGBTQ+ persons, increase opportunities for experienced associates and expand employment of people with disabilities. Also, Honda carries out personnel training based on on-the-job training (OJT) and ensures to assign associates to the most suitable positions by setting up the Global Job Grade System. | | | | |
| Human rights | Respecting human rights | Human rights Human rights policy | Honda upholds the idea of "Respect for the Individual" in the Honda Philosophy and includes "Respect of Human Rights" in the Honda Code of Conduct to show its policy to maintain its stance as a company committed to practicing fairness and sincerity and respecting human rights. In its company-wide risk management activities, Honda regards human rights issues as an important risk and manages them accordingly. | | | | | |
| Social | Occupational safety | Ensuring occupational safety and health | Occupational safety and health | Under the safety principle of "No safety, no production," Honda seeks to realize a work environment which brings the joy that all people can work with a true sense of security. The Safety and Health Audit Committee performs safety and health audits throughout the Company by using an Occupational Safety and Health Management System (OSHMS). | | | | |
| | Customers | Improving product quality | Aiming to bring reassurance and satisfaction to customers | "We have to aim for 120% product quality, since even a 1% rejection is unacceptable." The words of the founder represent the identity of Honda, which has always strived to create products that exceed the expectations of customers. Honda's commitment is to strengthen customer trust by offering products founded on safety and a new level of outstanding quality. To this end, Honda has created the Honda Quality Cycle, which works continuously on quality enhancement and improvement, encompassing every stage in the process – from planning, development, production, and sales to after-sales service. | | | | |
| Customers | Eliminating the mobility divide | Honda's Sustainability | Honda seeks to provide more options of mobility to reduce the gap in social participation. As such, the Company is supporting the expansion of opportunities and venues for people with disabilities to be active by providing welfare vehicles. Looking ahead, Honda will provide a sustainable means of mobility through its technologies and services and help resolve social issues through business activities while leveraging its unique strengths in having a broad range of businesses and products, including motorcycles, automobiles, and power products. | | | | | |

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Initiatives by priority issue

| Priority issues | Honda's initiatives | SDGs Goals supported by Honda | |
|------------------------|--|--|--|
| Governance and Economy | <p>Deploying total supply chain sustainability initiatives</p> <p>Strengthening supply chain sustainability</p> <p>Initiatives to achieve carbon neutrality with suppliers</p> | <p>Together with suppliers around the world, Honda is making efforts throughout the supply chain to realize a sustainable society while taking into account the environment, safety, human rights, compliance and social responsibilities. In doing so, Honda has formulated the Honda Green Purchasing Guidelines and Honda Supplier Sustainability Guideline and has been confirming adherence based on these guidelines. Honda has initiated an ESG survey on suppliers having significant influences on the Company and will expand application of the survey in collaboration with overseas purchasing sites.</p> | |
| | <p>Utilizing management resources efficiently</p> <p>Honda's sustainability</p> | <p>Understanding opportunities and responsibilities in the value chain is essential in identifying, among a number of social issues, Honda's priority issues in management. Honda aims to create new value by considering how to transform and evolve the value of existing businesses in step with the rapidly changing social expectations and customer needs from the two perspectives of forecasting and backcasting.</p> | |
| | <p>Strengthening corporate governance</p> <p>Corporate governance</p> | <p>Honda seeks sustainable growth and the enhancement of corporate value over the medium to long term and strives to be a company society wants to exist. Honda strives to enhance corporate governance as one of the most important tasks for its management. At the same time, it will continue to work for ensuring the transparency of its management through appropriate disclosure of corporate information to further bolster trust and appreciation from society.</p> | |
| | <p>Contributing to the economic development of developing countries</p> <p>Honda's sustainability</p> | <p>Honda aims to enrich people's lives by providing more efficient means of mobility and greater opportunities for business or learning. In expanding business overseas, Honda has evolved its business model from exporting finished products to local production and then to local development, thereby strengthening production and development functions in emerging countries. Honda aims to contribute to each region through employment and OJT-based education.</p> | |

Honda's Initiatives and the SDGs <https://global.honda/en/sustainability/sdgs.html>

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External Evaluations

Selected as a Component of the Dow Jones Sustainability World Index

In December 2023, Honda was selected for the seventh consecutive year as a component of the Dow Jones Sustainability World Index after being ranked within the top four in the global automobile sector in the annual review of the Dow Jones Sustainability Indices (DJSI), a key benchmark for socially responsible investing. At the same time, the Company was selected for the ninth consecutive year as a component of the Dow Jones Sustainability Asia/Pacific Index.

The DJSI are investment indices run by U.S.-based S&P Dow Jones Indices LLC. The sustainability of the world's leading companies is evaluated according to economic, environmental, and social criteria, and companies that demonstrate overall excellence are selected for inclusion in the indices.



Selected as a "Top 10%" company in S&P Global's Sustainability Yearbook - 2024 Rankings

Honda has been recognized as a "Top 10%" company in the 2024 Sustainability Yearbook by S&P Global Inc. S&P Global evaluates companies on economic, environmental, and social aspects, and selects the most outstanding companies with advanced sustainability performance for inclusion in the Sustainability Yearbook.

In 2024, S&P Global evaluated over 9,400 companies across 62 sectors worldwide and selected 759 companies.

In the automobile sector, Honda was one of just two companies chosen as a "Top 10%" enterprise, with one company selected as "Top 1%" and two selected as "Top 5%."



Selected as a "A-List" company in the category of climate change, the highest rating in CDP's Environmental Information Disclosure

In February 2024, Honda was selected by CDP, an international non-profit environmental information disclosure organization, as a "A-List" company in the area of climate change for 2023, the highest rating in recognition of its efforts in the area of climate change and the transparency of its information disclosure.

Each company discloses environmental information in accordance with the CDP's questionnaire on the three categories of climate change, forests, and water security. CDP evaluates the information disclosed by companies on an eight-point scale from A to D-, and recognizes companies with particularly outstanding efforts as "A-list" companies.

Honda received B rating in the category of water security and C rating in the category of forestry (cattle products and timber), which were announced at the same time.



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Basic Approach

Honda Environmental and Safety Vision/Honda's Environment Statement

Ever since the 1960s, Honda has actively endeavored to solve environmental issues. In the 1970s, Honda developed the low-pollution CVCC* engine, which successfully reduced carbon monoxide, hydrocarbon and nitrogen oxide (NOx) emissions, making Honda the world's first automaker to comply with the U.S. Clean Air Act – a regulation considered to be the most stringent in the world at the time.

In 1992, Honda established the Honda Environment Statement, serving as the Company's guideline for all environmental initiatives. The statement articulates the basic stance towards reducing the environmental impact at every stage in the life cycle of its products, from product procurement to the design, development, production, transportation, sale, use and disposal stages.

In addition, for Honda to further promote the above-mentioned environmental initiatives and continue to be a company society wants to exist, the Honda Environmental and Safety Vision was established in 2011. Aimed at the realization of "the Joy and Freedom of Mobility" and "a Sustainable Society Where People Can Enjoy Life", as is declared in this vision, each of Honda's global business sites is engaging in the reduction of an array of environmental impacts. Such initiatives include the reduction of greenhouse gas (GHG) emissions, which are considered to be a cause of climate change, as well as energy use; the efficient use of resources, including water and minerals; and the appropriate treatment and reduction of waste, with the aim of conserving the global environment and biodiversity.

Honda will realize this vision by conducting these activities while sharing Honda's Environment Statement with everyone associated with Honda, including suppliers and distributors in addition to Honda Group companies.

Honda Environmental and Safety Vision

Realizing "the Joy and Freedom of Mobility" and "a Sustainable Society Where People Can Enjoy Life"

Established in 2011

Honda's Environment Statement

As a responsible member of society whose task lies in the preservation of the global environment, the Company will make every effort to contribute to human health and the preservation of the global environment in each phase of its corporate activities. Only in this way will we be able to count on a successful future, not only for our company, but also for the world. We should pursue our daily business under the following principles:

1. We will make efforts to recycle materials and conserve resources and energy at every stage of our products' life cycle—from research, design, production and sales to service and disposal.
2. We will make every effort to minimize and properly dispose of the waste and contaminants generated at every stage of a product's life cycle.
3. As a member of both the company and society, each associate will focus on the importance of making efforts to preserve human health and the global environment, and will do his or her part to ensure that the company as a whole acts responsibly.
4. We will consider the influence that our corporate activities have on the local people's health, environment and society, and endeavor to improve the social standing of the company.

Established and announced in June 1992

* CVCC: Compound Vortex Controlled Combustion

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Global Management

Environmental Management Structure

Honda is promoting Group-wide efforts to realize a society with zero environmental impact throughout its life cycle.

Honda's long-term management policies and medium-term management plan are approved and resolved by the Executive Council (chaired by the Director, President, and Representative Executive Officer, and Chief Executive Officer) and the Board of Directors. The Board of Directors is the final supervisory body, covering actions to address climate change issues. The Executive Council deliberates in advance on matters to be resolved by the Board of Directors and discusses important management matters within the scope of authority delegated to it by the Board of Directors.

In response to the need to address various risks associated with business activities and to oversee business operations for the sustainable development of society and Honda, Honda has designated knowledge in ESG and Sustainability, including ability in addressing climate change issues, as one of the necessary skills and appointed directors accordingly.

Each Operation and Supervisory Unit and subsidiary formulates and promotes action plans and measures based on the company-wide long-term management policies and medium-term management plan, and important matters are reported and approved at the Executive Council as appropriate. Respective Business Operations and Regional Operations formulate action plans and promote measures based on the global medium- to long-term environmental policies, based on information shared at the Global Environmental Secretariat Meeting (Secretariat: Corporate Strategy Operations).

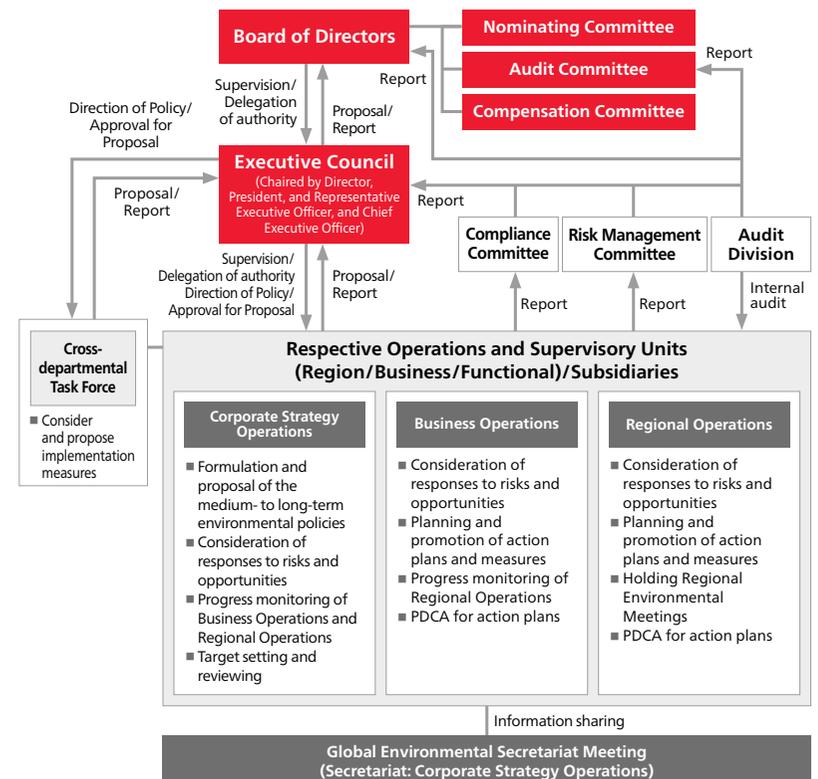
Each of Regional Operations holds a Regional Environmental Meeting to promote the PDCA (Plan-Do-Check-Act) cycle within Regional Operations. Each of Business Operations monitors regional progress and promotes the PDCA cycle within Business Operations. The Corporate Strategy Operations monitors the progress at Business Operations and Regional Operations and considers revisions to the medium- to long-term environmental policies and targets as necessary. Important matters are reported and approved at the Executive Council and reported and resolved at the Board of Directors. For important cross-departmental issues such as addressing climate change issues, a cross-departmental task force is formed to consider and propose action plans and measures as appropriate, and important matters are reported and approved at the Executive Council.

Compliance and risk management related to the environment, including climate change, are operated by the Company's basic policies for the development of internal control systems.

Toward the realization of a society with zero environmental impact, Honda's Board of Directors and Executive Council regularly monitor the progress of KGIs for which the Board of Directors is responsible for supervision and KPIs for which the Executive Council is responsible for execution, thereby reinforcing management governance. Please refer to Item 6 B. "Compensation." in the Form-20F for details of the executive remuneration system linked to financial and non-financial indicators.

Form-20F https://global.honda/en/investors/library/form20_f.html

Environmental Management Structure





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Global Management

Environmental Management System

Honda's existing global vehicle assembly and product assembly plants have acquired ISO 14001, an international certification for environmental management systems (as of March 2024). Therefore, the coverage of environmental management systems is virtually 100%.

Honda will continue to promote activities to acquire this certification.

Current Status of Compliance with Environmental Regulations

In accordance with Honda's Environment Statement, the Company has introduced environmental management systems at all business sites and in each division. Along with promoting continuous efforts to improve environmental performance, it strives to comply with its own voluntary environmental standards, which are more stringent from an environmental perspective than any national or local regulations.

In the last five years, Honda has not committed any serious noncompliance with environmental laws and regulations, paid substantial fines/sanctions in breach thereof, or recorded any major chemical releases.

In addition, no environment-related complaints were received through the official complaint resolution program.

Environmental Accounting

Environmental Accounting in Japan

To facilitate efficient environmental management, Honda tabulates environmental conservation costs and the real effects in profit and cost reduction, thus working to keep abreast of their economic impact.

Going forward, Honda will continue to improve the accuracy of this data, considering it as an indicator of corporate value and as a tool for making environment-related management decisions.

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Initiatives to Achieve Zero Environmental Impact

For people to live on Earth in a sustainable manner, Honda seeks to realize a society with zero environmental impact.

Efforts will be centered around the Triple Action to ZERO program, which integrates three elements— carbon neutrality, clean energy and resource circulation—within a single initiative.

The three elements are closely related. As such, rather than promoting them

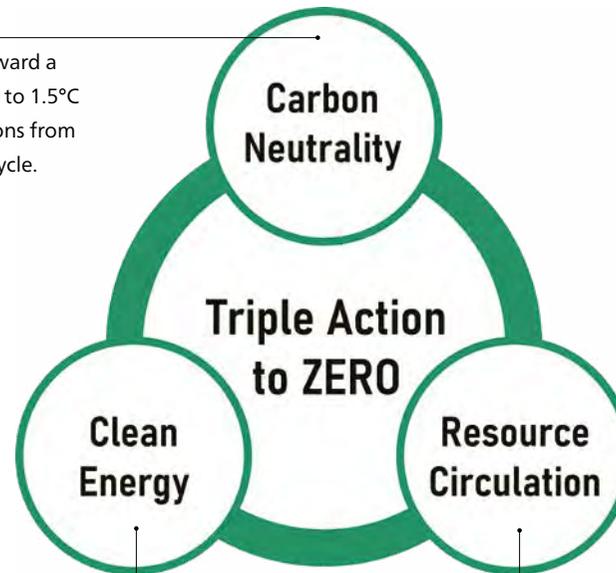
independently, we aim to maximize synergistic benefits by considering their linkages.

We recognize that the promotion of Triple Action to ZERO will also lead to the acceleration of initiatives in international frameworks and a stronger focus on the Nature-based Solutions (NbS) that are attracting increasing interest from stakeholders.

Triple Action to ZERO

Net zero CO₂ emissions

To address climate change issues, Honda will work toward a target of limiting the average global temperature rise to 1.5°C above pre-industrial levels by reducing carbon emissions from corporate activities and throughout the product life cycle.



100% utilization of carbon-free energy

To address energy issues, Honda will aim to use clean energy both in corporate activities and during product use.

100% use of sustainable materials

To address the effective utilization of resources, Honda will take on challenge of developing products and creating systems that use sustainable materials having zero environmental impact. In the area of corporate activities, Honda aims to achieve “zero” industrial water intake and industrial waste by 2050.

* NbS: Initiatives to address social issues while preserving and regenerating natural ecosystems

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Initiatives for Carbon Neutrality

Honda's Approach

In promoting initiatives for carbon neutrality, Honda has set "addressing climate change issues" as a materiality.

The Company is actively working to reduce CO₂ emissions and environmental impact through its corporate activities and initiatives in product areas, mainly by promoting the introduction of environmentally innovative technologies towards carbon neutrality, including the electrification of its products.

Advancing Powertrain Electrification

Honda views changes in social needs and the social structure induced by climate change and energy diversification as key challenges and actively promotes its product electrification efforts.

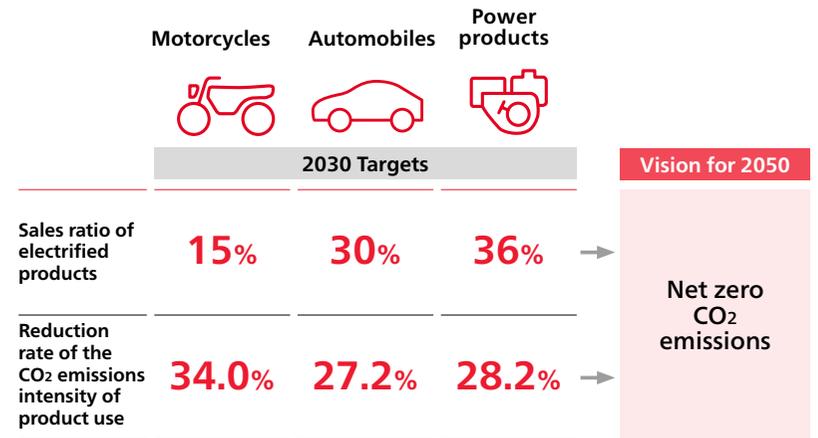
Increasing the lineup and use of electrified products will reduce CO₂ emissions when in use and contribute to lowering climate change risks.

In addition, the battery mounted on electrified vehicles can be used as a power source for leisure activities or during an emergency, thereby improving the quality of customers' lives.

Honda has set the target of electrifying 15% of motorcycles, 30% of automobiles and 36% of power products, respectively, as a ratio of global sales* in 2030.

Furthermore, the Company has set the reduction rate of product CO₂ intensity by 34.0% for motorcycles, 27.2% for automobiles and 28.2% for power products (compared to FY2020) and is promoting efforts toward carbon neutrality.

* Sales ratio of battery-powered electric motorcycles and electric bicycles for motorcycle products; battery-powered electric vehicles and fuel cell vehicles for automobile products; and electrified products for power products.



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Initiatives for Carbon Neutrality

Initiatives in Product Areas

Three Initiatives to Reduce CO₂ Emissions

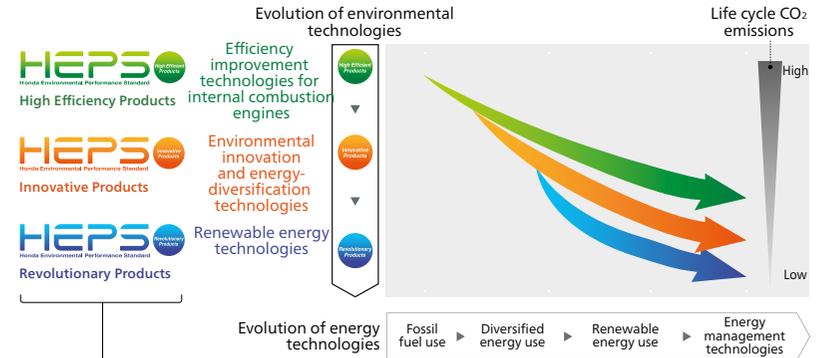
Emissions from the “use of products” account for approximately 80% of CO₂ emissions in Honda’s entire product life cycle.

In light of this, Honda works to reduce CO₂ emissions during the usage of all of its products and manufactures and sells environmentally friendly products. Honda will promote the following three initiatives in phases to reduce CO₂ emissions, while expanding production and sales globally.

- (1) Reducing CO₂ emissions by improving the efficiency of internal combustion engines
- (2) Reducing CO₂ emissions by applying environmentally innovative technologies and diversifying energy sources
- (3) Eliminating CO₂ emissions through the use of renewable energy and total energy management

Honda established the Honda Environmental Performance Standard (HEPS) in 2011 and promotes them with operational guidelines.

As a result of the certification of products that were launched in FY2024, 18 motorcycle models, 36 automobile models and 3 power products models — a total of 57 models — were HEPS-certified. In addition, there were no violations in product and service information or labeling in general.



● High-Efficiency Products

Products that emit less CO₂ thanks to improved internal combustion engine efficiency. This category includes products that incorporate technologies for improving fuel combustion and transmission efficiency and reducing friction between engine parts. Compliance is determined based on how well a product reduces or helps reduce CO₂ emissions during use compared to preceding models.

● Innovative Products

Products that emit less CO₂ by using an environmentally innovative technology or an alternative energy source. This category includes motorcycles that incorporate Honda’s patented Idling Stop System, automobiles that incorporate hybrid technologies or direct injection engine technologies, and power products with fuel injection (FI). Alternative energy technologies include motorcycles and automobiles that can run on ethanol and power products that can run on gaseous fuels. Compliance is determined based on how well a product reduces or helps reduce CO₂ emissions during use compared to preceding models.

● Revolutionary Products

Products that reduce or eliminate CO₂ emissions by harnessing renewable energy or facilitating total energy management. This category includes products that incorporate electromotive technologies or technologies for using renewable energy.

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Initiatives for Carbon Neutrality

Initiatives in Product Areas

Promoting Life Cycle Assessment (LCA)

Honda recognizes that the promotion of LCA is an important initiative not just in reducing CO₂ emissions across product life cycles, from raw material procurement to product disposal, but also in implementing efforts for Triple Action to ZERO.

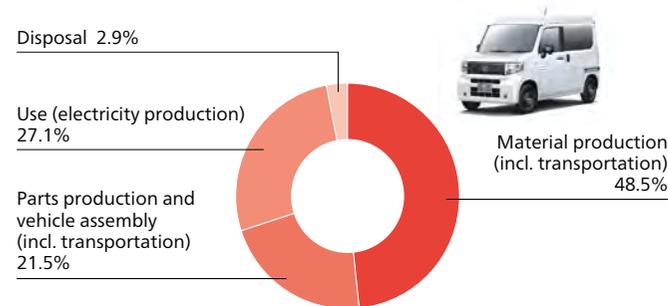
Honda has been quantitatively calculating and assessing CO₂ emissions from all business activities by using its original LCA system. Accordingly, the production, purchasing, sales and service, administration and transportation departments have been carrying out activities geared toward lower carbon emissions.

Honda has established procedures for calculating the environmental impact of its products over their life cycles based on the ISO 14040 and 14044 standards and conducts assessments accordingly.

The calculation procedures have been certified by TÜV Rheinland in Germany in April 2023.

In the future, Honda will utilize the procedures more extensively to propose low-carbon solutions in the development stage and to reduce environmental impact in the resource areas.

Total CO₂ emissions calculated by N-VAN e: LCA system (Calculated in April 2024)



Initiatives for Internal Carbon Pricing (ICP)

Honda has started operating ICP system from 2023 to further accelerate the reduction of CO₂ emissions at its Japanese business sites. (Carbon price: 15,000 yen per metric ton of CO₂)

The amount of carbon reduction is converted into a monetary value that can be used as one of the factors when making capital investment decisions.

Going forward, to expand the operation to overseas sites, Honda will select representative sites and begin trials mainly in the area of production.

The Company will continue to revise the system and apply it to its global sites in light of social conditions and internal performance.

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Initiatives for Carbon Neutrality

Collaboration with External Organizations on Climate Change

The Paris Agreement sets forth the concept of reducing CO₂ emissions with the aim of achieving the goal of limiting the increase in average global temperature to 1.5°C compared to pre-industrial levels.

In line with this concept, in April 2021, the Company announced its vision to “realize carbon neutrality for all products and corporate activities Honda is involved in by 2050” in order to achieve a circular society with zero environmental impact.

As the world’s largest manufacturer of power units, with a combined annual production volume of 30 million units of motorcycles, automobiles, power products, outboard motors, and aircraft, Honda is committed to carbon neutrality for the power sources of its wide range of products.

Honda has set and is promoting targets in each of its product areas and corporate activities to steadily achieve carbon neutrality by 2050.

The Company also promotes dialogue with government and other economic and industry groups, as well as collaborating with external organizations.

We have reviewed the stances on climate change of the external organizations to which we belong and confirmed that they are consistent with Honda’s approach.

It was confirmed that each organization is in agreement with the direction that Honda is aiming for, and the Company will continue to work together to take on the challenge of achieving carbon neutrality.

Review results of each organization’s stance

| Organization | Stance on the Paris Agreement and carbon neutrality | Results of consistency review |
|--|---|---|
| Japan Automobile Manufacturers Association, Inc. (JAMA) | <ul style="list-style-type: none"> ■ JAMA will do its utmost to achieve carbon neutrality by 2050. ■ Achieving carbon neutrality by 2050 is an extremely difficult challenge that cannot be expected without groundbreaking technological breakthroughs. A stable supply of inexpensive, carbon-neutral electricity is a prerequisite, and strong support in the form of policy and financial measures is necessary. *1 | <ul style="list-style-type: none"> ■ JAMA’s goal of carbon neutrality by 2050 is consistent with Honda’s goals. ■ CEO Toshihiro Mibe is the Vice Chairman of JAMA and our board member is the chairman of the Environmental Technology Policy Committee. ■ Honda will continue to work with JAMA to achieve carbon neutrality by 2050. |
| European Automobile Manufacturers’ Association (ACEA) | <ul style="list-style-type: none"> ■ The automobile industry embraces the Paris Agreement and its goals. ■ EU vehicle manufacturers, united in the European Automobile Manufacturers’ Association (ACEA), are fully committed to bringing CO₂ emissions down to zero, supporting Europe’s goal of reaching climate neutrality by 2050. *2 | <ul style="list-style-type: none"> ■ ACEA embraces the Paris Agreement and its goals, which are consistent with Honda’s goals. ■ Honda’s European subsidiary members participate in ACEA activities. ■ Honda will continue to work with ACEA to achieve carbon neutrality by 2050. |
| World Business Council for Sustainable Development (WBCSD) | <ul style="list-style-type: none"> ■ The vision and transformation pathways are aligned with the Sustainable Development Goals (SDGs) and the targets of the Paris Agreement. ■ BY 2050, WE ENVISION A WORLD IN WHICH: Global anthropogenic greenhouse gas emissions have reached net zero, allowing global warming to stabilize at 1.5°C above pre-industrial levels. *3 | <ul style="list-style-type: none"> ■ WBCSD’s activities in line with the goals of the Paris Agreement are consistent with Honda’s goals. ■ Honda will continue to work with WBCSD to achieve carbon neutrality by 2050. |

The source

* 1 https://www.jama.or.jp/operation/ecology/carbon_neutral_data/pdf/CNMmaterial_01.pdf (Japanese only. Text is translated by Honda.)

* 2 https://www.acea.auto/files/ACEA_10-point_plan_European_Green_Deal.pdf
https://www.acea.auto/files/ACEA_Position_Paper-Revision_CO2_targets_cars_vans.pdf

* 3 <https://www.wbcsd.org/Overview/About-us/Vision-2050-Time-to-Transform/Resources/Time-to-Transform>
<https://www.wbcsd.org/contentwbc/download/11765/177145/1>

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Clean Energy Initiatives

Honda's Approach

In promoting clean energy initiatives, Honda has set "addressing energy issues" as a materiality. The Company is actively working to reduce the amount of CO₂ emissions and environmental impact through its corporate activities and initiatives in product areas, by improving production efficiency, introducing energy-saving measures, switching to low-carbon energy, and promoting the use of renewable energy.

Corporate Activities Initiatives

Honda plans to realize its first carbon-neutral plant in FY2026 at the Saitama Factory's assembly plant to achieve the 2050 carbon neutrality target and is studying and promoting the introduction of equipment to maximize the use of renewable energy.

In deploying the technology built at the plant globally, the Company has built a mechanism for promoting information sharing among business sites and regions while at the same time enhancing technical support from Japan.

Honda is also actively promoting the use of renewable energy sources such as solar and wind power generation on a global basis.

■ Use of renewable energy power (global)

1,927 GWh (increase of 28.6% from the previous year)

Renewable Energy Initiatives

Honda preferentially adopts a method that can directly contribute to the reduction of CO₂ emissions in local communities.

More specifically, the Company focuses on installing new power generation facilities, first examining the installation within its premises, and then gradually expanding the scope to outside the premises for greater use of the facilities.

The Kumamoto Factory plans to expand solar power generation system capacity to 20 MW by 2030 and has installed carport solar panels on the parking lots, and solar panels on the roofs of its factory and regulating reservoir.

The Hosoe Outboard Engine Plant has also begun to utilize renewable energy by installing carport solar panels and solar panels.

Going forward, to further facilitate and expand the use of renewable energy, the Company is promoting the introduction of lithium-ion storage batteries and will continue to use renewable energy matched to the conditions of each region on a global basis.



Kumamoto Factory (5.7 MW)



Saitama Factory Automobile Plant (2.0 MW)



Hosoe Outboard Engine Plant (1.7 MW)



Boiling Springs Wind Farm (120 MW)

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Resource Circulation Initiatives

Honda's Approach

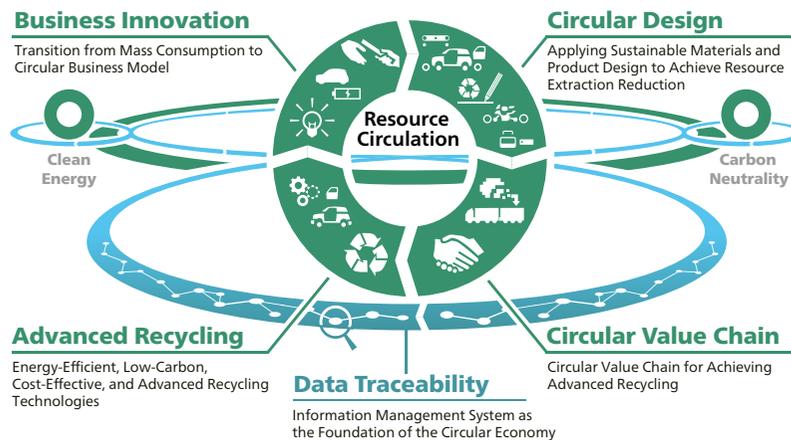
Honda is taking on the challenge of realizing a society with zero environmental impact so that we can permanently provide "the Joy and Freedom of Mobility" through mobility.

Honda believes that resource procurement and price hikes pose a major risk to the continuation of its business and has set efficient use of resources as a materiality to accelerate its resource circulation efforts.

The Company aims to coexist in harmony with the Earth and is taking on the challenge of shifting to a recycling-oriented business that creates economic value while reducing consumption (mining and disposal) of the Earth's limited resources.

Honda has established the five essentials of resource circulation and will work together with internal and external stakeholders in conjunction with conventional 3R (reduce/reuse/recycle) activities.

Resource circulation concept diagram



Five Essentials of Resource Circulation

Business Innovation

Honda is committed to shifting to a recycling-oriented business that uses up products and parts throughout their entire life cycle and recycles them with high efficiency.

Circular Design

Honda is committed to creating a system premised on recycling, which includes the selection of materials suitable for recycling, easy disassembly and separation design that enables the removal of high-quality scrap, and stable procurement of recycled materials.

Circular Value Chain

Honda will work to build a recycling-oriented value chain that maximizes economic rationality by optimizing specifications throughout the entire supply chain involved in resource circulation, including material manufacturers and the dismantling and crushing industry.

Advanced Recycling

Honda is committed to the research and development of advanced technologies that enable energy-saving, low-carbon, and low-cost recycling.

Data Traceability

Honda will work on visualization of social values such as lifecycle CO₂ emissions and recycling rate to prove compliance with laws and regulations and to promote appropriate trade and use of recycled materials. The Company is committed to proving maintenance history and improving resource recovery rates using a wide range of digital technologies.

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Resource Circulation Initiatives

Corporate Activities Initiatives

Waste Management Initiatives

Honda is making efforts to reduce the volume of waste generated through its business activities. The Company is stepping up its 3Rs (reduce/reuse/recycle) efforts, which include resource reduction initiatives, such as the reduction of by-products through an increase in throughput yields.

Honda properly manages the import and export of waste deemed hazardous under the terms of Annexes I, II, III, or VII of the Basel Convention.

In addition, the Company is striving to eliminate all use of ozone-depleting substances (ODS) at business sites in accordance with the Montreal Protocol and local laws and regulations in the countries in which it operates.

Recycling-related Initiatives

Honda is continuously working to collect, recover, recycle, and properly dispose of used automobiles, motorcycles, and fluorocarbons in order to reduce their environmental impact.

Recycling at the disposal stage (Japanese only) <https://www.honda.co.jp/auto-recycle/>

Water Resources Initiatives

Honda seeks out communities where harmonious coexistence with nearby water sources is viable as potential plant locations, and conducts its corporate activities in compliance with host countries' environmental assessment laws and regulations.

To minimize water intake, various business sites are implementing initiatives based on regional circumstances, such as the utilization of recycled water and water conservation.

Honda has prioritized the introduction of a water recycling system at the Celaya Auto Plant of Honda de Mexico S.A. de C.V. in Mexico, the Tapukara Plant of Honda Cars India Ltd. in India, and the No. 2 Plant of GAC Honda Automobile Co., Ltd. in China, where the water risk is particularly high.

Honda will continue to introduce its water recycling system around the world and strive to reduce the environmental impact.

■ Recycled water consumption (global manufacturing sites)

350 million m³/year (approximately 15% of the total amount used)

Initiatives Related to Product Areas

Initiatives for Automobiles

For its automobiles, Honda has been promoting conventional 3R (reduce/reuse/recycle) activities as well as ensuring proper processing when disposing of end-of-life products.

The Company will engage in new businesses and services such as horizontal recycling*¹, repurposing*², and refurbishing*³ as part of its shift to a recycling-oriented business. This section describes the resource circulation efforts related to new and used car sales.

Initiatives for Battery Lifetime Management Commercialization (Business Innovation)

For batteries to be installed in light EVs scheduled for launch in 2024, Honda is promoting an initiative to maximize battery value by upgrading battery monitoring functions and conducting lifetime management through conversion from on-board use to stationary use.

The battery monitoring function, which determines the state of deterioration of components and other factors, enables efficient use of resources and reduces the economic burden on automobile users.

Link to the news release <https://global.honda/en/newsroom/news/2023/c231012eng.html>

*1 Horizontal recycling: Recycling used products back into resources and using them again for the same purpose.

*2 Repurposing: Utilizing one's own products (e.g., primary use) for various secondary purposes.

*3 Refurbishing: Adding new value to used vehicles by improving performance and service through the latest updates.

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Resource Circulation Initiatives

Expanded Use of Recycled Materials from Automobile Bumpers for Parts of New Vehicles (Circular Design)

For the "N-VAN e:" light EV scheduled for release in 2024, Honda collected and crushed discarded bumpers from Honda vehicles, revitalized them as sustainable materials, and reused them as accessories for vehicle exteriors and other parts.

For the front grille parts, a technology was applied to randomly mix the bumper paint of past Honda models, leaving a rough finish, so that the pattern is unique and attractive.

Honda | Preliminary public showing of the "N-VAN e:" scheduled for release in the spring of 2024 on the website (global.honda.com) (Japanese only)
<https://global.honda.com/jp/news/2023/4230928.html>



Front grille parts made of "recycled bumper material"

Use of Sustainable Materials for Floor Carpet Mats (Circular Design, Circular Value Chain)

Starting in April 2024, Honda has adopted a sustainable material, recycled PET material, for the floor carpet mats, a Honda genuine accessory for the N-VAN light vehicle. It is significantly lighter than conventional mats.

The use of sustainable materials is an effort to consider recyclability after use and to contribute to a recycling-oriented society in the future. Going forward, the Company will gradually expand the number of vehicle models to which sustainable materials can be applied.

Launch of Services Related to Refurbishing Used Cars (Business Innovation)

In September 2023, Honda's Japanese used car business launched "Imakore+ (Plus)," a program to install new Honda genuine accessories to used cars.

In January 2024, Honda launched a new upgrade service for the ACCORD model in its North American used car business, a dealer-installed service that enables the wireless functionality of Apple CarPlay and Android Auto.

Such refurbishing programs for recovering and improving product value, adding new product value, and providing utilization services will lead customers to use up the products to the end, and increase opportunities to collect end-of-life vehicle products, thereby making more efficient use of resources.

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Resource Circulation Initiatives

Initiatives for Motorcycles

For motorcycles, Honda is working to reduce the volume of materials used through weight reduction, the application of recycled materials, and structural design that takes recyclability into consideration from the perspective of reducing environmental impact.

This section describes new initiatives that include the following: application of recycled materials such as iron and aluminum, which can reduce the impact on the land when mining and the CO₂ emissions generated during the material production process, as well as bio-derived materials and recycled resin materials, which can lead to reduction of fossil resource extraction.

Application of Bioengineering Plastics to Products (Circular Design)

As a new initiative in the resin field, Honda has adopted DURABIO™*1, an environmentally friendly bio-based engineering plastic, for the first time in the world*2 for the transparent windscreen of the CRF1100L Africa Twin released in March 2024.

The Company plans to expand the application of this plastic to other models and parts in the future.

Newly launched CRF1100L Africa Twin series, a large-size adventure model, with partially revised specifications and exterior appearance (Japanese only)
<https://global.honda/jp/news/2024/2240229-crf1100l.html>



CRF1100L Africa Twin <s> (Grand prix red)



Transparent front screen for motorcycles

Application of Recycled Materials from Automobile Bumpers to Motorcycles (Circular Design, Circular Value Chain)

So far, recycled materials made from waste bumpers of Honda vehicles collected from dealers have been used for under covers of automobiles and other products.

By optimizing the specifications, Honda will apply recycled bumper material, which has been difficult to apply to motorcycles, to the large models manufactured at the Kumamoto Factory, which are scheduled to go on sale in 2024.

This initiative will take advantage of the diversity of products sold and the parts collection scheme that characterizes Honda.

Application of Recycled Aluminum (Circular Design)

Honda have applied small-diameter wheels, which are made from commercial scraps by the high-pressure die casting (HPDC) method, to small models such as scooters and Cubs in Vietnam, Thailand, Brazil, and China.

The Company will apply large-diameter wheels, which have been difficult to apply due to technical challenges and other reasons, to the large models manufactured at the Kumamoto Factory, which are scheduled to go on sale in 2024.

With the application to the large models, wheels made of recycled materials will be applied to a wide range of products from small to large models.

*1 DURABIO™ is a registered trademark of Mitsubishi Chemical Corporation.

*2 According to Honda research (as of October 2023)



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Biodiversity Conservation Initiatives

Honda's Approach

In promoting nature symbiosis initiatives toward Nature Positive, Honda has set "biodiversity conservation" as a materiality.

Honda operates its business with the benefit of natural and mineral resources. Honda recognizes that it depends on and affects a great deal of natural capital not only in the procurement of raw materials, but also in the entire value chain from R&D, manufacturing, use, and disposal after use. Based on the basic concept of harmonizing natural capital and corporate activities, the Company is promoting initiatives to achieve this objective.

In line with the Honda Biodiversity Guidelines established in 2011, Honda is working to avoid or minimize impacts on nature, including air, water, and biodiversity, as well as to conserve and restore them.

Biodiversity Conservation

https://global.honda/en/environment/biodiversity_conservation/

Priority Analysis for Biodiversity Conservation

Honda utilizes the methodology recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) for analyzing the potential impacts of its business activities on biodiversity and its priorities.

Honda assesses its production sites using the Integrated Biodiversity Assessment Tool (IBAT), a biodiversity assessment tool. In order to conduct specific biodiversity efforts at its 86 production sites around the world, Honda uses indicators in IBAT to conduct integrated assessments of the biodiversity risk of the sites. Based on the results, Honda identifies priority sites and considers specific efforts to conserve biodiversity.

Products are made from a variety of materials, some of which may have an impact on biodiversity. Honda is therefore engaged in the primary assessment of the impact of materials used in its products on biodiversity. Based on the assessment results, the Company will conduct a more detailed analysis of materials that have a large potential impact, and consider ways to reduce the impact of its products on biodiversity.

Integrated Report "Honda Report 2023" p. 31

https://global.honda/en/sustainability/integratedreport/pdf/Honda_Report_2023-en-all.pdf#page=33

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Biodiversity Conservation Initiatives

Specific Initiatives for Biodiversity Conservation

Collaboration with External Initiatives

In April 2022, Honda joined the 30by30 Roadmap, led by the Ministry of the Environment in Japan, and is promoting its efforts to obtain certification as a nature symbiosis site, which is an area where biodiversity is being conserved.

In addition, Honda has been participating in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum since December 2022.



Activities to Protect and Restore Biodiversity

Mobility Resort Motegi in Tochigi Prefecture, Japan, which is 100% owned by Honda, covers an area of approximately 640 hectares, and is engaged in nature conservation activities in approximately 70% of its forests. There are approximately 5,800 confirmed species, including many rare species, among the inhabitants.

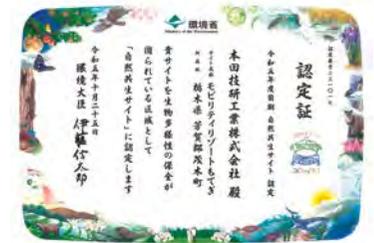
The area was unmanaged wooded areas and rice paddies, but Honda has improved the environment by cutting trees to let light into the forest, restoring terraced rice paddies and other riparian areas, and protecting and relocating endangered Haccho dragonfly (Nannophya pygmaea). Based on the idea that "improving the environment is not only about managing it, but also about creating it*," Honda is also working to create a diverse environment for living creatures at Mobility Resort Motegi. To create a sustainable forest, Honda conducts forest surveys (tree surveys, etc.) and monitoring surveys (registered as one of the Monitoring Sites 1000 by the Ministry of the Environment), and holds forest development workshops to nurture the people involved in forest development.

* Improving the forest environment is not only about reducing the density of the forest by logging to let in light and wind, but also about creating habitats for living creatures.

In recognition of the achievements of these efforts, 415.1 hectares of forest in Mobility Resort Motegi was certified as a nature symbiosis site in October 2023.



Haccho dragonfly confirmed at Mobility Resort Motegi



Certificate of nature symbiosis site

Japan: Biotope at an Automobile Assembly Plant

A biotope located at the Saitama Factory Automobile Plant, which started operation in 2013. The biotope is home to endangered species such as Hynobius tokyoensis and Lefua echigonia, and along with monitoring and conservation activities, Honda is exterminating non-native species such as the red swamp crayfish and American bullfrog.



Biotope at the Saitama Factory Automobile Plant

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U.S.A.: Creating Wildlife Habitats

At the production site for All-terrain vehicle/Side-by-Sides in South Carolina (American Honda Motor Co., Inc.), many wildlife habitat improvements have been implemented. 243 acres of lush greenery on the property led to proper forest management, establishing duck breeding ponds, wildlife food plots, bird houses, and a garden for honeybees with a hive box. These efforts have attracted more deer, wild turkeys, and bobcats to visit and inhabit the land. Some waterfowl also migrate yearly to raise their young onsite.



Wild deer

Belgium: Conserving Biodiversity at a Logistics Base

At Honda Motor Europe Logistics NV's logistics base in Aalst, the Company has expanded its greenbelt by planting black poplars, which are threatened due to habitat degradation and a lack of genetic diversity. The Company is also contributing to the maintenance of biodiversity by creating habitats such as ponds, insect hotels, and feeding stations for living creatures.



Insect hotel

* Sanjivani van: A Hindi term referring to a mythical forest associated with the herb "Sanjivani", which has healing properties and significant meaning in Hindu mythology

Brazil: Nature Conservation at a Test Course

Moto Honda da Amazonia Ltda's motorcycle test course in Rio Preto da Eva is in the Amazon rainforest. In harmony with the environment, approximately 80% (802 hectares) of the site is maintained as a legally protected area. Agricultural projects here include the planting of fruits and vegetables as well as the restoration of endangered species such as mahogany, rosewood, and Brazil nuts.



Test course

India: Plant Greening in Consideration of Biodiversity

The Company created a 0.4 hectare mini-forest on the premises of Honda Motorcycle & Scooter India Pvt. Ltd.'s motorcycle plant in the state of Gujarat with the aim of creating a rich natural environment to protect the ecosystem. This forest, named "Sanjivani van*," is planted with more than 16,000 trees in 24 different categories. In addition, food residues are converted into compost and used for gardening in the forest.



Mini-forest

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Biodiversity Conservation Initiatives

Conserving Water Resources

Recognizing the potential for its business activities to impact biodiversity and water resources, Honda is also committed to the conservation of water resources.

Since Honda seeks out communities where harmonious coexistence with nearby water sources is viable as potential plant locations and builds plants in compliance with host countries' environmental assessment laws and regulations, no water sources are significantly impacted by the Company's water use.

In addition, no water sources are affected by wastewater from Honda facilities since it treats wastewater and discharges treated water in accordance with applicable laws and regulations of each country and region-specific rules, etc.

Honda appropriately manages the amount of water used and works to manage and provide information on wastewater, which includes thorough quality control and the disclosure of water quality test findings.

Honda has also continuously undertaken conservation activities for forest watersheds since 1999 as part of its social contribution program. Production sites protect and manage the forest watersheds that they benefit from and strive to keep them optimized for each region.

Aware of the fact that water is an indispensable resource supporting its business, Honda will continue implementing this activity.

The Company's lineup of engines for outboard motors consists solely of four-stroke engines, with the aim of reducing water contamination by outboard motors around the world. Honda is also conducting demonstration tests of electric propulsion systems to reduce the environmental impact during product usage.

Forest Conservation Activities (Japanese only)

<https://global.honda/jp/philanthropy/forest/>

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Other Important Initiatives

Preservation of Clean Air

Honda recognizes that efforts for preservation of clean air have been a critical issue since the 1960s when the pollution problem became serious. The Company, therefore, has been working to protect the clean air through the development of technologies that reduce the gases emitted from its products.

Honda has reduced exhaust emissions from motorcycles by switching the engines of all its motorcycles on the market to four strokes, with the Honda Programmed Fuel Injection (PGM-FI) system being applied to more than 88% of models sold worldwide for better combustion efficiency.

With regard to automobiles, the Accord Plug-in Hybrid has become the first in the world to certify to SULEV*¹ 20 of California's LEV*² III emissions regulations, deemed to be the toughest in the world. In addition, Honda has introduced technologies to reduce emissions in advance of other advanced emission regulations, such as Euro 6 in Europe and Stage 6 of particulate matter (PM) emissions in China.

As for power products, Honda has cleared compliance with United States Environmental Protection Agency Phase 3 regulations, the most stringent in the world, through engine enhancement technology without using a catalyst.

The solvents found in paint and thinner used mainly in paint processes can generate Volatile Organic Compounds (VOC), the cause of photochemical oxidants. Accordingly, Honda is working to reduce VOC emissions such as through the improvement of painting efficiency and the installation of equipment to remove VOC.

In the production of automobiles, the Company is promoting the global introduction of Honda Smart Ecological Paint*³, a highly functional painting technology that shortens the automobile painting process, from the Saitama Factory Automobile Plant.

Honda will continue to reduce emissions and set milestone sales ratios for electrified products in an effort to preserve clean air.

Carbon-free products*⁴



EM1 e:



CR-V e:FCEV



EU3200i

*1 Super Ultra Low Emission Vehicle

*2 Low Emission Vehicle

*3 A technology that eliminates a middle coating process from the commonly used 4-coat/3-bake auto body painting process, thereby realizing a 3-coat/2-bake water-based painting process

*4 Carbon-free products: Products that do not emit CO₂ when being used



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Other Important Initiatives

Management and Reduction of Chemical Substances

Honda works to ensure the appropriate management and reduction of the chemical substances contained in automotive components from the product design and development stages in order to reduce those materials that impact the environment.

Laws and regulations have been introduced in each country to ensure the appropriate management of chemical substances and the reduction of harmful substances contained in automotive components. These legislations are based on the goal set by the United Nations in 2002 of minimizing the impact of chemical substances on people and the environment by 2020.

The International Material Data System (IMDS), a mechanism for collecting information throughout the supply chain on the materials and chemical substances contained in components making up a vehicle, was developed in response to this trend largely by the German Association of the Automotive Industry. Honda is also tabulating and managing chemical substances via its independently developed global management system, called the Management System of Chemical Substances(MoCS), which collects information based on IMDS.

Honda promotes the management of chemical substances via MoCS to comply with the Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and other regulations on the use of substances of concern in each country. In addition, Honda is moving ahead with the reduction of four types of heavy metals (lead, mercury, hexavalent chromium and cadmium), in accordance with the European Directive on End-of-Life Vehicles (ELV Directive).



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Target List

List of Targets

| Target Items | Targets for 2030 | Targets for 2050 |
|--|---------------------------|---|
| Reduction rate of total CO2 emissions from corporate activities (compared to FY2020) | 46% | CO2 emissions, net zero |
| Motorcycles | 15% | |
| Sales ratio of electrified products | 30% | |
| Automobiles | 36% | |
| Power products | 34.0% | |
| Reduction rate of CO2 emissions intensity of product use (compared to FY2020) | 27.2% | |
| Motorcycles | 28.2% | |
| Automobiles | | |
| Power products | | |
| Reduction rate of total water intake in corporate activities (compared to BAU*) | 14.5% | Zero industrial water intake and industrial waste |
| Reduction rate of total waste generation in corporate activities (compared to BAU*) | 14.5% | |
| Product resource circulation | (Set internal milestones) | 100% use of sustainable materials |

* Business As Usual: Estimated values based on the 2030 production plan, assuming that no measures or policies for reduction are implemented

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Basic Approach

Honda upholds the idea of "respect for the individual" in the Honda Philosophy and includes "Respect of Human Rights" in the Honda Code of Conduct to show its policy to "maintain its stance as a company committed to practicing fairness and sincerity and respecting human rights."

Also in the Code, Honda specifically requires its associates to "respect fellow associates, interact with them in a sincere and appropriate manner, and never engage in any form of harassment or unjust, discriminatory behavior in the workplace."

Accordingly, based on "Respect for the Individual" in the Honda Philosophy, Honda has formulated the Honda Human Rights Policy to fulfill its responsibility to respect the human rights of stakeholders affected by its business activities.

This policy applies to all officers and associates of the Honda Group (Honda Motor Co., Ltd. and subsidiaries).

Honda also works to ensure that all business partners, including suppliers and dealers, understand this policy and collaborate to resolve issues together.

In particular, we require our suppliers to understand this policy and to agree to and implement the Honda Supplier Sustainability Guidelines.

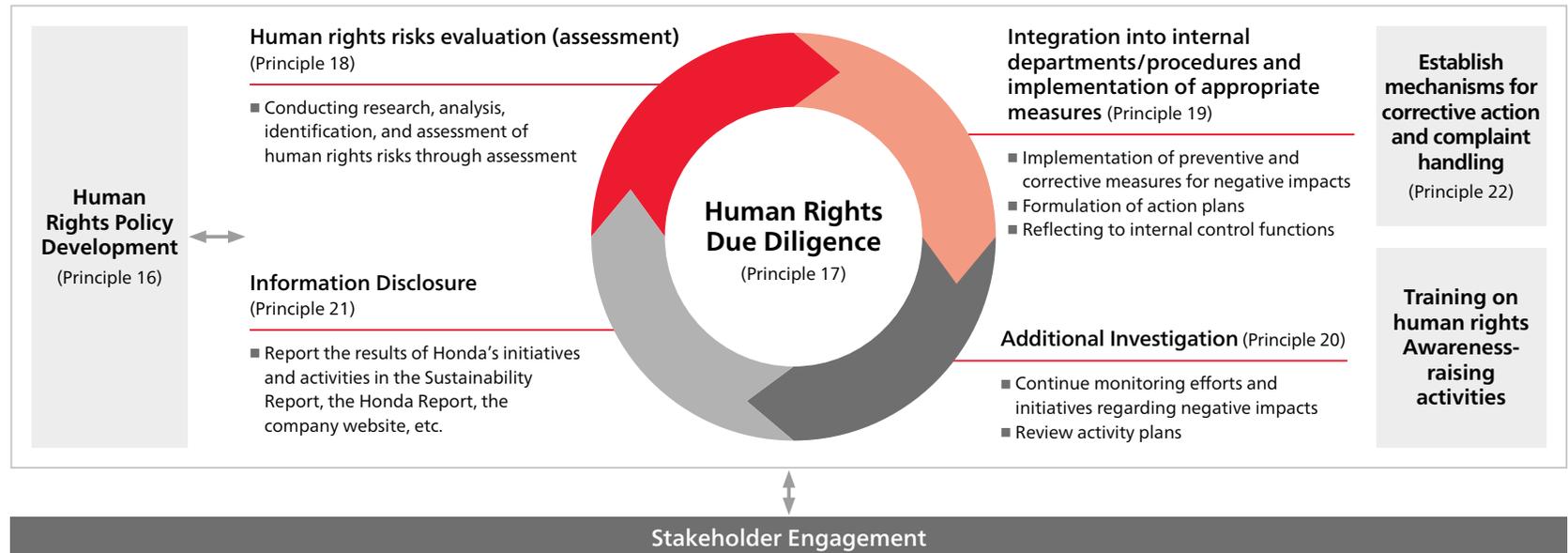
Honda is committed to respecting human rights that are set out in the International Bill of Human Rights and the ten ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. In addition, the Company supports the United Nations Guiding Principles on Business and Human Rights.

To respect the human rights of all people involved in its business activities, Honda has identified the following items, in particular, as human rights issues that the Company must actively address: "prohibition of forced labor and child labor," "elimination of discrimination and harassment, respect and acceptance of diversity," "creation of a free, open-minded dialogue environment," and "maintenance of a safe working environment." The Company is working to put them into practice.

Honda Supplier Sustainability Guidelines

■ https://global.honda/sustainability/cq_img/report/pdf/supply-chain/supplier-sustainability-guidelines.pdf

Honda's Human Rights Initiatives Framework





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Human Rights Policy

Human Resources Policy Development

Based on the Company's basic approach, Honda formulated the Honda Human Rights Policy in June 2022.

Honda Human Rights Policy

Since our founding in 1948, Honda has continuously worked to provide value to help people and create a better society through our technologies, ideas and designs. The starting point of such efforts is our desire to "help people and society" and "expand the potential of people's lives." The underlying basis of these efforts is the concept of "Respect for the Individual," which constitutes Honda's Fundamental Beliefs.

Honda believes that human beings are born as free and unique individuals with the capacity to think, reason and create — and the ability to dream. Our wish is to nurture and promote these characteristics in Honda by respecting individual differences, trusting each other as equal partners, exercising abilities to the fullest and sharing joy. From this standpoint, we adopt Respect for the Individual, consisting of the three elements of initiative, equality and trust, as one of our Fundamental Beliefs. We believe this spirit should permeate all our relationships with everyone. Based on the concept of Respect for the Individual, Honda has formulated the Honda Human Rights Policy ("the Policy") to fulfill our responsibility to respect the human rights of stakeholders who may be affected by our business activities.

By putting the Policy into practice, we will cooperate with our stakeholders to undertake business activities in a sustainable manner in order to continue to be "a company society wants to exist."

1. Commitment to the "respect for human rights"

Honda recognizes that our business activities may impact the human rights of internal and external stakeholders.

We are committed to respecting human rights that are set out in the International Bill of Human Rights and the ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. In addition, we endorse the United Nations Guiding Principles on Business and Human Rights and endeavor to practice these principles in business activities.

We also comply with applicable laws and regulations of each of the countries and regions in which our business activities are conducted. If requirements of the local laws and regulations are in conflict with internationally recognized human rights, we will seek ways to honor the internationally recognized human rights to the greatest extent possible.

2. Scope of responsibility

The Policy applies to all executives and associates of the Honda Group (Honda Motor Co., Ltd. and its subsidiaries). In addition, we expect all of our business partners to understand the Policy.

3. Governance

Honda positions respect for human rights as one of our key management issues, and we will also establish an adequate internal structure to reflect the Policy in necessary business policies and procedures while clearly specifying the Director responsible for the formulation and execution of the Policy.

4. Human rights due diligence

Honda will establish and continuously implement a system of human rights due diligence, which will identify adverse impacts on human rights and prevent or mitigate such impacts.

5. Remedy

We commit to take appropriate measures to remediate any adverse impact on human rights which Honda clearly caused or contributed to. In addition, we will work to establish a practical grievance mechanism to enable appropriate remedies.

6. Engagement with stakeholders

In enhancing and improving its efforts to respect human rights, Honda will leverage external knowledge and engage with relevant stakeholders.

7. Education

Honda will undertake appropriate education and awareness-raising activities to facilitate an understanding of the Policy and put it into practice.

8. Information disclosure

Honda will make disclosure of its efforts to respect human rights through our corporate website and other means on a regular basis.

* The Policy has been approved by the Executive Council and Board of Directors of Honda Motor Co., Ltd.

Established: June 1, 2022
Revised: June 1, 2023

Honda Motor Co., Ltd.

Director, President and Representative Executive Officer, Chief Executive Officer



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Human Rights Policy

[Human Rights Policy Appendix: Human Rights Issues Addressed by Honda]

Honda proactively addresses human rights issues, including those listed below, in order to respect the human rights of all people with whom we engage through our business activities. The human rights issues included in this appendix will be reviewed periodically based on changes in societal demand, including legal requirements, and in our businesses.

- (1) Prohibiting forced labor and child labor
We respect each individual's fundamental human rights and do not allow forced labor or child labor of any form, including human trafficking.
- (2) No discrimination and harassment, respect for diversity & inclusion
Based on the principle that all human beings are equal, we respect diversity & inclusion and prohibit any discrimination and do not tolerate harassment of any form on the basis of an individual's race, ethnicity, national origin, religion, gender, gender identity, sexual orientation, age or disabilities, among other characteristics.

- (3) Creating an environment of free, open-minded dialogue
 - The associates and the company respect each other's views and endeavor to promote mutual understanding. Maintaining a relationship of mutual trust, the associates and the company make every effort to engage in sincere discussions about any issues that might arise or exist.
 - Respecting freedom of association, or not to associate, and collective bargaining, the company attempts to resolve issues in line with the laws, conventions and customs of each respective country and region.
- (4) Maintaining a working environment where each associate can work with a sense of security
The company provides a safe and healthy workplace where all associates can concentrate on work with a sense of security.

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Promotion Structure

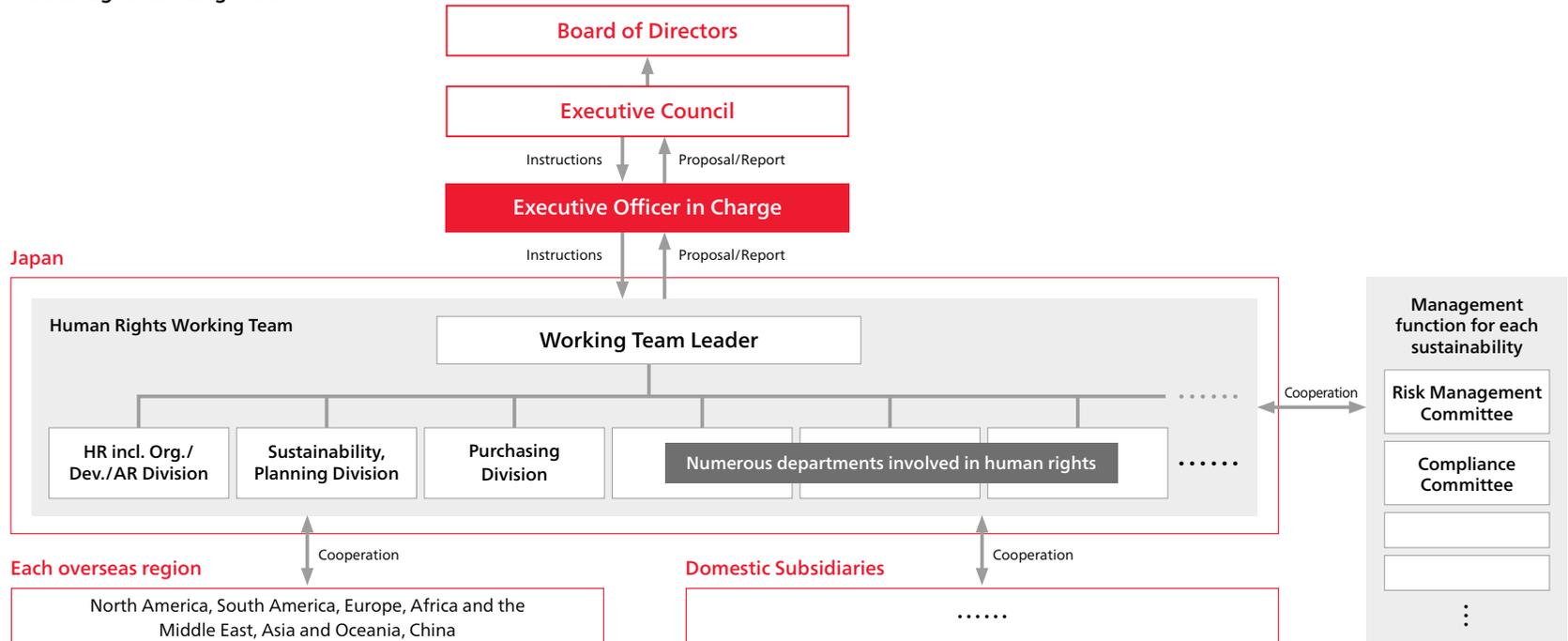
To sustainably implement initiatives to respect human rights, Honda has clarified the officers responsible for the initiatives, and established a Human Rights Working Team. The Team is led by the human resources and labor affairs divisions, and collaborates with many divisions involved in human rights, including the purchasing divisions and the divisions in charge of sustainability planning.

The Human Rights Working Team is working to strengthen the initiatives and encourage associates to take appropriate action through human rights due diligence measures, including assessments for Honda Group domestic and overseas business sites and suppliers, as well as awareness-raising activities.

The Team has also established a system to prevent and mitigate negative impacts and risks related to human rights in cooperation with the Compliance Committee and the Risk Management Committee.

These activities are reported annually to the Executive Council and the Board of Directors and are linked to the Company's sustainability management strategy.

Honda's Human Rights Initiatives
Human Rights Working Team



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Human Rights Initiatives

Initiatives for Human Rights Due Diligence

Human rights-specific assessments are conducted annually at Honda, its subsidiaries, and each overseas local affiliate to identify and assess any potential or actual negative human rights impacts that may be entailed by corporate activities and transactions.

Furthermore, Honda periodically checks internal control functions once a year to ensure that each department is taking appropriate measures based on the Honda Human Rights Policy.

Also, in its company-wide risk assessment activities, Honda has set up a category on human rights, and conducts a risk assessment once a year, in accordance with the Honda Group's common criteria. The priority risks are then identified based on the assessment results and appropriate responses are implemented accordingly.

Honda also performs monthly checks on the status of labor management of all overseas local subsidiaries, including joint ventures, and shares the results in the Global Monthly Report. To make an appropriate response if a risk concern is identified, Honda has in place a system to share and discuss the issue through meetings with regional human resources officers.

Throughout each assessment, no incidents were identified in FY2024.

Human rights assessment

| | |
|--------------------|--|
| Objectives | Identify and assess the potential or actual negative human rights impacts (human rights risks) that may be entailed by corporate activities and transactions |
| Scope | Honda Group companies covered by the Honda Human Rights Policy |
| Details | <ul style="list-style-type: none"> ■ Confirmation of the status of efforts to address each human rights issue ■ Confirmation of the occurrence or non-occurrence of violation cases related to each human rights issue |
| Items of questions | <ul style="list-style-type: none"> ■ Prohibition of forced labor (no trafficking in any form, including human trafficking, etc.) ■ Prohibition of child labor (e.g., confirmation of age for employment) ■ Elimination of discrimination and harassment ■ Dialogue with associates ■ Respect and acceptance of diversity (promoting women's participation in the workplace, employment of people with disabilities, etc.) ■ Wages (compliance with minimum wage standards, efforts to realize equal pay for equal work, etc.) ■ Working hours (limiting overtime work, encouraging the use of paid leave, etc.) ■ Safe and healthy working environment (consideration for childbirth, childcare, and nursing care, support for balancing work and childcare, etc.) |

Supplier Initiatives

The Company ask suppliers to agree to the "Honda Supplier Sustainability Guidelines" and conduct periodic policy briefings and ESG surveys for suppliers with high business volume and other influential factors.

In the written survey, Honda confirm suppliers' initiatives based on its basic approach on human rights and labor, including the prohibition of forced labor and child labor.

If risks are identified based on the results of this survey, interviews or on-site inspections are conducted with suppliers according to the degree of risk.

Honda will request suppliers to make improvements if issues are identified, and if not made, the Company will consider suspending business with the supplier.

Stakeholder Engagement

To be a company society wants to exist, Honda grasp and understand the demands and expectations of diverse stakeholders toward the Company including Human Rights Initiatives.

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Human Rights Initiatives

Remedial and Corrective Actions

Honda is striving to create an open organizational culture that allows associates to report any violation related to human rights to their respective superiors or resolve the issue within the workplace. At the same time, Honda will receive consultation in a fair and neutral manner through Business Ethics Kaizen Proposal Line in Japan and other regions overseas. The Company has various counseling hotlines for associates to build a even healthy work environment.

Education and Awareness-raising Initiatives

Honda provides training on the Honda Philosophy all around the world. The Company publicize the Code of Conduct as best one can by distributing leaflets, posting relevant information on the corporate intranet, and providing training. Additionally, at the pre-assignment training conducted by job level, Honda provides overseas subsidiary managers and human resources managers with information on regional and country-specific trends and past labor disputes to promote good labor-management relations. For all expatriate associates, the Company raises their awareness of the importance of local labor management in accordance with the Associate Relations Policies, which is applied to daily corporate activities.

Furthermore, since 2022, Honda has been conducting awareness-raising initiatives through e-learning on human rights for all associates to enhance their understanding of norms set by the international community, the latest trends, Honda's initiatives, and Human Rights Policy.

In addition, the Company provides each subsidiary with content for awareness raising initiatives at Honda to expand such activities.

E-learning on human rights (FY2024 results)

| | |
|----------------------|----------------|
| Japan | 34,382 persons |
| Overseas expatriates | 1,191 persons |

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Basic Approach

Strengthening Supply Chain Sustainability

In order to provide customers with a timely, stable supply of better products and services, it is necessary to put significant effort into developing and optimizing supply chains with suppliers around the world while also taking into account environmental and human rights issues.

Companies within the automobile industry, which is a broad-based industry supported by many suppliers, must pursue the reduction of not only their own environmental impacts but also those of suppliers throughout their entire supply chain.

Additionally, as awareness of compliance and human rights issues grows worldwide, companies are expected to verify working conditions and legal compliance not only for themselves but also for their suppliers, as well as make efforts to take corrective action if required.

Honda has issued the "Honda Supplier Sustainability Guidelines" to share its approach to sustainability with suppliers worldwide and to promote it in conjunction with them.

Based on this guideline, Honda will actively promote sustainable initiatives at its development and manufacturing facilities in cooperation with its suppliers. By doing so, Honda is seeking to realize a supply chain where Honda co-exists and co-prospers with local communities as a company society wants to exist.

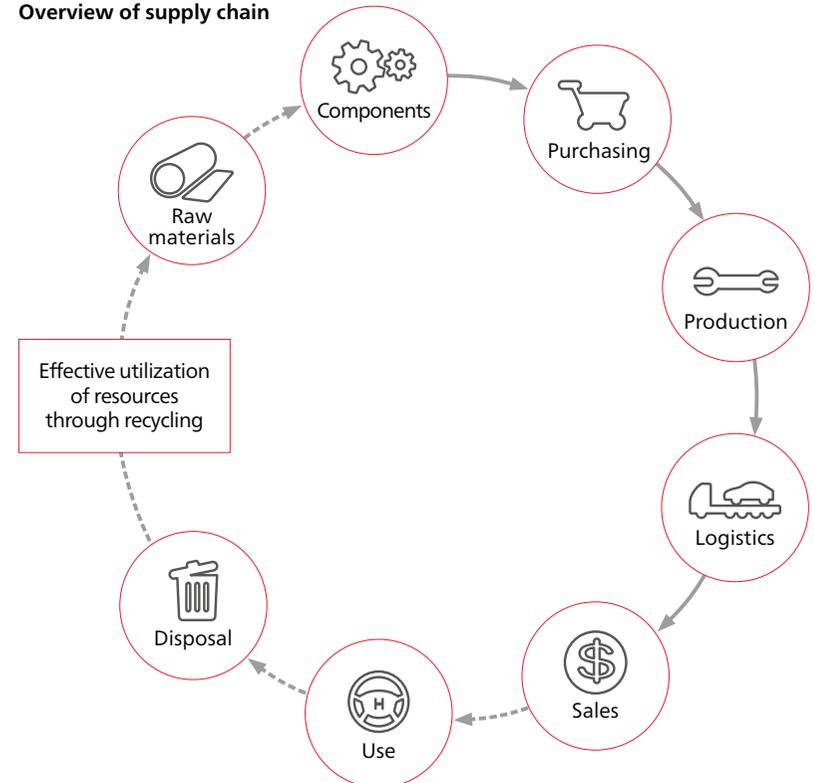
Honda is striving to strengthen supply chain sustainability, mainly in the areas of purchasing and logistics.

Additionally, as part of last year's organizational restructuring, we established the Global Conference as a global meeting structure for the entire supply chain, which unites the procurement and logistics areas and has been holding the conference on an ongoing basis.

This meeting body holds conferences in all regions with the following three main objectives.

- Discuss common themes in the 6 regions at appropriate timing and members allocated to each theme
- Directly discuss and resolve global issues originating from each region among top executives in the supply chain purchasing area
- Share issues that may become challenges in the future and discuss the direction of responses

Overview of supply chain



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Basic Approach to Purchasing

Purchasing Belief, the Three Purchasing Principles, and Guiding the Code of Conduct for Purchasing Associates

Honda's goal is to achieve a sustainable society across the supply chain. The Company implements initiatives with consideration for the environment, safety, human rights, compliance and social responsibility, among others, in partnership with its suppliers worldwide. Based on the Honda Philosophy, the Company established the Purchasing Belief and Three Purchasing Principles and engages in business that is fair and equitable with transparency.

Honda has also compiled points that should be followed by each and every associate engaging in purchasing activities as the Guiding the Code of Conduct for Purchasing Associates. By following these Rules, the Company ensures trust both internally and externally and builds sound relationships with suppliers.

Purchasing Belief and Three Purchasing Principles

We do fair and equitable business with transparency based on the "Purchasing Belief" and the "Three Purchasing Principles."

Purchasing Belief

We sustain the procurement of good products at reasonable prices and in a timely manner.

Three Purchasing Principles

Fair and open trade

We do business with suppliers who can satisfy the requirements of quality, quantity, price and timing and who can share the concept of sustainability with us, based on open competition.

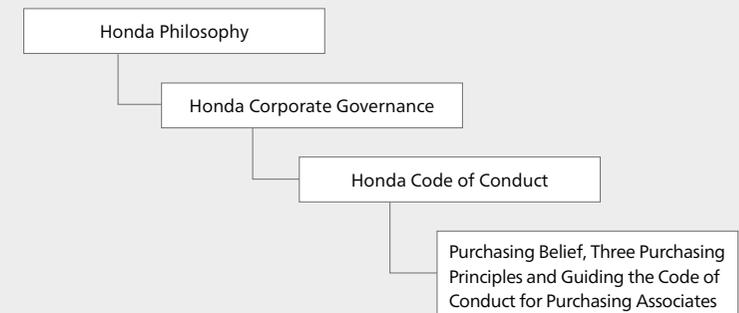
Equal partnership

We conduct business on an equal footing regardless of the business size of the supplier or their nationality and other factors.

Respect for suppliers

We respect suppliers' management and dignity.

Positioning of Purchasing Belief, Three Purchasing Principles and Guiding the Code of Conduct for Purchasing Associates



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Basic Approach to Purchasing

Engagement with Suppliers

In its global parts procurement activities, Honda has set forth its Sustainability Vision, which aims to promote sustainability initiatives together with its suppliers around the world and to realize a supply chain that can coexist and co-prosper with local communities. Furthermore, based on the vision, the Company has issued the Honda Supplier Sustainability Guidelines as a policy to share its approach to sustainability with its suppliers around the world and to promote it together. (Please refer to the link on the right.)

Through the Guidelines, Honda seeks to prevent compliance violations and other issues in advance, including negative impacts and risks related to human rights, and to reduce its environmental impact.

If a supplier fails to follow the Guidelines, Honda immediately receives a report from the supplier and works to prevent a recurrence by asking them to analyze the cause and draw up a corrective action plan.

If the corrective action plan received from the supplier is determined to be inappropriate, Honda considers its future business relations with them, including suspension of transactions, while taking into account the social impact of the problem.

In addition, the Company is working to instill and promote the Guidelines

throughout the entire supply chain by performing checks on the status of suppliers' related initiatives and utilizing sustainability-related check sheets for sub-tier suppliers.

When selecting suppliers for components and raw materials based on these sustainability policies, Honda confirms their initiatives on Quality, Cost, Delivery, Development and Environment (QCDD), human rights, labor, safety, compliance, risk, protection of information and other aspects to determine the best and most sustainable supplier.

In response to growing social demands for sustainability, the Company has started regular information sharing meetings with Group suppliers, beginning in March 2024.

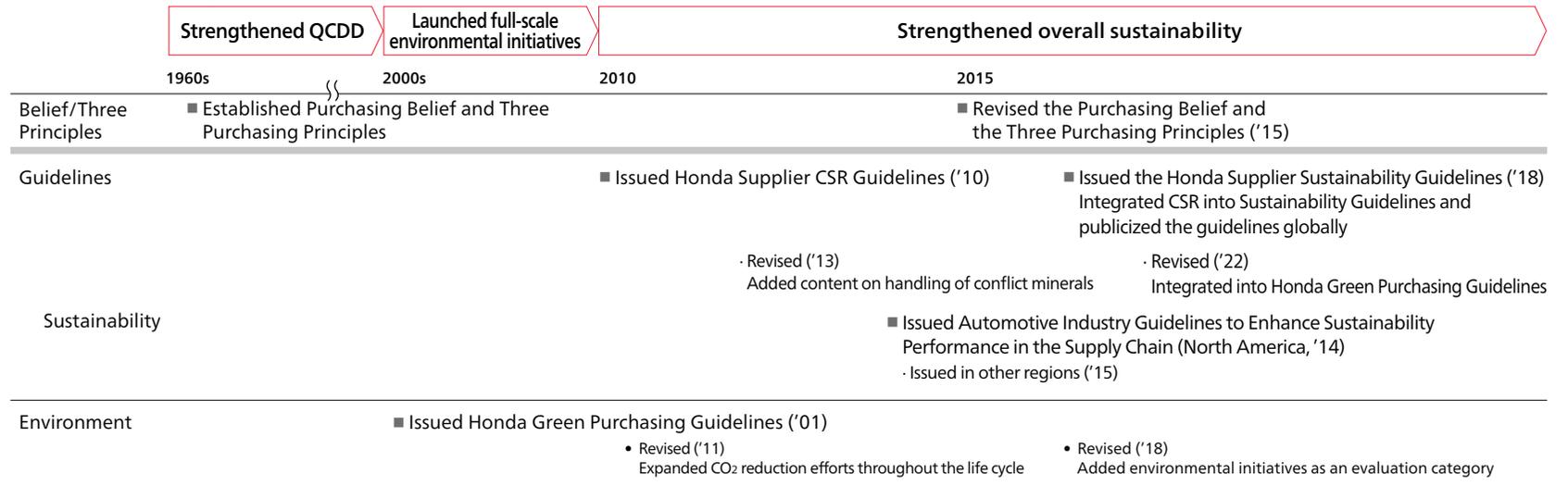
Establishing a Hotline to Receive Suggestions and Consultation Requests from Suppliers

Honda has established the Business Ethics Kaizen Proposal Line to accept suggestions and requests for consultation from all suppliers from a fair and neutral standpoint.

Honda Supplier Sustainability Guidelines

■ https://global.honda/sustainability/cq_img/report/pdf/supply-chain/supplier-sustainability-guidelines.pdf

Changes in purchasing operations



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Global Management of Purchasing

Promotion Structure

Honda conducts business in six regions worldwide and has respectively established purchasing functions. In line with Honda's corporate philosophy of "building products close to the customer," each region is encouraged to source locally. The rate of local procurement in the United States, Honda's primary production base, reaches 80% for major global models.

In Japan, Honda has a department that supervises the overall global purchasing function, with the Chief Officer for Supply Chain Purchasing Operations (executive officer) responsible for oversight. The department provides coordination across regions and businesses and formulates sustainability policies and goals. In 2016, the Company established a department dedicated to reinforcing and accelerating sustainability initiatives.

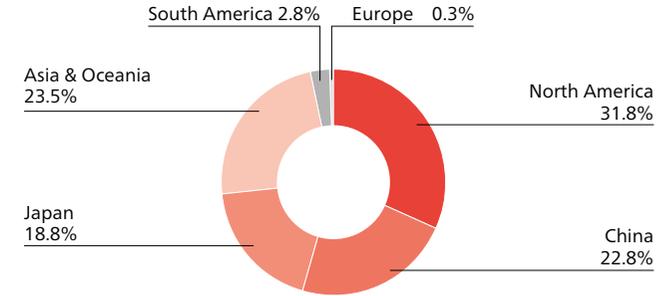
In addition, to discuss and examine the direction Honda should take globally over the medium- to long-term, Honda holds periodic meetings with the management teams of respective companies operating in each region and facilitates collaboration with them.

The Environmental Purchasing Meeting was held from 2011 onwards and sought to strengthen initiatives aiming for a low-carbon society across the entire global supply chain.

In FY2017, Honda added human rights and compliance initiatives and transformed the meeting into the Sustainability Purchasing Meeting, which is held on a regular basis.

The Company is discussing and aligning the direction of global initiatives and strengthening activities while collaborating in each region.

Regional distribution of purchasing volume (FY2024)





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Purchasing Initiatives

Initiatives to Achieve Carbon Neutrality with Suppliers

Honda aims to realize carbon neutrality (net zero CO₂ emissions) for its all products and corporate activities by 2050.

As part of the activities, Honda shares the Honda Supplier Sustainability Guidelines with all suppliers and has obtained the agreement of each supplier.

In Japan, in October 2021, Honda asked its suppliers to consider initiatives to reduce total CO₂ emissions, and in December 2022, shared its perspectives on measures to consider specific measures toward achieving carbon neutrality by 2050.

Furthermore, in March 2024, Honda communicated its interim target for 2030 (-46% compared to FY2020) to its suppliers in order to accelerate its efforts to achieve carbon neutrality by 2050. Through close communication with each supplier, Honda is working together to realize carbon neutrality.

Management of CO₂ Data

To increase the effectiveness of its efforts to reduce the environmental impacts in its supply chain, Honda established a system for the integrated management of data on CO₂ emissions reduction by suppliers in FY2012, which commenced full-scale operation in FY2015.

Honda is using the tool to share goals and progress status towards total reduction and to implement the PDCA cycle with suppliers worldwide.

As of 2023, approximately 2,200 companies, equating to more than 80% of purchasing value on a global level, are using the tool.

Going forward, the Company will comprehensively analyze data to assist in activities to reduce CO₂ emissions at suppliers, including their efforts to achieve total emissions control targets.

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Purchasing Initiatives

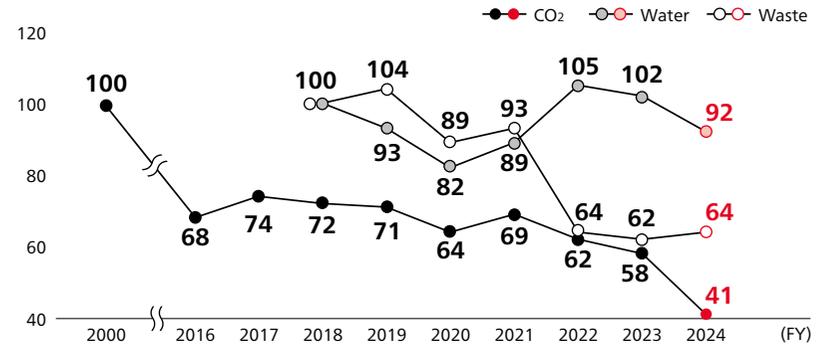
Initiatives to Reduce the Environmental Impact in the Supply Chain

Honda promotes carbon neutral initiatives together with suppliers and ensure the efficient use of resources in each region of the world to reduce the global environmental impact.

In Japan, Honda sets a CO₂ emission reduction target of 46% below FY2020 level by 2030 for its Group suppliers and promotes reduction initiatives in partnership with each of them.

With regard to water and waste, having started undertaking measures for target management in FY2019, Honda set specific targets for FY2023 (maintaining the total volume of FY2019) to collect accurate data. As part of this initiative, Honda has provided tools to these suppliers to analyze their respective progress and past performance and has been checking their activities to reduce the environmental impact as well as evaluate their stance in this area. By communicating and sharing information with Honda Group suppliers via the Internet, Honda actively collaborates with them to promote efforts to achieve the targets.

Performance in reducing the environmental impact
Index of CO₂ emissions/water use/waste generation per millions of yen



* Scope of data: all consolidated tier 1 suppliers in Japan

| Category | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|--------|--------|--------|--------|--------|--------|
| CO ₂ (t/millions of yen) | 1.07 | 0.95 | 1.03 | 0.93 | 0.86 | 0.62 |
| Water (m ³ /millions of yen) | 9.29 | 8.19 | 8.91 | 10.51 | 10.16 | 9.17 |
| Waste (t/millions of yen) | 0.62 | 0.53 | 0.55 | 0.38 | 0.37 | 0.38 |

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Purchasing Initiatives

Chemical Substance Management

The Company has issued the Honda Chemical Substance Management Standard, which aims to ensure that all the components that make up Honda products comply with laws and regulations as well as to reduce their impact on the global environment and ecosystem. Honda asks suppliers around the world to establish a structure for managing chemical substances that meets the standard and to guarantee that the components they supply satisfy the standard. The Company also uses an industry standard management system for specific data on chemicals contained in components, which are evaluated prior to commencing mass production.

Measures to Counter Procurement Risk

Honda views all phenomena that can impact production as risks, including disasters, fires, financial issues and labor issues within suppliers. Accordingly, the Company works to reduce these risks and prevent the spread of any impact if they materialize throughout the supply chain, beginning with the procurement of components and materials. For example, Honda defines all components and materials whose procurement is dependent on a single facility as Mission-Critical Parts, and inspections and countermeasures are implemented continually around the world.

As part of this initiative, Honda has established a scheme for suppliers in Japan starting in 2021 to promptly register information on new supply chains (production sites below Tier 2) in its procurement risk management system when such information is generated.

Through the operation of this system, the Company established structures to quickly ascertain the extent of damage to suppliers in the affected areas and whether production has been affected in the event of a major disaster.

Honda also performs once-yearly evaluations based on supplier surveys in order to minimize financial risk. In addition, the Company checks risk every month by referring to information from third-party organizations.

Requiring Legal Compliance from Suppliers

Honda seeks to strengthen sustainability, including compliance, throughout the supply chain. In conducting business, the Company concludes basic agreements on component procurement that specify areas of attention such as safety, disaster prevention, environmental preservation, and the protection of resources. The agreements also contain terms regarding compliance with each country's laws and regulations, including competition laws and laws and regulations related to the prevention of bribery.

Responsible Mineral Sourcing

Honda recognizes the potential link between the increased demand for rare minerals, including cobalt, due to electrification and human rights issues such as child labor, and is engaged in activities aiming to avoid the use of minerals that may contribute to human rights violations and environmental pollution. In Japan, the Company uses templates provided by the Responsible Minerals Initiative (RMI) and works to identify cobalt refiners with the cooperation of its suppliers. Going forward, Honda will also consider global initiatives.

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Purchasing Initiatives

ESG* Surveys for Suppliers

Honda is communicating its sustainability policy to its suppliers and confirming the status of their efforts in line with growing international expectations for fulfilling corporate social responsibility, including the supply chain. Honda requires new suppliers to agree to the Honda Supplier Sustainability Guidelines in addition to screening from the perspective of quality, cost, delivery, development, and environment (QCDDE).

After this screening process, policy briefings and ESG surveys are periodically held for suppliers with high impact, such as those with large business volumes.

The ESG surveys cover approximately 7,000 companies globally and identify high-risk suppliers based on the likelihood of a problem occurring and the degree of impact on the company if a problem were to occur, in order to take action toward improvement.

In Japan, Honda has conducted ESG surveys for its suppliers who account for more than 80% of the total purchase price.

The ESG surveys include the following items.

- Distribute a check sheet based on international standards
- Confirm the compliance status of the guidelines
- Promote improvement

Sustainability monitoring flow



The check sheet encompasses all aspects of human rights and labor matters, including eliminating race, ethnicity, nationality, religion, gender and other discrimination, as well as banning child labor, forced labor and human trafficking and guaranteeing minimum wages. The check sheet verifies supplier activities in a broad range of fields as it also covers such evaluation categories as the environment, compliance, and information disclosure. Based on the results of this survey, risks are identified, and according to the degree of risks, interviews with suppliers, on-site inspections, etc. are conducted.

The following checks and verifications are performed, and for issues identified in the improvement activities, suppliers are requested to make improvements, and if improvements are not implemented, the Company will consider suspending transactions with the supplier.

- Check relevant records, actual production processes and related facilities
- Verify the progress through a report on the improvement plan and result
- Conduct a follow-up investigation (including an on-site check as necessary)

Recent examples of improvement include the management of working hours and the formulation of an internal rule to prohibit suppliers from retaining the ID documents of non-Japanese workers.

In North America, the Company has begun utilizing check sheets, evaluations, and feedback provided by a third-party organization, and is considering expanding this scheme globally in the future.

Some of Honda sites also provide e-learning programs on sustainability to their suppliers to promote understanding of the issue.

Honda will continue to enhance training programs to develop the competence of survey personnel, while collaborating with its overseas purchasing bases to conduct sustainability activity surveys on a global basis.

* ESG: Environment, Social, and Governance



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Purchasing Initiatives

Instruction and Training for Associates

To ensure that every associate involved in Honda's purchasing operations promotes fair, equitable, and transparent transactions in accordance with its purchasing philosophy, Honda has prepared manuals and training programs and promotes personnel development through on-the-job training (OJT).

In North America, Honda's Building Business Relations provides education on the importance of the Company's code of conduct, legal compliance, and confidentiality in developing positive long-term relationships with suppliers.

In Japan, in addition to these initiatives, Honda has established training and e-learning programs to deepen understanding of QCDDE operations, including programs to increase understanding of ESG initiatives in the supply chain area.

In this way, Honda has developed programs that take into account cultural and social backgrounds and promote capacity building for purchasing associates in each region of the world.

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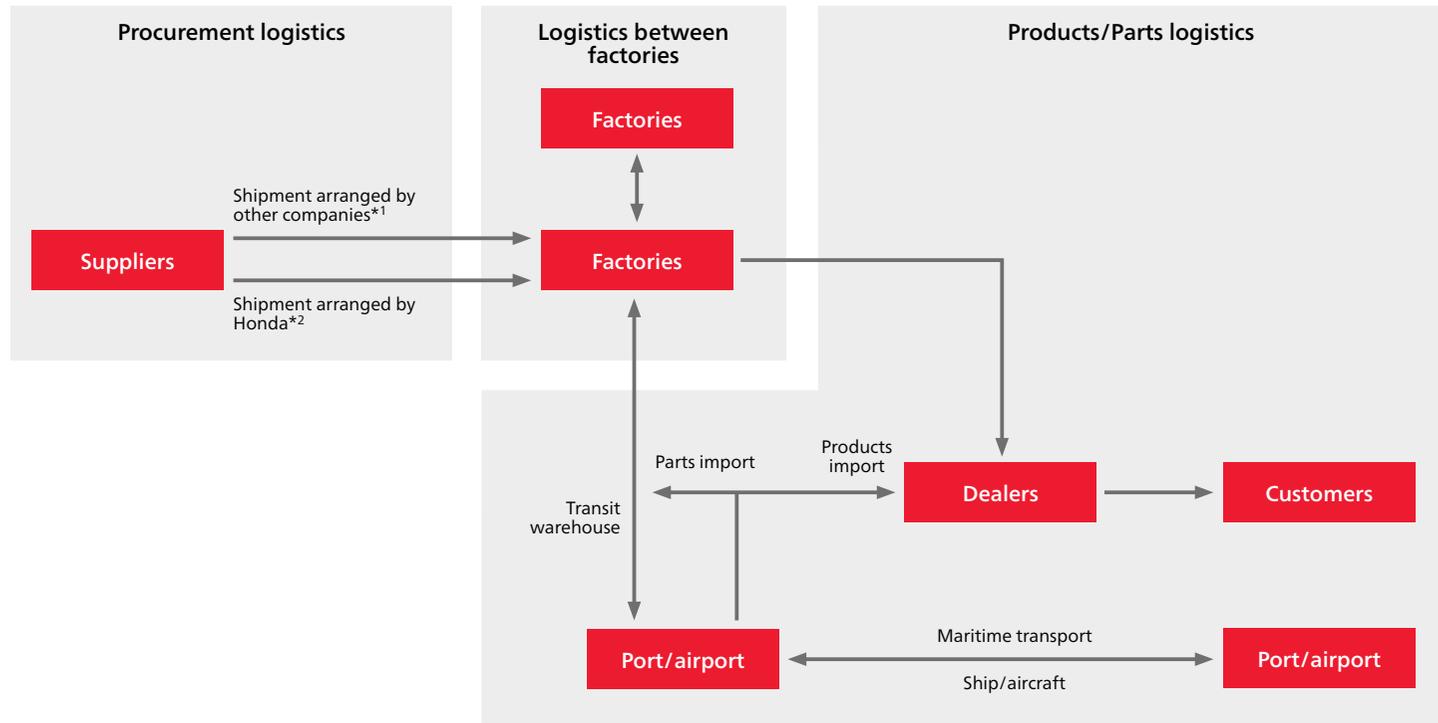
Basic Approach to Logistics

At Honda, many parts that are used in its products are transported from suppliers to its factories. Likewise, the completed models, as well as parts for services and repairs, are sent directly from the factories to dealers. Honda, which transports large volumes of goods from upstream to downstream in the manufacturing process, considers the reduction of environmental burden and compliance risk management

as important issues, as well as improving efficiency in logistics.

Honda is working together with logistics companies to reduce environmental impact and, as a shipper, to reduce the burden on drivers in the context of the 2024 logistics issue as a social responsibility.

Overview of Honda logistics



*1 A transportation operator retained by the supplier delivers sourced parts to the entrance of Honda's plants.

*2 A transportation operator retained by Honda makes the rounds of parts suppliers and picks up the sourced parts.

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Global Management of Logistics

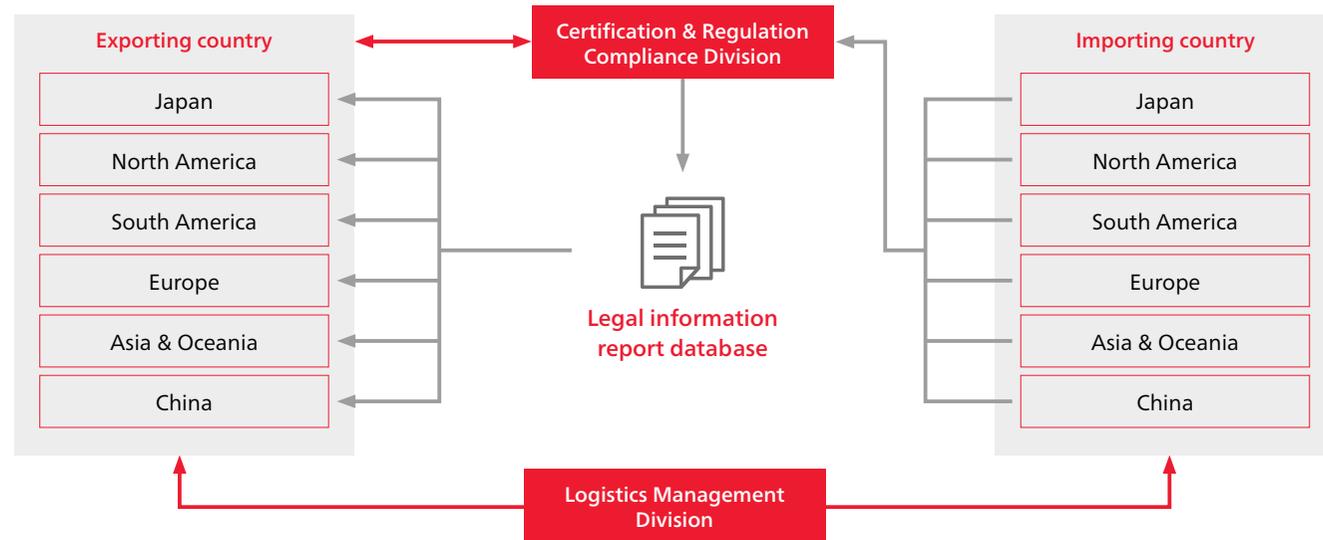
Integrated Management of Legal Information Concerning Logistics

In order to supply products and parts across countries and regions, it is necessary to identify and analyze a variety of factors, including the different transportation infrastructures, laws and natural disaster risks in each country. Laws and regulations, in particular, have the potential to significantly impact safety and speed in transportation.

Honda aims to constantly obtain accurate information and ensure an efficient,

accurate and early response on a global basis. To do so, the Company has established a function for the integrated management of international treaties and legal information concerning logistics operations. In addition to this, Honda is working to strengthen compliance with laws and regulations by ensuring a swift response.

Integrated management framework for legal information



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Logistics Initiatives

In the area of logistics, Honda is taking the following two major initiatives with logistics companies:

- (1) Reduction of environmental impact; efforts to achieve carbon neutrality by 2050
- (2) The 2024 logistics issue: Reducing the burden on drivers as a shipper's responsibility.

(1) Reduction of environmental impact

Honda is taking the following two major initiatives to reduce environmental impact:

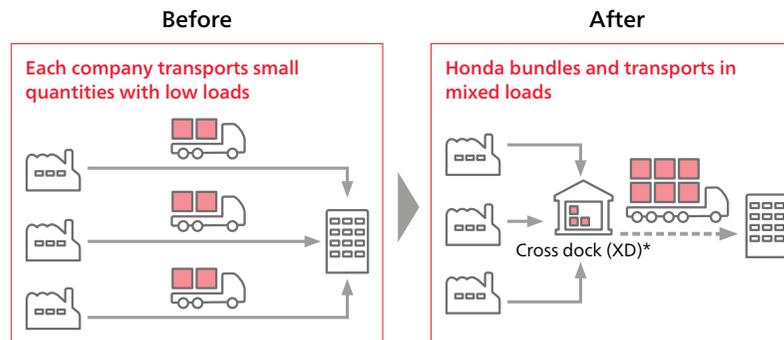
- 1) Highly efficient transportation
- 2) Low carbon transportation.

1) Highly efficient transportation

Improving Transportation Efficiency via Co-Creation with Suppliers

To minimize the logistics losses incurred by our suppliers, we ask them to deliver products to the nearest cross-dock (XD) of their shipping bases. From the XD, Honda then combines the products within a multi-company consolidation to transport them efficiently.

The effects of these measures have contributed to a reduction in the loads handled by distant suppliers and also a reduction in CO₂ emissions.

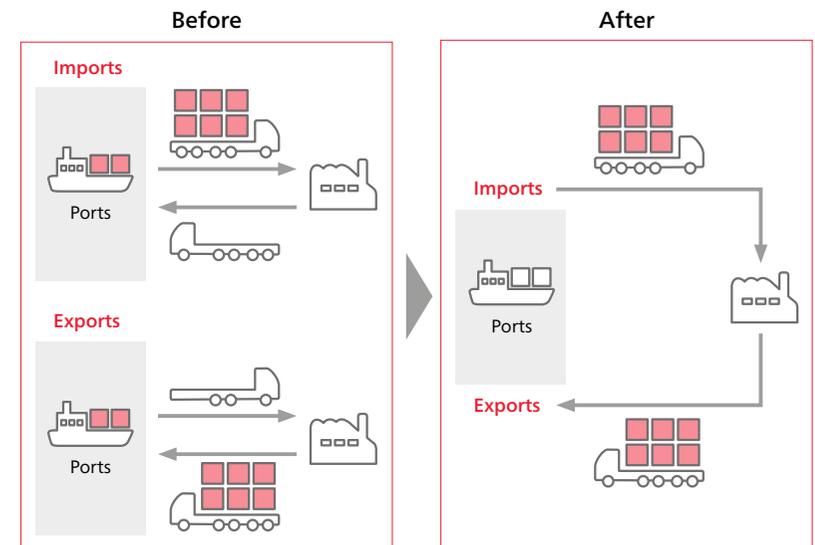


* Cross dock (XD): Warehouse with functions centered on the transshipment of parts

Container Round Use

Since containers are rented from shipping companies, it is a common business practice to return them promptly after cargo transportation.

However, since Honda has both export and import cargo, it negotiated with the respective shipping companies to reduce the transportation of empty containers upon return. As a result, the Company was able to reduce costs by 40% to 60%, as well as CO₂ emissions in Japan.



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Logistics Initiatives

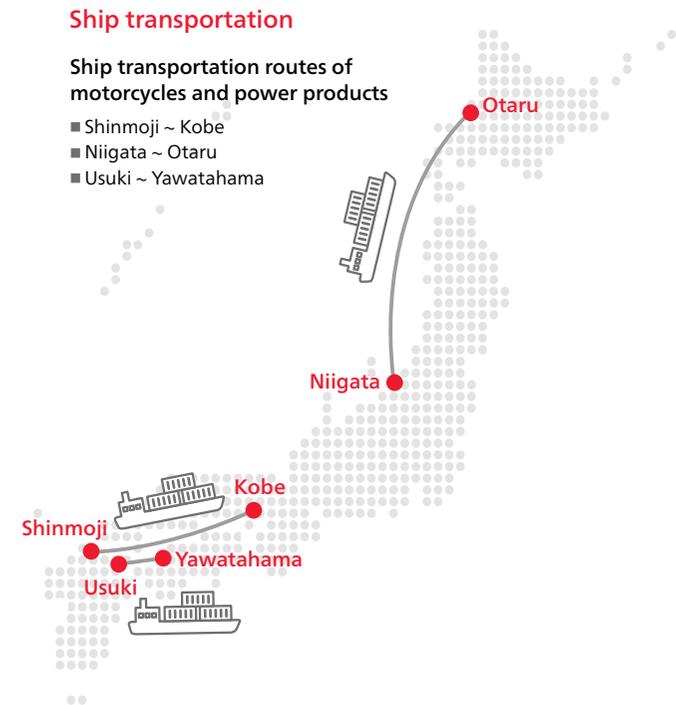
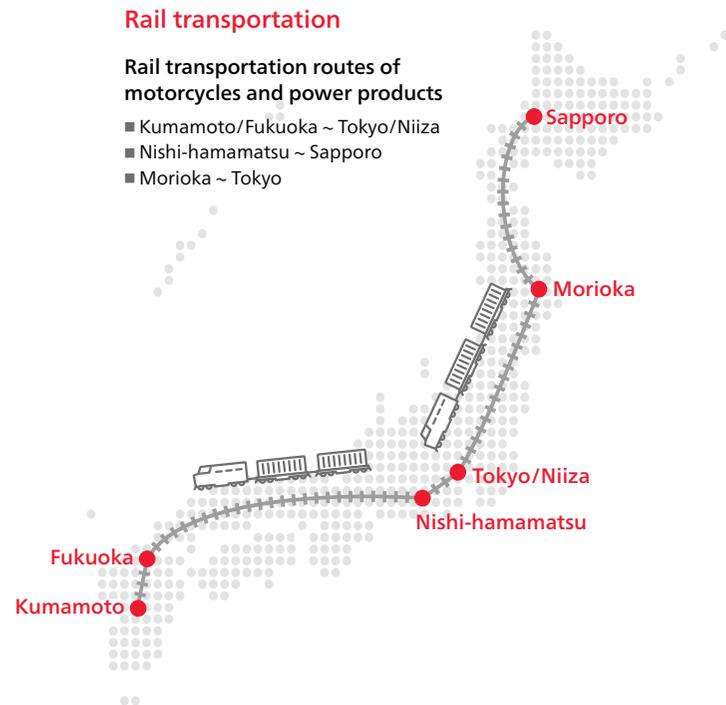
2) Low-carbon transportation

Honda is working to expand the modal shift from trucks to rail and ship, mainly for transportation to distant regions.

As part of its modal shift efforts in Japan, Honda is gradually switching long-distance transportation routes for motorcycles, power products, and automobiles to

rail and ship transportation.

As part of its overseas efforts, in India and Vietnam, the Company is switching from truck to rail and ship for transportation to distant regions. Similarly, in China, the Company is switching from truck transportation to rail transportation.



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Logistics Initiatives

Honda aims to achieve carbon neutrality by 2050 and is working to apply and deploy fuel cell (FC) systems as one of the technologies to achieve this goal.

In China, in collaboration with Dongfeng Motor Group, Honda began driving demonstration tests of commercial trucks equipped with Honda's fuel cell (FC) system in Hubei Province in January 2023.

China



Started driving demonstration tests of a commercial truck equipped with Honda's fuel cell system jointly with Dongfeng Motor Group

In Japan, Honda is also working with Isuzu Motors Limited to verify the suitability of fuel cells for heavy-duty trucks and to establish basic technological platforms such as vehicle control. It is planned to introduce mass-produced vehicles to the market by 2027, making the most of the technologies, experience, and knowledge gained from the joint research. To verify the possibility of utilizing hydrogen fuel and the practicality of fuel cell vehicles, the Company started demonstration runs on public roads in December 2023.

Japan



Started driving demonstration tests on public roads using monitoring vehicles jointly with Isuzu Motors Limited



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Logistics Initiatives

(2) Efforts to address the 2024 logistics issue

The 2024 logistics issue is a generic term for the risk that new rules and obligations are imposed on carriers, shippers, and recipients of goods by the Work Style Reform Laws, making it impossible to transport goods as before.

Honda has made a Voluntary Action Declaration for White Logistics Promotion in 2019 and has been working to improve logistics aiming to realize highly productive logistics and work style reform.

Based on the government guidelines issued in June 2023, Honda has been studying how to respond to the 2024 logistics issue. Additionally, to comply with the Voluntary Action Plan for Optimizing Distribution and Improving Productivity formulated and issued by the Japan Automobile Manufacturers Association (JAMA) in December 2023, the Company is working to ascertain the actual status of its logistics operations and to make improvements.

Honda will continue to work with logistics providers and suppliers to improve the efficiency of logistics throughout the supply chain and to create a comfortable working environment for all drivers.

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Joint Efforts with Industry Groups and Suppliers

Honda is striving to strengthen sustainability across the entire supply chain of parts and logistics through initiatives such as capacity building in collaboration with the automotive industry and its suppliers.

Collaboration with Industry Groups and Suppliers

Honda North America Inc., Honda's U.S. subsidiary, participates in working groups established by the Automotive Industry Action Group (AIAG) to strengthen sustainability in the supply chain. They participate in the Responsible Materials working group, the Human Rights and Trade working group, the GHG working group and the Chemical Management working group. AIAG has offered supplier training and encourages participation in training sessions on corporate ethics, environmental regulations, the working environment, human rights and other topics for tier 1 and sub-tier suppliers in North America since 2012.

In addition, Honda participates in AIAG's Corporate Responsibility Steering Committee and Drive Sustainability* to proactively identify issues, needs and trends in and outside the automobile industry.

In North America, e-learning programs using computer-based training (CBT) are also provided for suppliers in order to facilitate their understanding of sustainability. Under the theme of sustainability, these programs deal with the environment, export control, social responsibility, safety and health, diversity, governance, compliance and ethics.

Dialogue with Suppliers

In December 2022, Honda convened a Sustainability Information Sharing Meeting, where it shared current social trends and provided feedback on the results of inspections at suppliers in accordance with the Honda Supplier Sustainability Guidelines.

Honda also regularly holds conferences around the world to share with suppliers the direction of its business and the substance of its initiatives. In FY2023, meetings were held in 23 locations around the world. At these regional conferences, Honda presented Supplier Awards to recognize those suppliers who have achieved outstanding results in each aspect of QCDDC.

In Japan, Honda has held an annual conference since 1974. Senior management from about 452 suppliers attended the conference in March 2024, which was held in person. At the conference, Honda communicated company-wide policies and measures for working with suppliers for the future. Since FY2018, the Company has been presenting the Sustainability Award to suppliers for their outstanding efforts in all areas of ESG. With this award, Honda has broadened its perspective from the old Environmental Award, which focused primarily on greenhouse gas (GHG), to include social and governance aspects.

In North America, Honda presents the Sustainability Award to suppliers who have made the greatest contributions in social areas such as compliance, safety and health, community contribution activities, the environment, diversity and human rights.



Presentation of Sustainability Department Award to G-TEKT CORPORATION in Japan

* A newly launched partnership to promote sustainability in the automotive industry

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Basic Approach

Honda's Social Contribution Activities

Since its founding, Honda has provided society and customers with a variety of joys by creating quality products and technologies. In the 1960s, while the Company was still in a period of early growth, Honda began to launch philanthropic initiatives designed to strengthen ties with local communities, based on its idea that a company must be rooted in and integrated with the local community.

Currently, Honda undertakes various social contribution activities in the seven regions in which the Company conducts operations worldwide, aiming to share joy with people all around the world and to be a company society wants to exist. Honda also strives to support initiatives that reflect local circumstances in its corporate activities. Honda will continue to pursue various social contribution activities while communicating with customers and residents in the communities.

Basic Approach to Social Contribution Activities

In 1998, Honda devised the Philosophical Basis and Principles of the Honda Philanthropy for its social contribution activities. Thereafter, in 2006, the Company formulated its Global Policy for Social Contribution Activities to make a unified effort with the aim of creating future societies in which everyone can pursue their dreams.

Since revising the Policy in 2018 in response to a changing environment, Honda has been engaging in activities to realize its 2030 Vision to "serve people worldwide with the joy of expanding their life's potential."

Based on its fundamental principles of "Respect for the Individual" and "The Three Joys," Honda will accelerate the proactive efforts of each associate on a global scale to enrich the lives of people around the world and share the joy of their lives.

Global Policy for Social Contribution Activities

Corporate Philosophy

Honda will proactively exercise its initiatives for social contribution, founded on the fundamental principles of "Respect for the Individual" and "The Three Joys," to support Honda's universal passion: to improve the quality of people's daily lives.

Objective

Honda will aspire to become "a company that society wants to exist," and will contribute to the realization of a sustainable society, by serving people worldwide with the joy of expanding their life's potential through its social contribution activities.

Activity Policy

- Honda will earn social acceptance by creating empathy and trust through active community engagement and by being a good corporate citizen.
- Honda will use its resources and workforce to contribute to society from a global point of view, while maintaining the importance of each region.
- Honda will promote and facilitate maximum associate participation in, and passion for, social contribution activities.

Field of Activities

- Supporting Our Youth for the Future
- Protecting the Global Environment
- Promoting Traffic Safety
- Addressing Local Community Needs



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Honda's Global System for Social Contribution Activities

Honda's social contribution activities are centered on four core policies: supporting our youth for the future; protecting the global environment; promoting traffic safety; and addressing local community needs. Based on these policies, the entire Honda Group engages in activities that recognize the value of its bonds with local communities.

Honda pursues a variety of activities in seven regions of the world, taking maximum advantage of its resources in line with its Global Policy for Social Contribution Activities.

To strengthen Honda's global networks, the Social Contribution Activities and

Operations Office in the Corporate Affairs Division, Human Resources Supervisory Unit, gathers activity data from across the seven regions, shares activity policies, and works together with the Public Relations Division, Corporate Communication Supervisory Unit for the coordinated communication of information.

Going forward, the Honda Group intends to fulfill its responsibilities as a good corporate citizen; to this end, the Group will continue its efforts to create future societies in which everyone can pursue their dreams and promote a wide range of activities hand-in-hand with local residents under globally coordinated initiatives.

Honda's Global System for Social Contribution Activities



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Initiatives for Social Contribution Activities

Summary of the Activities in FY2024

In FY2024, Honda's social contribution activities are tailored to local circumstances in accordance with its Global Policy for Social Contribution Activities, with the aim of creating future societies in which everyone can pursue their dreams.

Toward the realization of Honda's vision of "a circular society with zero environmental impact" and "a collision-free mobility society," Honda has been working globally to nurture mindsets that respect the environment as well as prevent accidents through safety awareness activities focused on people.

This report provides representative examples of Honda's activities undertaken in each region, including those mentioned above.

Further details can be found at the following link.

Honda's Social Contribution Activities <https://global.honda/en/philanthropy/>

Japan [Protecting the Global Environment]

Activities to conserve Satoyama landscapes in the Kamikawa no Sato of Hachioji City, Tokyo

In addition to its ongoing forest conservation activities since 1999, Honda has concluded an activity agreement with Hachioji City, Tokyo since 2020 to conduct Satoyama landscape conservation activities in the Kamikawa no Sato Special Green Space Conservation District.

To preserve for the future this place with rich nature and rare plants and animals that can coexist with local communities, Honda is promoting efforts to contribute to the preservation of biodiversity. The efforts include rice cultivation, field cultivation, forest clearing, and tree planting by associates and their families, as well as environmental classes for children, who will be responsible for the next generation. In FY2024, a total of approximately 300 people participated in nine events during the year. The Company's independent biodiversity survey conducted in this area identified three species of butterflies and six species of dragonflies listed in the Red Data Book of the Tokyo Metropolitan Government. The harvested rice and vegetables are donated to food banks in Hachioji City as part of efforts to help solve social problems.



Associates and their families harvesting winter vegetables

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Initiatives for Social Contribution Activities

Europe [Addressing Local Community Needs: Disaster Relief]

Employment of War Refugees from Ukraine and Disaster Relief for Emilia Romagna, Italy

Since the beginning of the war in Ukraine, the French city of Orléans has been taking in refugees, and Honda France Manufacturing S.A.S. has been hiring skilled refugees from Ukraine as temporary associates. As many of the arrivals spoke neither English nor French, French-speaking Ukrainian associates took on the role of coordinating with the refugees. To date, a cumulative total of 20 refugees have been accepted.

During the 2023 major flooding in Emilia Romagna, Italy, Honda Motor Europe Logistics N.V. donated three water pumps and one small power carrier to the Civil Protection Department in Garzignano Terme, Veneto. This Department is one of the leading organizations in Italy dedicated to emergencies and is charged with assisting firefighters in the event of a major disaster in Italy. For this reason, Honda products that can be used in the event of floods and earthquakes as well as fires were chosen for the donation.



Donation of relief goods to the Civil Protection Department

Asia and Oceania [Promoting Traffic Safety]

Donation of Helmets to Children in Vietnam

In Vietnam, traffic volume has increased with economic growth. In particular, motorcycles are used by citizens for commuting to work, school, and business, thus countless are on the road especially during peak hours in the morning and evening. Also with the number of automobiles owned started to increase in recent years, traffic safety has become one of the major social issues. Honda Vietnam Company Limited (HVN), in cooperation with the National Traffic Safety Committee, the Ministry of Education and Training of Vietnam, donated 1.8 million qualified helmets to first-grade students nationwide in FY2024, aiming to raise awareness of wearing qualified helmet among children. In addition, a series of events were held at Honda Executive Authority Dealers to improve the knowledge of traffic safety for children and their parents.

This activity has been ongoing since 2015, with a cumulative total of approximately 8.4 million helmets donated to date. The program aims to form habits of wearing qualified helmets in Vietnamese motorcycle riders, with the goal of achieving a ratio of 100% wearing qualified helmets.



Children receiving donated helmets

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China [Protecting the Global Environment]

Long-term Tree-planting Activities in Inner Mongolia Autonomous Region and Mangrove Ecology Conservation Project

The Honda Group in China has continued its tree-planting activities in the Inner Mongolia Autonomous Region since 2008 and has planted 2 million trees over an area of more than 15 million square meters at a total cost of approximately CNY 65 million.

The project has been implemented over the past three phases of 15 years. The fourth phase, which began in 2023, aims to increase forest area, reduce water and soil loss, and improve the local environment, and plans to plant approximately 3.33 million square meters of trees over five years. The project will also contribute to sustainable development in rural areas and North China.

In addition, GAC Honda Automobile Co., Ltd has initiated a mangrove ecology conservation project in 2023 in cooperation with the SEE Foundation. During the first five years from 2023 to 2027, the project will protect more than 1,800 mu (about 1.2 million square meters) of mangroves, mainly in Wenchang City, Hainan Province and Zhanjiang City, Guangdong Province.



Area of tree-planting activities in FY2024



Mangroves where the ecology conservation project has been initiated

Africa and the Middle East [Promoting Traffic Safety]

Safety Awareness Campaign for Children in Nigeria

In 2023, Honda Manufacturing (Nigeria) Ltd. conducted a safety awareness campaign as part of its road safety initiative, with a total participation of 90 children, ages 8 to 11, from three elementary schools in Ota City, Ogun State.

The children were given a classroom lecture on safety, in which the campaign slogan "Safety First" was introduced. This was followed by a practical training on how to ride a bicycle safely, explaining the various dangers of the traffic community and the necessary precautions. Honda hopes that the children will develop safe driving habits and lead traffic safety in their communities in the future.



Children receiving a practical training on how to ride a bicycle safely

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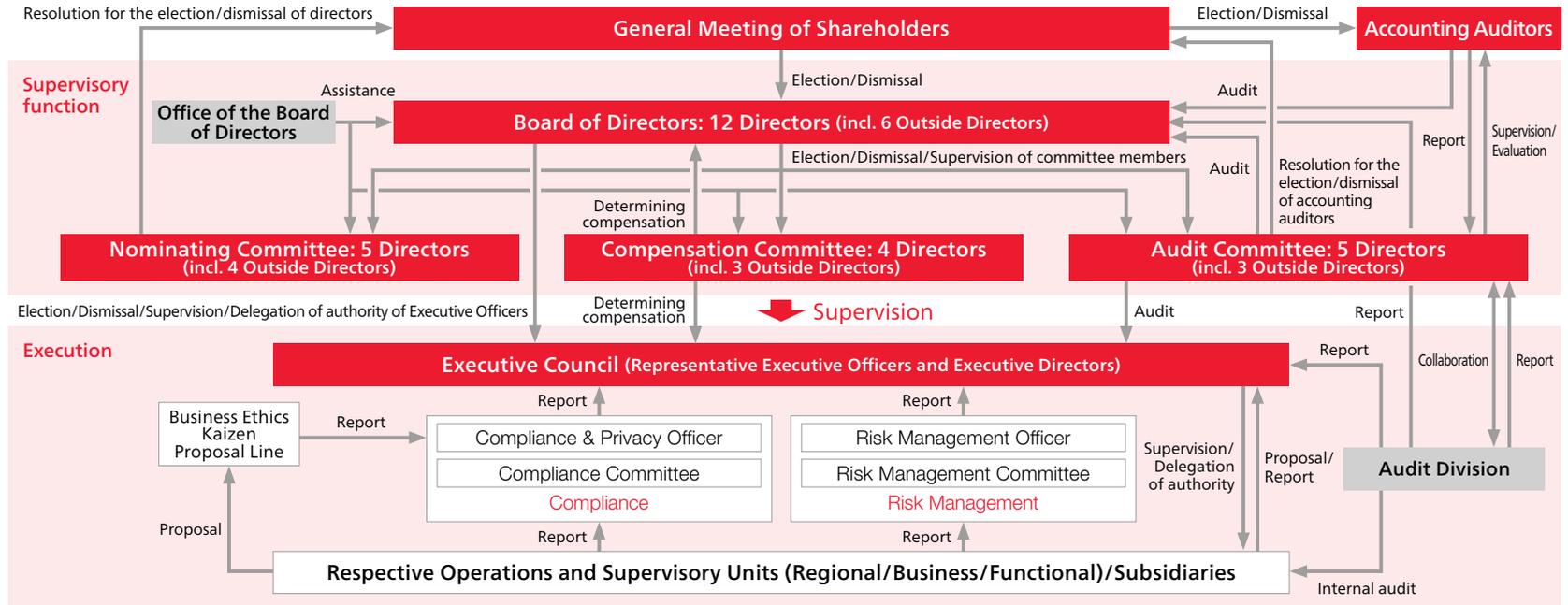
Based on its basic principles, the Company strives to enhance the trust of shareholders, investors, customers, and society, while encouraging prompt, decisive, and risk-conscious decision-making by the Company, thereby achieving sustainable growth and enhancing corporate value over the medium- to long-term. Through these efforts, the Company is working to enhance corporate governance as one of its key management priorities to become “a company society wants to exist.”

To clearly segregate the supervisory and execution functions of management, strengthen the supervisory function, and enable prompt and flexible decisions, the Company has created a Nominating Committee, Audit Committee, and Compensation Committee, each of which is composed of over 50% Outside Directors. The Company has also adopted a “company with three committees” structure, which allows the broad delegation of the business execution authority from the Board of Directors to the Executive Officers.

The Company is making efforts to appropriately disclose corporate information including the release and disclosure of quarterly financial results and management policies in a timely and accurate manner to bolster the trust and appreciation of shareholders/investors and society. Going forward, the Company will continue to strive to ensure the transparency of its management. Please see the Honda Corporate Governance Basic Policies and the Corporate Governance Report (the link below) for information on Honda’s corporate governance policy.

Honda Corporate Governance Basic Policies, Corporate Governance Report
<https://global.honda/en/investors/policy/governance.html>

Corporate governance structure (as of June 19, 2024)



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Decision-making and Supervision of Business Execution

Honda has adopted a “company with three committees” system to delegate the decision-making authority of the Board of Directors to execute important business matters to the Executive Officers in accordance with the provisions of the Company’s Articles of Incorporation and resolutions approved by the Board. This system enables quick decision-making and prompt business execution while clearly separating the functions of management supervision and business execution so that the Board is focused on overseeing business execution.

The Board of Directors has established criteria for deliberation and has delegated some of its authority to the Executive Council, which, in turn, delegates some of its authority to the Business Operating Board.

The Executive Council conducts preliminary deliberations on matters to be resolved by the Board of Directors and deliberates on important management matters within the scope of authority delegated by the Board of Directors. The Business Operating Board deliberates important management matters in each area within the scope of authority delegated by the Executive Council.

Board of Directors

The Board of Directors is comprised of twelve Directors including six Outside Directors.

To respond to the mandate of the shareholders to achieve sustainable growth and enhance the corporate value of the Company over the medium to long term, the duties of the Board of Directors include making decisions concerning key Company matters such as its basic management policies and the monitoring of operations by Directors and Executive Officers. Additionally, the Board of Directors discusses and makes decisions concerning matters specified in the regulations of the Board of Directors, as well as matters set forth in the Articles of Incorporation and applicable laws. All other matters are delegated to the Representative Executive Officers or the Executive Officers.

Specific discussion topics at the Board of Directors in FY2024

- Medium- to long-term management plan and its progress
- Quarterly consolidated financial statements and business outlook
- Quarterly operational execution status
- Duty execution statuses of committees
- Maintenance and operation of the internal control system
- Internal audit results, etc.

To fulfill the above roles, the candidates for Director, regardless of gender, nationality, or other personal attributes, shall be persons of superior character and insight who are experts in company management, laws, politics, accounting, education, or the Company’s business. The Nominating Committee shall consider the balance of gender, nationality, knowledge, and related experience among the candidates.

Nominating Committee, Audit Committee, and Compensation Committee

To reinforce its supervisory function, the Company has established the Nominating Committee, Audit Committee, and Compensation Committee, all of which are comprised of a majority of Outside Directors.

1. Nominating Committee

The Nominating Committee decides on the content of proposals to be submitted to the General Meeting of Shareholders concerning the election and dismissal of Directors and performs other duties as stipulated by law or the Articles of Incorporation. The Nominating Committee consists of five Directors, including four Outside Directors. The chairperson of the committee is elected from among the Independent Outside Directors.

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Nominating Committee Members (as of June 19, 2024)

Fumiya Kokubu (Chairperson) (Outside Director)

Toshihiro Mibe

Kunihiko Sakai (Outside Director)

Kazuhiro Higashi (Outside Director)

Mika Agatsuma (Outside Director)

Specific discussion topics at the Nominating Committee in FY2024

- Basic policy/annual activity plan
- Succession plan for Directors
- Prospective Director candidates, etc.

2. Audit Committee

To respond to the mandate of the shareholders, the Audit Committee conducts audits of the execution of duties by the Directors and Executive Officers and performs other duties as prescribed by laws and regulations and the Articles of Incorporation to ensure the sound and sustainable growth of the Honda Group. The Audit Committee is composed of two Inside Directors and three Outside Directors. The Chairperson of the Audit Committee is selected from among Independent Outside Directors. To ensure the effectiveness of the audit, full-time members of the Audit Committee are elected by resolutions of the Board of Directors.

Audit Committee Members (as of June 19, 2024)

Yoichiro Ogawa (Chairperson) (Outside Director)

Asako Suzuki (Full-time Audit Committee Member)

Jiro Morisawa (Full-time Audit Committee Member)

Kunihiko Sakai (Outside Director)

Ryoko Nagata (Outside Director)

Mr. Yoichiro Ogawa, a Director, has abundant experience and considerable knowledge as a certified public accountant, and Mr. Jiro Morisawa, also a Director, has had sufficient operating experience in the finance and accounting departments of the Company and its subsidiaries. Both qualify as “persons with considerable knowledge related to finance and accounting,” as specified under Article 121-9 of the Regulation for Enforcement of the Companies Act of Japan. Additionally, the Company’s Audit Committee has recognized Messrs. Yoichiro Ogawa and Jiro Morisawa as “specialists in finance in the Audit Committee” as specified in the regulations of the U.S. Securities and Exchange Commission, based on Article 407 of the U.S. Public Company Accounting Reform and Investor Protection Act of 2002 (Sarbanes-Oxley Act of 2002). All five members of the Audit Committee remain independent as specified by the regulations of the U.S. Securities and Exchange Commission.

Specific discussion topics at the Audit Committee in FY2024 are as follows.

Specific discussion topics at the Audit Committee in FY2024

- Basic policy/annual activity plan
- Quarterly audit implementation status
- Quarterly review of consolidated financial statements by the Accounting Auditor
- Implementation status of internal audits, etc.

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Each member of the Audit Committee audits the execution of duties by Directors and Executive Officers in accordance with the auditing criteria for the Audit Committee, auditing policies, division of duties, etc., as determined by the Audit Committee, and through the following main activities.

Main activities of the Audit Committee

| Initiative | Details |
|--|--|
| Dialogue with Executive Officers | Exchange opinions in meetings with Executive Officers regarding the management and business environments (56 meetings held during FY2024 of which Outside Directors (Audit Committee) participated 21 times) |
| Attendance at important meetings | Monitor and verify the status of the execution of duties by Directors and Executive Officers by attending the Executive Council and expressing opinions as necessary (full-time members) |
| Implementation of on-site audits | Implement on-site audits based on the annual audit plan. (FY2024) Honda headquarters/business sites 11 sites (7 sites with the participation of Outside Directors (Audit Committee)) Group companies in Japan 14 companies (2 companies with the participation of Outside Directors (Audit Committee)) Group companies outside Japan 26 sites (8 sites with the participation of Outside Directors (Audit Committee)) |
| Collaboration with the Accounting Auditor and the Audit Division | Exchange opinions in meetings regarding the accounting audit plan and results (9 meetings held with the Accounting Auditor in FY2024). Also, implement audits in collaboration with the internal Audit Division |
| Strengthening the Group's governance structure | Maintain and strengthen the Group's governance structure by sharing information and exchanging opinions with the auditors of Group companies in Japan and by hosting lectures by Outside Directors (Audit Committee) |

Honda has formed the Board of Directors Office as a dedicated organization to support the Board of Directors, Nominating Committee, Audit Committee, and Compensation Committee in their duties.

Employees of the Board of Directors Office execute their duties under the supervision of the Board of Directors and the three committees. For matters such as performance evaluations, personnel changes, etc., the consent of the Audit Committee is required to ensure independence from Executive Officers and the effective implementation of instructions by the Audit Committee.

The standards for Audit Committee reports have been established to ensure the Committee receives timely and accurate reports. Based on these standards, reports are made periodically to the Audit Committee on the status of the business operations of the Company and its subsidiaries, the status of the implementation and operation of internal control systems, and other matters. Also, reporting is required whenever an issue arises that has a major impact on the Company.

The Audit Division, organized as an internal audit division directly under the President and CEO, conducts internal audits of each division of the Company. It also provides supervision and guidance to internal audit divisions in major subsidiaries, and when necessary, audits subsidiaries directly.

The Audit Division regularly reports to the Audit Committee on audit policy, audit plans, and audit results, and when necessary, make additional reports on audit results at the request of the Audit Committee. Also, the Audit Committee and the Audit Division implement audits independently or in collaboration.

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3. Compensation Committee

The Compensation Committee makes determinations regarding the details of compensation for each Director and Executive Officer and carries out other duties as prescribed by laws and regulations and the Articles of incorporation. The Compensation Committee is composed of one Inside Director and three Outside Directors. The Chairperson is selected from among Independent Outside Directors.

Compensation Committee Members (as of June 19, 2024)

| |
|---|
| Kazuhiro Higashi (Chairperson) (Outside Director) |
| Eiji Fujimura |
| Fumiya Kokubu (Outside Director) |
| Yoichiro Ogawa (Outside Director) |

Specific items considered by the Compensation Committee in FY2024

- Basic policy/annual activity plan
- Executive performance evaluation
- Long-term incentive (LTI) and stock delivery regulations
- Clawback policy, etc.

Evaluation of the Effectiveness of the Board of Directors

Each fiscal year, the Company evaluates the overall effectiveness of the Board of Directors to confirm the current status of the Board's functions and with the aim of further improving its effectiveness and promoting understanding among shareholders and stakeholders.

Evaluation process



Evaluation results

| | Tasks for FY2023 | Main initiatives for FY2024 | Evaluation for FY2024 | Tasks and initiatives for the future |
|-------------------------------------|---|---|--|---|
| Composition | Further deepen the discussion on the expertise and diversity of future Directors | Exchanged views among all directors on the future composition of the BOD | The current composition of the BOD is appropriate. | Further deepen the discussion on the expertise and diversity of future Directors (Continued) |
| Shared Information | Provide information and inspection opportunities with a greater focus | <ul style="list-style-type: none"> · Added information sharing items for outside directors · Improved opportunities for outside directors to inspect business sites and events | <ul style="list-style-type: none"> · Information is adequately provided. · Outside directors have good opportunities to inspect business sites and events. · It was meaningful for them to have a deeper understanding of the business and to experience the corporate culture. | Provide information and inspection opportunities with a greater focus (Continued) |
| Agenda Items for deliberation, etc. | Enhance board discussions through effective setup of information sharing/exchange opportunities | <ul style="list-style-type: none"> · Conducted information sharing/discussions on the direction of the next management plan · Held meetings to exchange opinions on important management issues | <ul style="list-style-type: none"> · Discussion items are narrowed down to important matters. · Opportunities for information sharing/exchange of opinions are effectively set up and efficient. | <ul style="list-style-type: none"> · Enhance discussion on business environment awareness · Further enhance feedback from outside directors on their opinions |
| Deliberation at meetings | Further revitalize discussions in the BOD (Continued) | Updated proposals and explanations on the day of the event as appropriate, based on questions raised at the pre-briefing | <ul style="list-style-type: none"> · Discussions are active. · Directors provide thought-provoking comments and questions. | Further revitalize discussions in the BOD (Continued) |
| Committee | Maintain and enhance coordination between committees and the BOD (Continued) | Conducted a director-wide discussion based on the committee's deliberations | The deliberation status of each committee is being properly reported to the BOD. | Maintain and enhance coordination between committees and the BOD (Continued) |

Summary of evaluation results

The results of the effectiveness evaluation confirmed that the effectiveness of the Board of Directors has been adequately ensured through the following initiatives: setting appropriate items for deliberation and frequency of meetings, providing information to Outside Directors and enhancing opportunities for exchange of opinions, including business site visits, as well as the appropriate operation of the three committees.

Going forward, the Company will further enhance the effectiveness of the monitoring-type Board of Directors by stimulating discussion both within and outside the Board of Directors and by further strengthening cooperation between the Board of Directors and the three committees.

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Outside Directors

Honda appoints Outside Directors who have abundant experience and deep insight and who are capable of overseeing the business management of the Company from an objective, highly sophisticated, and broad viewpoint thanks to their independent position outside the Company. The Company has at least two Outside Directors, and at least one-third of the members of the Board of Directors are Independent Outside Directors who fulfill the Company's Criteria for the Independence of Outside Directors. All six Outside Directors currently in office satisfy the Criteria for Independence of Outside Directors and their interests are not in conflict with those of the Company or the shareholders. The six Outside Directors are specified as Independent Directors as prescribed by a provision of the Tokyo Stock Exchange (TSE). The names of these Directors have been submitted to the TSE.

Please see "Honda Corporate Governance Basic Policies" for Honda's Criteria for Independence of Outside Directors. (Please use the link below.) If any Outside Director also serves as an officer at another listed company, such Director shall only serve at four companies other than the Company so that they can secure sufficient time to perform their duties for the Company.

Honda Corporate Governance Basic Policies

<https://global.honda/en/investors/policy/governance.html>

Support Systems for Outside Directors

Honda's Board of Directors Office plays a central role in providing the following support to Outside Directors to ensure they can maximize their functions as Outside Directors.

1. Orientation at the time of taking office

Honda provides training in industry trends, as well as the Company's history, business, finances, organizations, internal control system, and other matters to newly appointed Outside Directors.

2. Preliminary briefing and information-sharing

Preliminary briefing sessions are held for Outside Directors in advance of each Board of Directors' meeting for the following purposes: to ensure that they fully understand the details and background of each agenda item to be submitted to the Board of Directors, its position in the medium- to long-term management plan, and other relevant information, and to ensure that the Board of Directors holds substantial deliberations. Honda also provides opportunities for information sharing and discussion among Directors on important matters such as the status of company-wide risk management and medium- to long-term strategies by business segment, as appropriate.

3. Opinion exchange meetings on matters of management concern

Honda holds opinion exchange meetings for Directors regarding matters of concern to management. These meetings aim to share with Outside Directors an awareness of the Honda Group's long-term challenges and directions to be pursued and to deepen their understanding of management initiatives. Such meetings are also intended to utilize the knowledge of Outside Directors in discussing future management policies.

4. Dialogue with Executive Officers/dialogue among Outside Directors

To facilitate forthright communication among Directors, Honda provides opportunities for dialogue between Outside Directors and Executive Officers or Inside Directors, as well as dialogue among Outside Directors as needed.

5. Inspection visits to business sites

Honda arranges inspection visits to its plants and other business sites as necessary to promote Outside Directors' understanding of the Company's business.



Visit to Honda Development & Mfg. of America, LLC (ELP)



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Business Execution (Organizational Management)

To strengthen regional and on-site business execution and to make prompt and appropriate management decisions, Honda assigns Executive Officers and other business execution managers to each regional, business, and functional divisions and key organizational units, who are delegated authority by the Representative Executive Officers and are responsible for executing operations in their areas of responsibility.

Training for Executive Officers

Honda provides training on the Companies Act, corporate governance, and other management issues to newly appointed Executive Officers. After they assume the positions, the Company also provides them with opportunities to continually update their knowledge as necessary. Honda provides training on industry trends, as well as the Company's history, business, finances, organizations, internal control system, and other matters to newly appointed Outside Directors. After they assume the positions, the Company also provides them with additional opportunities, including visits to subsidiaries, to deepen their understanding of the Honda Group's business.

Tax Policy

The Honda Tax Policy prescribes the basic stance and thinking regarding taxes for Honda Motor Co., Ltd. and its consolidated subsidiaries. The Policy aims to contribute to society as well as maintain and increase corporate value by complying with the tax laws and regulations, and their intent, for each country and region where Honda conducts business activities, and by making proper tax payments.

The tax systems of each country and region, as well as international tax regulations, are subject to frequent change. In this environment, to ensure conduct of its business in a stable and proper manner, Honda carries out accurate and high-quality tax affairs and responds to tax risks associated with its business in accordance with the Tax Policy. For details, please refer to the Honda Tax Policy.

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Honda Code of Conduct

To earn the trust of customers and society and achieve sustainable growth, we must not only comply with laws and regulations but also practice sincere and ethical conduct.

Recognizing this, Honda has formulated the Honda Code of Conduct, which summarizes the integrity of conduct to be practiced by all Honda associates around the world, and shares it throughout the Group, including subsidiaries in Japan and overseas.

The Company works to instill the Honda Code of Conduct in each and every associate through awareness-raising activities such as distribution of leaflets and posters, distributing educational videos, and introducing case studies and other information on the intranet, as well as conducting training sessions. The status of these activities is regularly reported to the Compliance Committee after confirmation by each division and subsidiary of the Company.

Honda Code of Conduct <https://global.honda/en/about/codeofconduct.html>



Honda Code of Conduct



Intranet

Compliance Committee

To improve compliance in the Honda Group, Honda has established a Compliance Committee, headed by a Compliance Officer designated by the Board of Directors. This Committee is composed of the Compliance Officer as well as Executive Officers and other Executives who are appointed by the Executive Council. The Committee determines important measures for the internal control system, including the formulation and revision of compliance policies, checks the status of the development and operation of the internal control system, supervises the proper operation of the Business Ethics Kaizen Proposal Line, and decides measures to prevent recurrences of serious compliance-related matters when they arise. When a particularly important compliance-related matter arises, it will be deliberated or reported at a meeting of the Executive Council or the Board of Directors, depending on the nature of the matter.

The Compliance Committee met four times (regular meetings) in FY2024 to report on the status of development and operation of internal control systems as well as the operation status of the Business Ethics Kaizen Proposal Line, among other things. There were no major violations of laws or regulations in FY2024.

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Business Ethics Kaizen Proposal Line

Honda established the Business Ethics Kaizen Proposal Line as a structure for improving corporate ethics issues. This hotline accepts proposals and provides consultation from a fair and neutral standpoint, for any violations of laws/regulations or internal rules in the workplace, and issues that are difficult for associates to remedy or resolve in the workplace for some reason, such as difficulties in consulting with their superiors.

Furthermore, in addition to cases of a clear violation of laws/regulations or internal rules, this hotline provides consultation and responds to inquiries about the details of internal rules when questionable cases have occurred and engages in fact checking related to such cases. Proposals are accepted by email, letter, telephone or fax from all subsidiaries and suppliers in Japan and overseas, as well as from Honda. This hotline ensures protection of the Kaizen proposers and accepts also anonymous proposals.

Moreover, the Company established a point of contact within an external law office to facilitate associates to submit proposals. As for overseas, local points of contact have been established in all Regional Operations, while some subsidiaries set up their own points of contact.

In FY2024, 356 proposals and consultations were handled by the Business Ethics Kaizen Proposal Line (including points of contact outside the Company). Among these, 164 concerned Honda, 185 concerned subsidiaries and 7 concerned other matters.

Following investigations of the proposals and consultations submitted, disciplinary action was taken in three cases in Honda and seven cases in subsidiaries. There was one case involving the Company that resulted in punitive dismissal. None of the cases involved violations of the Honda Policy on the Prevention of Bribery and Corruption.

In order to raise internal awareness of the points of contact, Honda provides notice on its intranet, distributes information cards to all associates, including fixed term employees and temporary workers, and displays information posters in each workplace. These tools clearly state that the Kaizen proposers are protected. In addition, Honda observes how well the point of contact is recognized through an annual associate vitality survey for all associates. For departments found in these surveys to have low recognition of the point of contact, the Company makes additional efforts to increase their awareness.

Initiatives to Prevent Bribery and Corruption

Honda prohibits bribery and corruption.

The Honda Code of Conduct requires that the Company complies with laws and regulations, and states that “as an independent corporate entity, Honda maintains appropriate relationships with political entities (political organizations and politicians) and administrative entities (governmental agencies and government officials)” and “will interact with political and administrative entities in an appropriate manner in compliance with laws, regulations and company policies and will not offer politicians or government officials entertainment or gifts (both monetary and nonmonetary) that are prohibited by laws, regulations and company policies.” Moreover, the Code stipulates that the associates “will not receive from or provide to business partners benefits in the form of goods (both monetary and non-monetary) or entertainment beyond what is generally considered appropriate by society.”

In addition to the above, the Company also established the Honda Policy on the Prevention of Bribery and Corruption, which stipulates basic policy about bribery and corruption, and the Honda Guideline for the Prevention of Bribery and Corruption, which stipulates specific compliance items and prohibited items. These are posted on the intranet for Honda associates along with related educational content.

Honda strives to further reduce the risk of bribery and corruption by educating all associates on the bribery and corruption prevention through awareness-raising activities in accordance with the Honda Code of Conduct, and by providing training to personnel stationed overseas and newly appointed managers based on their positions and roles. Regarding its subsidiaries, Honda has launched training programs, matched to conditions in each company, aimed at raising awareness.

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Initiatives for Prevention of Anti-Competitive Behavior

As a company engaged in business globally, Honda takes great care in its daily business activities to comply with competition laws in the countries where it operates.

The Honda Code of Conduct states that “Honda will engage in free and open competition with competitors to maintain its stance as a company trusted by customers and society” and that each associate “will comply with competition laws (antitrust laws)” to ensure compliance with competition laws.

As a part of its measures to strengthen compliance, Honda implements individual training for related departments on anti-competitive behavior. It also incorporates programs on the topic of anti-competitive behavior in training for personnel stationed overseas and for newly appointed managers. Additionally, Honda publishes awareness-raising content concerning anti-competitive behavior on its intranet for its associates.

Rules on Conflict Minerals

The rules for disclosure on conflict minerals adopted by the U.S. Securities and Exchange Commission (SEC) and mandated by the Dodd-Frank Wall Street Reform and the Consumer Protection Act (Dodd-Frank Act) require corporations to confirm that the purchase and use of conflict minerals from the Democratic Republic of the Congo and adjoining countries are not contributing to the funding of armed groups or the abuse of human rights in the region.

Honda aims to be ‘conflict-free’ by not using conflict minerals associated with illicit activities such as funding armed groups and human rights violations in conflict zones.

Accordingly, Honda conducts surveys based on the standards prescribed in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. To achieve this goal and help resolve the global problem of conflict minerals, the Company is actively engaged with domestic and international industry organizations and its suppliers.

To conduct the surveys, Japan Automobile Manufacturers Association, Inc. has created a manual for suppliers to help them complete the survey forms, as well as tools to tabulate the survey results.

Also, in collaboration with entities such as the Japan Auto Parts Industries Association and the Japan Electronics and Information Technology Industries Association, Honda is examining efficient survey methods and is working to understand and analyze survey results while regularly implementing various working activities.

In North America, Honda is working with the Responsible Minerals Initiative (RMI), an international initiative promoting responsible mineral procurement, to encourage smelters and refiners to participate in the Responsible Minerals Assurance Process (RMAP).

Honda shares the Honda Supplier Sustainability Guidelines with its suppliers, which summarize what is expected of them regarding Sustainability activities, including how to deal with conflict minerals, and encourages procurement in line with the guidelines. Honda is encouraging its tier 1 suppliers to implement the same initiatives toward their sub-tier suppliers.

Since 2013, Honda has surveyed its suppliers worldwide concerning the use of conflict minerals. In FY2024, Honda received responses from over 7,000 suppliers. In addition to reporting the survey results to the SEC, the Company also makes them publicly available on its website. (Please use the link below.)

If the survey reveals any minerals of concern, regardless of the source country, Honda works together with its suppliers to take appropriate measures. The Company is also working to improve the accuracy of its survey and requests further investigation when survey responses are insufficient.

Honda Supplier Sustainability Guidelines
■ https://global.honda/sustainability/cq_img/report/pdf/supplier-chain/supplier-sustainability-guidelines.pdf
From the IR Library website “Form SD/Conflict Minerals Report”
🌐 <https://global.honda/investors/library.html>

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Establishing an Effective Risk Management Structure

Honda formulated the Honda Global Risk Management Policy with Group subsidiaries included in its scope of application.

The Policy aims to drive the Company's sustainable growth and stabilize management based on the Honda Philosophy, targeting all risks with the potential to impact operations on a global scale.

In implementing risk management activities, a company-wide Risk Management Officer, who is elected by the Board of Directors, plays a central role in creating a relevant framework and taking follow-up measures to ensure that the activities take root. Honda has established the Risk Management Committee to deliberate important matters related to risk management.

Each of the Operations and Supervisory Units has appointed its Risk Management Officer of the Operation/Supervisory Unit and set up a Risk Management Secretariat under the supervision of the Officer in accordance with the basic rules of the Policy. Thus, by establishing an independent risk management system, they are promoting risk management activities under their own responsibility.

As a key initiative, they conduct risk assessment activities to identify, evaluate, and address risks in the business operations of the Operations and Supervisory Units by using company-wide common methods.

Honda has also established a system to ensure a high level of risk management systems in each Operation and Supervisory Unit by providing training for the Risk Management Secretariat and disclosing policies and manuals on the Company's intranet, which is accessible to all associates.

Additionally, when a crisis occurs, the Company establishes a Global Emergency Headquarters proportionate to the anticipated magnitude of the crisis's impact to manage the crisis response.

Such risk management efforts by the Company as a whole, as well as by the Operations and Supervisory Units, are reported at the Audit Committee meetings. Also, in FY2024, an internal audit was conducted by an independent internal audit department under the direct control of the President.

Risk Management Committee

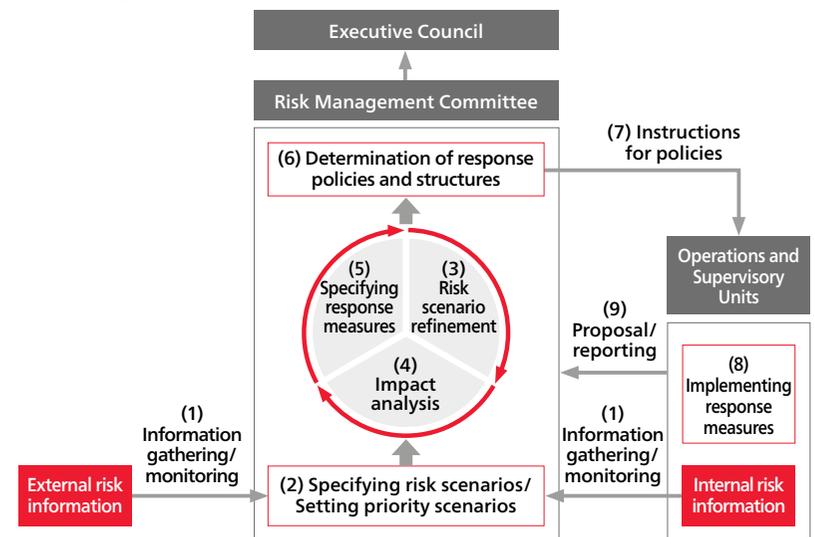
The business environment has undergone drastic changes in recent years in all business categories. Accordingly, the complexity and uncertainty of risks are rising, which requires effective risk management activities. Honda set up the Risk Management Committee chaired by a company-wide Risk Management Officer (RMO), to identify, discuss, and monitor important risks from a holistic perspective. In FY2024, the Risk Management Committee held a total of 12 meetings.

The Risk Management Committee not only identifies internal risks but also gathers and monitors information on external risk trends associated with changes in the external environment. The Committee uses internal and external information to ascertain specific risk scenarios and conduct impact analyses in relation to Honda's business strategies. Based on this objective risk analysis, management members engage in discussions to determine the response policies and structures for the company-wide risks that Honda should address that are consistent with its management strategies.

Of these, risks that are particularly important in terms of business strategy are designated as company-wide priority risks, and the status of response to these risks is regularly checked and discussed.

The discussions and monitoring activities of the Risk Management Committee are reported to the Executive Council in a timely and appropriate manner.

Risk Management Committee



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Risk Management Committee

For various risks identified through analysis of external risk trends and risk assessment activities, Honda evaluates their risk levels in terms of the amount of their impact on Honda's business operations, their frequency of occurrence, etc. Risks judged to be high-level risks are discussed by the Risk Management Committee, and risks judged to have a particularly large impact on Honda's business operations are identified as company-wide priority risks in each fiscal year. The identified company-wide priority risks are addressed mainly by the responsible departments, and their progress is confirmed and discussed at the Risk Management Committee meetings.

Company-wide priority risks

| Company-wide priority risk items | Risk perspectives |
|--|---|
| Geopolitical risk | Stoppages or delays of business activities due to the strengthening of economic security policies and human rights laws and regulations, or the conflicts between nations or regional conflicts |
| Purchasing and procurement risk | Stoppages or delays of production activities due to difficulties in receiving parts supplies from suppliers or increases in the prices of raw materials and parts, etc.; or quality defects caused by suppliers |
| Information security risk | Suspension of important operations/services due to cyber attacks and other incidents; and leakage of confidential or personal information |
| Business alliances and joint ventures risk | Conflicts of interest between parties in business alliances, etc., leakage of profits or technology, delays in decision-making, poor business performance of business partners, etc., or changes to or dissolution of alliances |
| Environmental risk | Costs incurred in response to policy and regulatory changes related to climate change and fuel consumption and emissions, etc. |
| Intellectual property risk | Reduction in competitiveness due to infringement of Honda's intellectual property rights; or injunctions against manufacture and sale, expensive compensation, or payment of license fees as a result of patent infringement lawsuits |
| Natural disaster risk | Stoppages or delays of business activities due to natural disasters (earthquakes, floods, etc.) or spread of infectious diseases |
| Financial and economic risk | Business impact from economic trends, economic fluctuations, or currency fluctuations |
| Risk related to brand image | Business impact associated with damage to brand image |

Risk Assessment Activities

Honda globally carries out risk assessment activities.

The purpose of these activities is to foresee the potential risks to Honda's business and respond pre-emptively to minimize these risks.

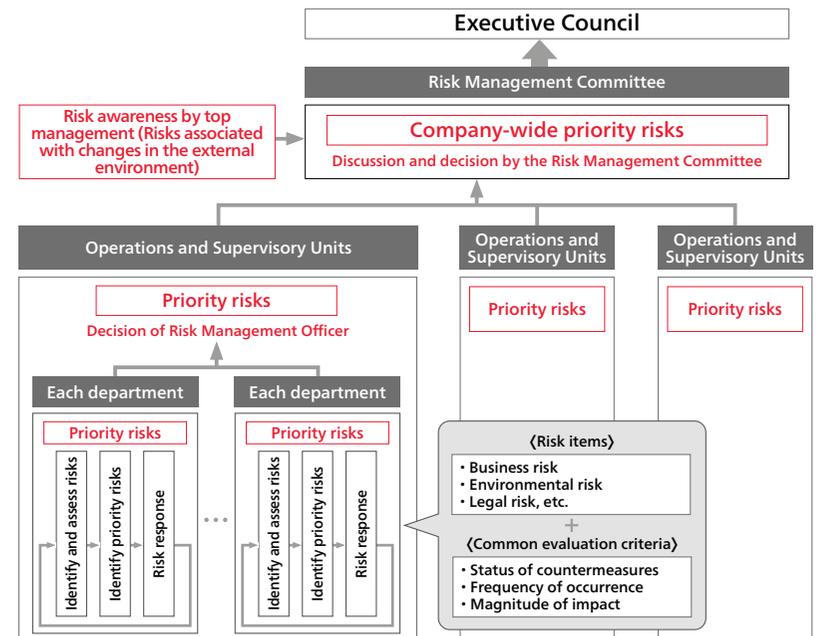
Each department performs an annual risk evaluation using the Group's common risk items and evaluation criteria to identify the divisional priority risks.

Each of the Operations and Supervisory Units carries out repeated discussions based on the results of the risk assessments of each department. They then identify and respond to priority risks of the Operations and Supervisory Units based on the judgment of Risk Management Officer of the Operations and Supervisory Units.

Additionally, the status of priority risks of the Operations and Supervisory Units based on the risk awareness of the Operations and Supervisory Units is reported to the Risk Management Committee. Internal and external risk trends are then considered in order to identify and respond to company-wide priority risks.

Through these efforts, Honda aims to firmly establish risk management activities within each Operations and Supervisory Unit, reduce the risk faced by the entire Group, and raise the risk awareness of every associate.

Risk Assessment Activity Structure



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Crisis Response

Honda carries out risk-sensing activities to monitor and report on signs of a crisis. While collecting a wide range of crisis information that may have an impact on Honda, the Company has also established an information coordination system in case a crisis becomes apparent.

When a crisis occurs, the Company establishes a Global Emergency Headquarters proportionate to the anticipated magnitude of the crisis's impact to manage the crisis response. In this way, Honda creates a structure to prevent the crisis from spreading and to quickly bring the situation under control.

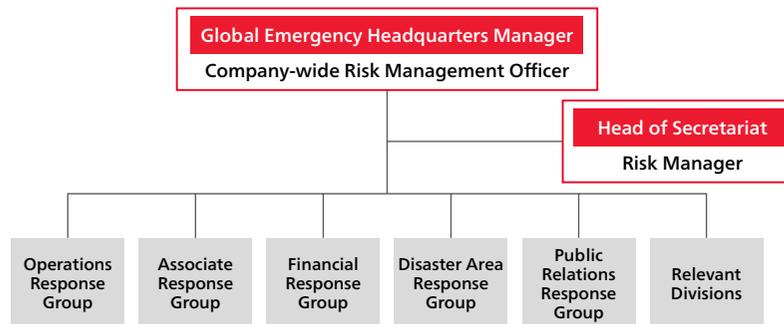
Based on its initiatives to deal with crisis events and other situations experienced in the past, Honda's Global Emergency Headquarters is working to strengthen its functions to better cope with future events.

Honda regularly coordinates information with each response team and reconfirms basic actions in crisis response (confirming the coordination among the teams).

Also, concerning disaster drills, besides ensuring the safety of human life and procedures to account for its associates, Honda continuously holds training on procedures from a business continuity planning (BCP) viewpoint to share information and identify the impact of a crisis on business at an earlier stage.

As a recent example of its crisis response, to cope with the Noto Peninsula earthquake, Honda launched a Global Emergency Headquarters to promote company-wide responses. Although Honda's suppliers were affected by the disaster and its production of automobiles was reduced at some domestic production bases, the Company took measures to minimize the impact on its business and performance, including the use of inventory and alternative development in cooperation with its suppliers.

Global Emergency Headquarters Structure



Information Management

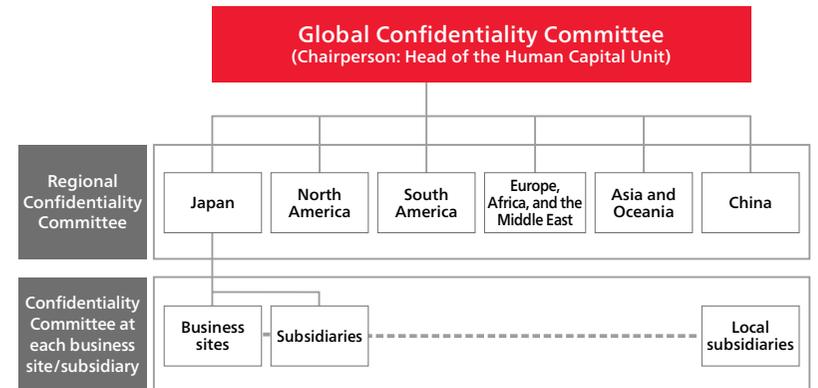
To protect information assets, including confidential information and personal information, Honda has formulated the Global Confidentiality Policy and the Global IT Security Policy, the scope of which extends to Group subsidiaries. These policies stipulate the adoption of a systematic response structure, the use of Honda Group's common compliance items when handling confidential information and personal information, and the implementation of security standards for information systems and networks. They also specify the line of reporting in the event of an information leak.

As part of its efforts to effectively implement these policies, Honda has set up the Global Confidentiality Committee chaired by the Head of the Human Capital Unit to ensure timely responses to changes in information flows and other issues.

The Global Confidentiality Committee determines globally common medium-term policies and an annual activity plan. Based on this plan, each Regional Confidentiality Committee takes the lead in promoting activities to safely handle information obtained through Honda's business activities, including personal information and confidential information.

Besides continuously strengthening its activities to ensure information security against cyberattacks, which are becoming increasingly sophisticated and complex, the Company performs daily monitoring while establishing systems capable of immediately responding to events that must be addressed.

Global Information Management Structure



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Information Management

Protection of Personal Information

Honda recognizes the importance of protecting personal information and regards prioritizing the protection of customer information as its social responsibility. To ensure the proper handling of customer information, Honda has formulated the Global Privacy Policy, which covers Group subsidiaries. The policy prescribes matters that must be universally complied with by Honda Group worldwide, as well as an implementation structure, and is operated accordingly.

The Company has appointed information supervisors and information managers in departments handling personal information and provides training on the protection of personal information. Moreover, Honda reports the methods for managing the personal information it holds and the information management status of outsourced contractors to the Confidentiality Committee of each business site and company. To ensure the details of these reports are updated, the Company conducts a review of information security in all departments at least once a year. Additionally, Honda sets stricter security standards for information systems containing customer information while regularly confirming the implementation of security measures.

Honda has built a structure for collaboration between the Global Confidentiality Committee and each Regional Confidentiality Committee to respond to national personal information protection regulations, which are being established at an accelerating pace. The Company is steadily formulating comprehensive responses to regulations while closely monitoring trends.

Additionally, Honda utilizes personal data to help solve social issues and provide its customers with even better products and services. Honda has formulated the Management Guidelines for Personal Data Utilization to handle personal data properly, reduce related risks, and promote effective personal data utilization. It has also established the Board for Judging Personal Data Utilization with the Head of the Intellectual Property and Legal Unit serving as the decision-making authority. The board deliberates on the risk response status concerning the collection, storage management, and utilization of personal data from the perspective of each area of expertise and decides whether or not to implement relevant measures.

Honda is putting into place structures that will respond quickly to an information leak or request for the disclosure of personal information in accordance with the laws and regulations of the relevant country. In FY2024, there were no major losses or leaks of personal information or serious complaints about customer privacy.

Product Cybersecurity

Honda participates in the Automotive Information Sharing & Analysis Center (Auto-ISAC), which has begun operations in Japan and the United States, to share and analyze information related to automotive cybersecurity. The Auto-ISAC collects information on incidences detected within the industry.

Moreover, Honda obtains information independently, including information on relevant laws and specifications, as well as industry standards. By using this information in its response to security issues, Honda is proactively taking steps to promote the safety and security of its products.

Additionally, Honda reorganized the Cybersecurity Committee to further accelerate decision-making and execution across all related departments, including strengthening cooperation between management in FY2023, and has continued its activities in FY2024 and beyond. Through the Committee's activities, the Company will continue to ensure the safety and security of the products it provides to customers.

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Scope of Coverage

Organizations Covered

Honda Motor Co., Ltd. and its 374 group companies in and outside of Japan (comprising 302 consolidated subsidiaries and 72 affiliated companies accounted for by the equity method). The number of companies is as of the end of December 2023.

Period Covered

FY2024 (April 1, 2023 – March 31, 2024)

List of Targets

| Target Items | Targets for 2030 | Targets for 2050 | |
|--|--|-------------------------------------|-------|
| Reduction rate of total CO ₂ emissions from corporate activities (compared to FY2020) | 46% | CO ₂ emissions, net zero | |
| Motorcycles | 15% | | |
| Sales ratio of electrified products | Automobiles | | 30% |
| | Power products | | 36% |
| | Motorcycles | | 34.0% |
| Reduction rate of CO ₂ emissions intensity of product use (compared to FY2020) | Automobiles | | 27.2% |
| | Power products | | 28.2% |
| | Reduction rate of total water intake in corporate activities (compared to BAU) | | 14.5% |
| Reduction rate of total waste generation in corporate activities (compared to BAU) | 14.5% | | |
| Product resource circulation | (Set internal milestones) | 100% use of sustainable materials | |

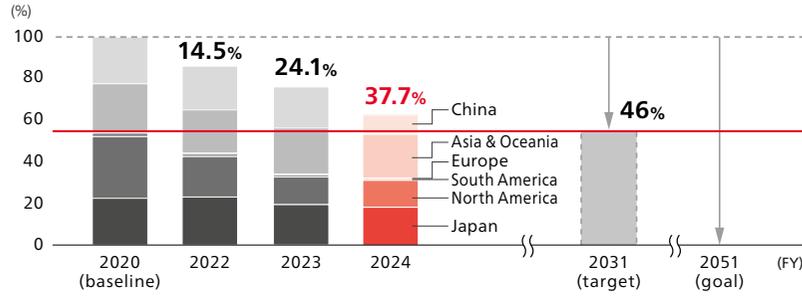
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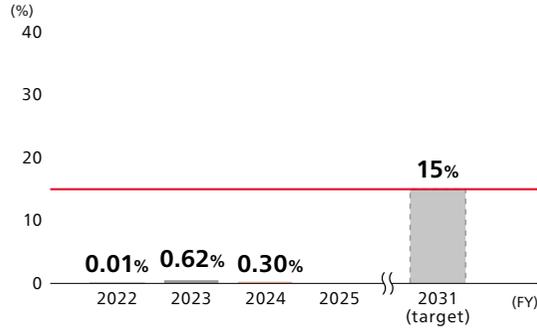
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Reduction rate of total CO₂ emissions from corporate activities (compared to FY2020)

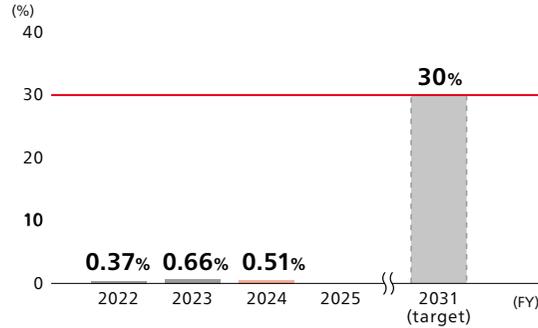


Sales ratio of electrified products

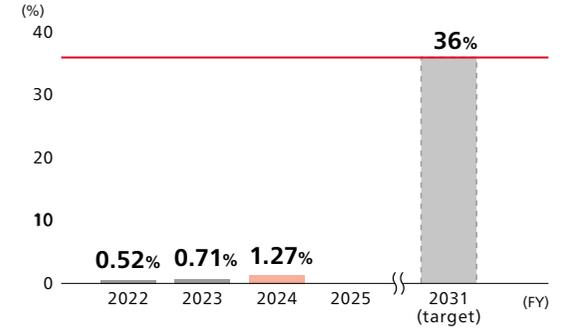
Motorcycles



Automobiles

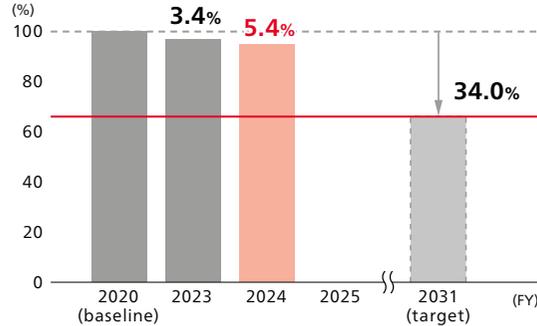


Power products

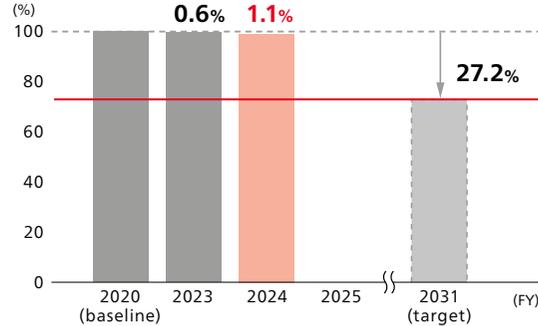


Reduction rate of CO₂ emissions intensity of product use (compared to FY2020)

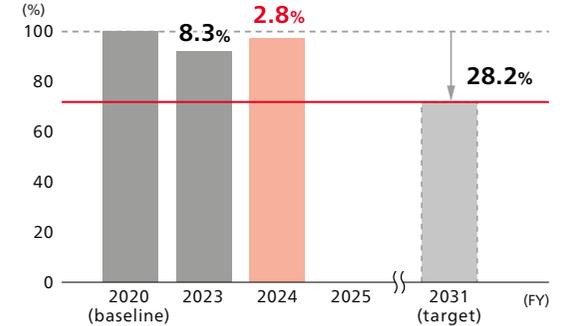
Motorcycles



Automobiles



Power products



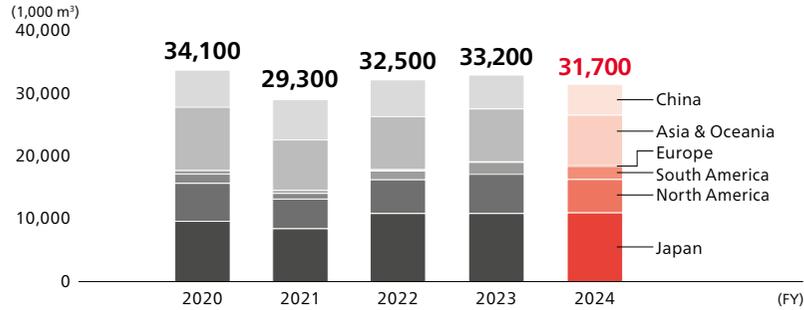
* Corrected an error in the historical data

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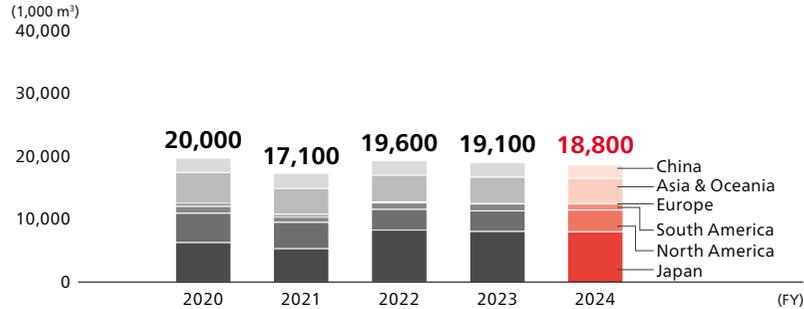
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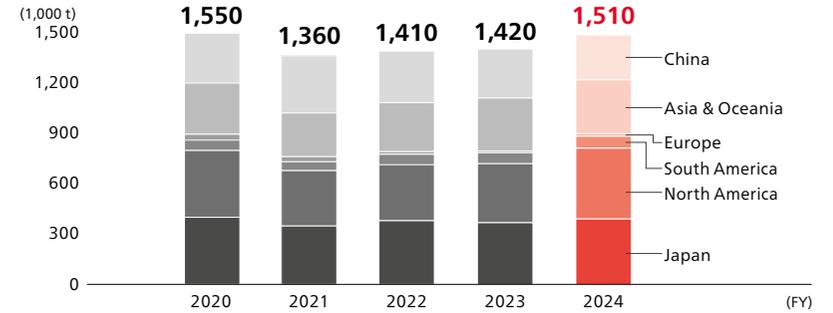
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Amount of water intake 

Calculation method: Amount of water intake = Σ (Purchased from the water facilities + Groundwater intake + Rainwater utilization amount + Surface such as rivers water intake)
 · Expressed in three significant digits

Wastewater volume 

Calculation method: Volume amount = Σ (Wastewater processed by other companies + Discharge directly into public waters)
 · Figures include some estimated values.
 · Expressed in three significant digits

Waste generated 

Calculation method: Emissions amount = Σ (Industrial waste + general administrative waste + valuable resources emission)
 · However, regions outside of Japan are beyond the scope of data for industrial waste (excluding harmful waste defined in accordance with regulations in respective countries) and general administrative waste.
 · Expressed in three significant digits

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Honda GHG Emissions in FY2024

As a responsible company operating in the mobility industry, Honda believes in the importance of calculating and disclosing GHG emissions in order to drive progress in initiatives to reduce global emissions.

As the first milestone in this endeavor, in August 2012 Honda disclosed estimates of all FY2012 GHG emissions from its entire value chain in conformity with the GHG Protocol*1, currently the world's most widely used GHG emissions accounting standard. The Company became the world's first mobility company to release estimates of emissions not only from its own business activities (Scopes 1 and 2) but also from all upstream and downstream activities (Scope 3), extending from the procurement of raw materials to the transportation and customer use of Honda products and ending with the treatment of end-of-life products.

Honda continues to calculate and report the GHG emissions from its entire value chain and is making improvements to obtain more accurate emissions readings. The Company is doing this in Scope 3 (other indirect emissions), for example, by widening the boundaries of data collection for categories that account for the largest proportion of estimated emissions, and by improving the accuracy of the calculation methods.

In due consideration of the actual results of FY2022, the scope of calculation has been extended from about 90% of global sales volume to approximately all in total. The conditions used in calculating figures such as annual mileage and lifetime years of use have been changed and are now based on the newer IEA Mobility Model (MoMo) instead of the conventional IEA SMP Model.

The calculations for FY2024 show that GHG emissions from Honda business activities were 3.14 million t-CO₂e, and total emissions from the value chain, including other indirect emissions, were 270.49 million t-CO₂e. Honda will continue to monitor and manage data and utilize this information in the actual implementation of emissions reduction measures.

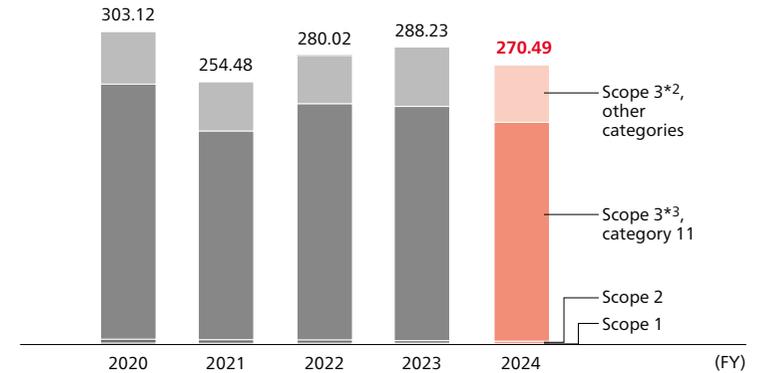
*1 The Greenhouse Gas Protocol: developed under the initiative of the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI)

*2 The calculation conditions for other categories (category 1) of Scope 3 have been partially changed from FY2023.

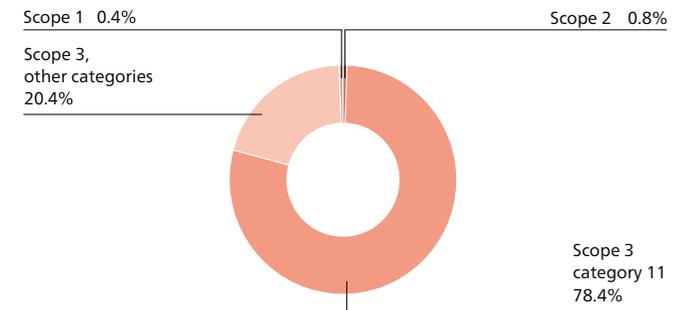
*3 For category 11 of Scope 3, the data is calculated using the IEA SMP Model until FY2021, and using the IEA Mobility Model (MoMo) from FY2022. Some of the calculation conditions have been changed since FY2023.

Total GHG emissions

(million t-CO₂e)



Breakdown of total FY2024 GHG emissions



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Total GHG emissions

| | | FY2021 | FY2022 | FY2023 | (million t-CO ₂ e) FY2024 | |
|---|---|--------|--------|--------|---|---|
| GHG emissions from the entire Honda value chain (Scopes 1, 2 and 3) | | 254.48 | 280.02 | 288.23 | 270.49 | |
| Breakdown | Direct emissions from business activities (Scope 1) | 1.12 | 1.16 | 1.09 | 1.07 | ☑ |
| | Indirect emissions from energy use (Scope 2) | 3.38 | 3.14 | 2.73 | 2.07 | ☑ |
| | Emissions from Honda business activities (Total of Scopes 1 and 2) | 4.50 | 4.30 | 3.82 | 3.14 | ☑ |
| | Emissions from customer use of sold products (Scope 3, category 11) | 202.21 | 228.87 | 226.86 | 212.20 | ☑ |
| | Other emissions (Scope 3, other categories) | 47.77 | 46.85 | 57.55 | 55.15 | |
| | Other indirect emissions (Total of Scope 3) | 249.98 | 275.72 | 284.41 | 267.35 | |

- Scope 1: Direct GHG emissions from business activities, as defined by the GHG Protocol (e.g., Combustion of fuel oil at a manufacturing plant, emissions from work vehicles and company cars). In Japan, Honda uses the emission factor based on the Act on Promotion of Climate Change Countermeasures and in each region except Japan, emission factors from the 2006 IPCC Guidelines for National GHG Inventories. Figures for climate change potential coefficient are derived from the IPCC's Fourth Assessment Report (2007).
- Scope 2: Indirect GHG emissions from a company's use of energy, as defined by the GHG Protocol (e.g., electrical energy used by a manufacturing plant or office). Honda adopts to the GHG Protocol's standard market-based method. In Japan, Honda uses adjusted emission factors by electric utility based on the Act on Promotion of Global Warming Countermeasures. In each region except Japan, Honda uses electricity utilities emission factors and latest regional emission factors, and if unavailable, national emission factors from the IEA's Emissions from Fuel Combustion.
- Scope 3: Other indirect GHG emissions not included in Scope 1 and Scope 2, as defined by the GHG Protocol. Scope 3 is systematically broken down into 15 categories (e.g., category 11 includes emissions arising from the use of sold products; category 12 includes emissions arising from the end-of-life treatment of sold products).
- The "Scope 3, category 11" figures presented in this report represent the cumulative amount of GHGs that will have been emitted by products sold by Honda in the applicable fiscal year (automobiles, motorcycles, power products and aircraft) as a result of their use by customers from the time they received those products until they dispose of them in the future. Calculations cover the emission of all motorcycles, automobiles, power products and aircraft sold worldwide under the Honda brand name. These emissions are calculated using the following formula for each model and adding the results:
 - CO₂ emissions intensity : Amount of CO₂ emissions per unit driving distance of product use or per unit used time of product use
 - Annual mileage/Lifetime years of use: Referring to IEA estimation model, "MoMo," etc.
 - CO₂ emission factor: Referring to the GHG calculation guidelines that public authorities in each region issued. If there are no appropriate guidelines, reference from the ones of Japanese.
- The "Scope 3, other categories" figures presented in this report are the sum of emissions from categories 1, 2, 3, 4, 5, 6, 7, 9, 10, 12 and 15. As per the GHG Protocol, Honda excludes categories 8, 13 and 14 from its calculations, as these categories are either not part of Honda business activities or emissions from these categories are accounted for in other categories.

☑ Data indicated with received the independent practitioner's assurance.

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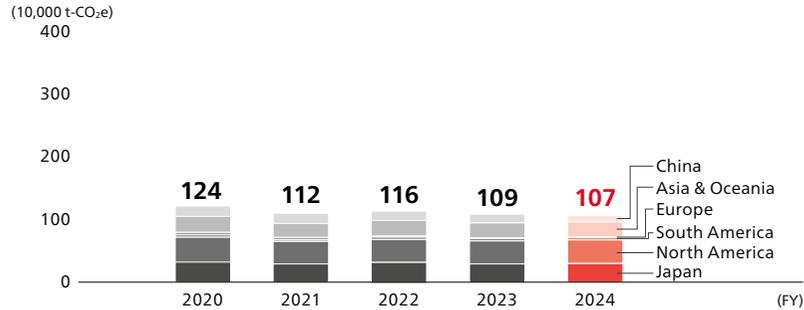
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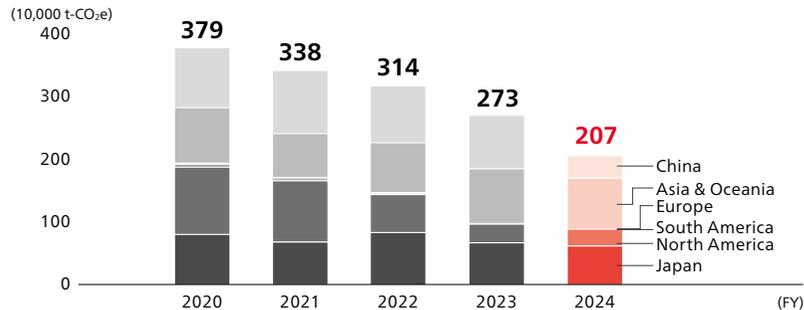
GHG emissions

Direct emissions (Scope 1)



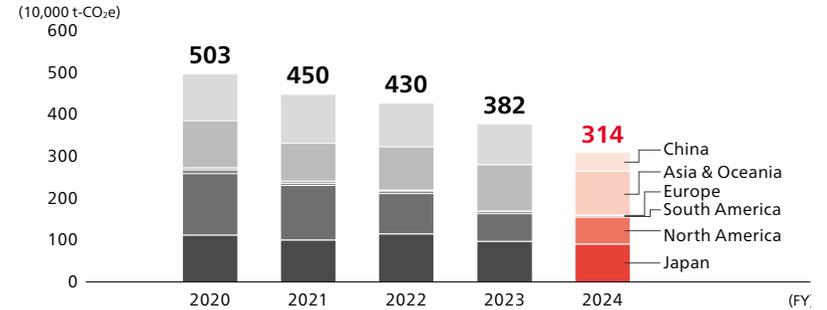
Calculation method: Emissions amount = [Volume of fuel usage x CO₂ emission factor] + CO₂ emissions from non-energy sources + [Volume of non-CO₂ GHG emissions x Global warming factors]
 Emission factors
 Japan: Emission factors based on the Act on Promotion of Global Warming Countermeasures
 Regions outside of Japan: Emission factors from 2006 IPCC Guidelines for National GHG Inventories Figures for global warming potential coefficient : The IPCC's Fourth Assessment Report (2007)
 · Figures of GHG emissions from non-energy source include some estimated values.
 · Calculations are mainly based on emissions from stationary combustion sources.
 · Expressed in three significant digits

Indirect emissions (Scope 2)



Calculation method: Emissions amount = Σ (Purchased electricity consumption, etc.*1 x emission factor)
 Honda adopts to the GHG Protocol's standard market-based method.
 Emission factor:
 Japan: Electricity utilities emission factors based on the Act on Promotion of Global Warming Countermeasures
 Regions outside of Japan: Adjusted emission factors by electric utility and latest regional emission factors, if unavailable, national emission factors from the IEA's Emissions from Fuel Combustion.
 *1 Other includes steam and hot water, the emission factors are based on the Act on Promotion of Global Warming Countermeasures.
 · Expressed in three significant digits

Total GHG emissions (Scopes 1 and 2)



Calculation method: Total GHG emissions (Scope 1 and 2) = Direct GHG emissions + Indirect GHG emissions
 · Expressed in three significant digits

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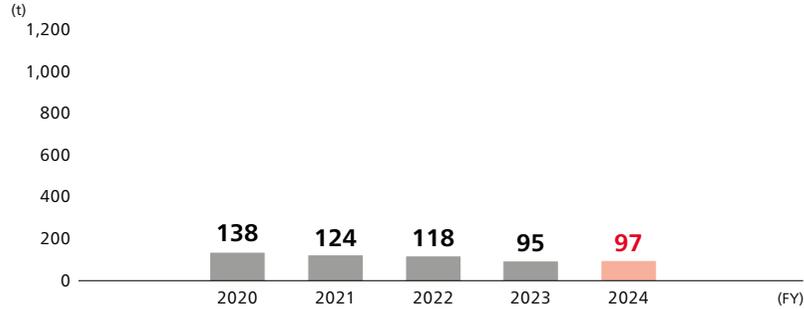
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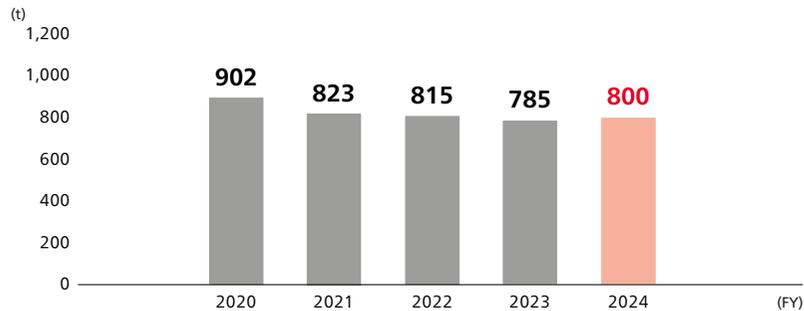
Atmospheric pollutants

SOx emissions



Calculation method: Emissions amount = Σ (Fuel consumption x Density x Sulfur content x 64/32)
 · Calculations are based on fuel consumption.
 Density: Derived from the translation coefficient list in Statistics Information by Petroleum Association of Japan
 Sulfur content: Derived from Act on the Quality Control of Gasoline and Other Fuels or the standard of LP gas (JIS K 2240)

NOx emissions



Calculation method: Emissions amount = Σ (Fuel consumption x Emission factor for each fuel)
 · Calculations are based on fuel consumption.
 Emission factor for each fuel: Derived from NOx emissions calculation table (combustion facilities that do not measure the amount of exhaust gas, etc.) on Environmental Activity Evaluation Program (Ministry of the Environment).

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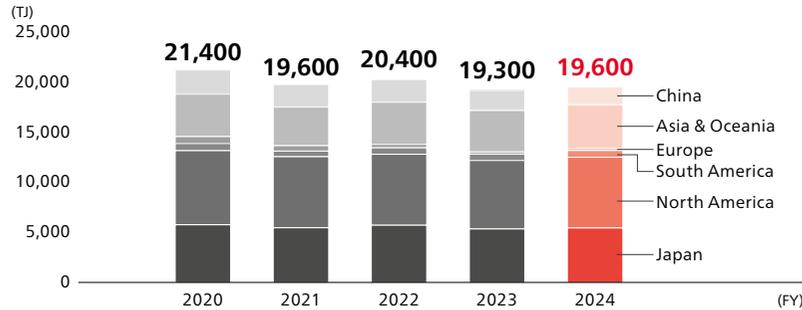
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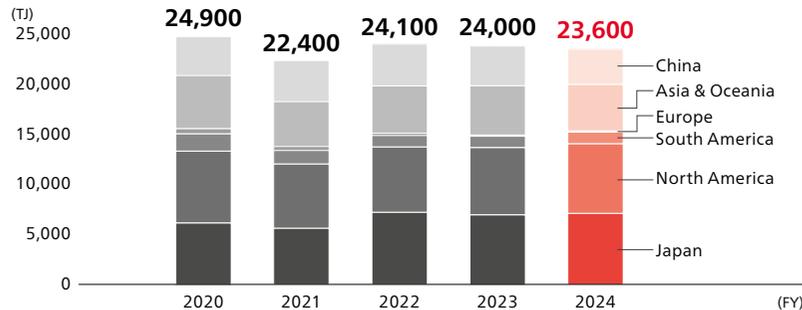
Energy consumption

Direct energy consumption



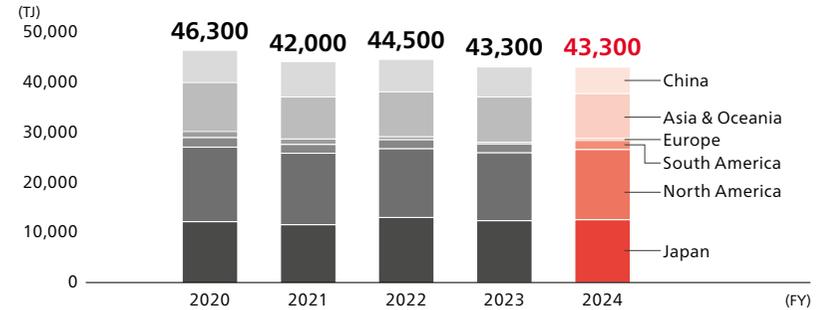
Calculation method: Consumption amount = Σ (Fuel consumption x unit calorific value)
 Unit calorific value:
 Japan: Unit calorific value from Reporting and Disclosure System based on the Act on Promotion of Global Warming Countermeasures
 Regions outside of Japan: Derived from 2006 IPCC Guidelines for National GHG Inventories
 · Calculations are mainly based on energy consumed by stationary exhaust sources.
 · A terajoule (TJ) is a unit of energy, "tera" meaning 10^{12} .
 · Expressed in three significant digits

Indirect energy consumption



Calculation method: Consumption amount = Σ (Purchased electricity consumption etc.*1 x unit calorific value)
 Purchased electricity has been converted to joules using the international standard 3.6 GJ/MWh.
 *1 Other
 Unit calorific value:
 Japan: Unit calorific value from Reporting and Disclosure System based on the Act on Promotion of Global Warming Countermeasures
 Regions outside of Japan: 2006 IPCC Guidelines for National GHG Inventories
 · Expressed in three significant digits

Total energy consumption



Calculation method: Total energy consumption = Direct energy consumption + Indirect energy consumption
 · Expressed in three significant digits

5 Performance Data

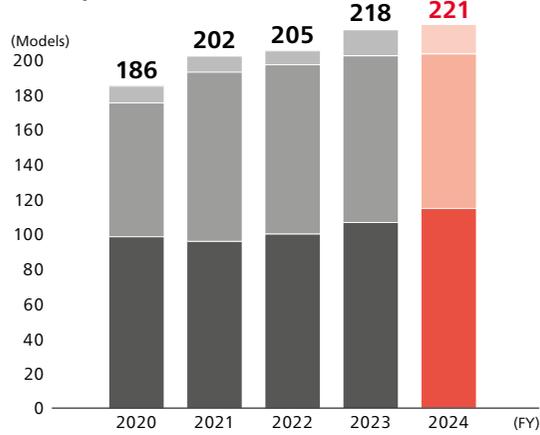
> Environmental Data 83

Governance Data 93

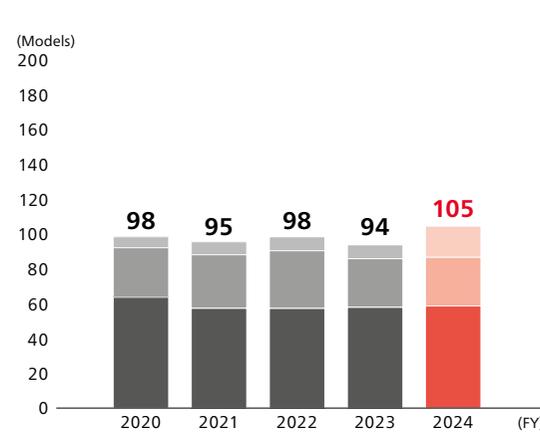
Environmental Data

Global Number of HEPS-compliant models

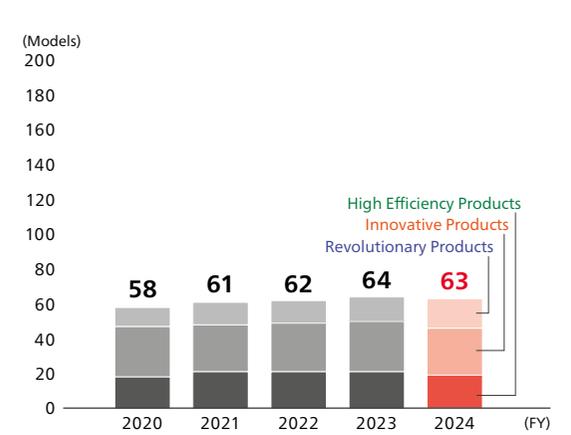
Motorcycles



Automobiles



Power Products



* Corrected retroactively due to recounting

5 Performance Data

> Environmental Data 83

Governance Data 93

Environmental Data

Cost of environmental conservation activities and investments

FY2024 (millions of yen)

| Category | | Major activities and investments | Investments | Expenditures |
|------------------------------------|---|---|-------------|--------------|
| Business area costs | Pollution prevention costs | ■ Air, water, and soil pollution prevention | 52 | 314 |
| | Global environmental conservation costs | ■ Global warming mitigation, ozone depletion prevention and other conservation activities | 1,678 | 537 |
| | Recycling costs | ■ Waste processing, treatment, reduction, elimination and recycling | 68 | 759 |
| Upstream/downstream costs | | ■ Collection, recycling, resale and proper disposal of products manufactured and sold ■ Industry organization and other membership fees | 13 | 200 |
| Management costs | | ■ Installation, operation and acquisition of certification for environmental management systems ■ Environmental impact monitoring and measurement ■ Management and training of associates and organizations responsible for environmental conservation (expenses for environment-related communications activities) | 9 | 2,533 |
| Research and development costs | | ■ Research, development, planning and design for impact reductions across product life cycles (R&D costs for advanced eco-cars, including EVs and PHVs) | 69,684 | 337,643 |
| Social contribution activity costs | | ■ Environmental improvement measures, including ecosystem protection, cleanups, green space development and natural landscape conservation ■ Local conservation and communication activities (beach cleanups and watershed conservation activities) | 0 | 173 |
| Environmental damage costs | | ■ Remediation of polluted soil | 0 | 1 |
| Total | | | 71,504 | 342,160 |

- Companies covered: Honda Motor Co., Ltd., Honda R&D Co., Ltd. and Honda Access Corporation
- Some figures are estimated values.
- Guidelines, guidebooks and other environmental accounting publications by Japan's Ministry of the Environment were used as references.
- Figures were calculated on a cash-flow basis with depreciation and amortization expenses excluded.

Economic benefits (Effect on revenue and expenses)

FY2024 (millions of yen)

| | | |
|--|--------------------------|-------|
| Income from sale of valuable waste materials | | 8,320 |
| Cost reductions from saved energy | Installed technologies | 59 |
| | Behavioral changes, etc. | 57 |
| Total | | 8,436 |

- Companies covered: Honda Motor Co., Ltd., Honda R&D Co., Ltd. and Honda Access Corporation
- Some figures are estimated values.
- Guidelines, guidebooks and other environmental accounting publications by Japan's Ministry of the Environment were used as references.

5 Performance Data

Environmental Data 83

> Governance Data 93

Governance Data

Overview of Corporate Governance (as of June 19, 2024)

Form of organization

Company with three committees

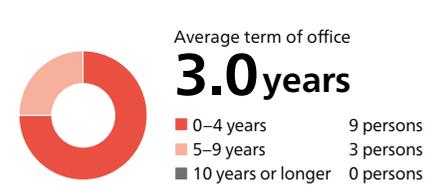
Board of Directors

Composition of members



* All six Outside Directors currently in office are Independent Directors who satisfy the Company's Criteria for Independence of Outside Directors.

Term of office



Attendance rate (FY2024)



Nominating Committee

Ratio of Outside Directors



Attendance rate (FY2024)



Audit Committee

Ratio of Outside Directors



Attendance rate (FY2024)



Compensation Committee

Ratio of Outside Directors



Attendance rate (FY2024)



5 Performance Data

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Governance Data

Total Amount of Remuneration for Directors and Executive Officers

| Category of Directors | Total amount of remuneration (millions of yen) | Total amount by type of remunerations (millions of yen) | | | Number of eligible Directors (Number of persons) |
|---|--|---|---------------------------------|---------------------------|--|
| | | Basic remuneration | Performance-linked remuneration | | |
| | | | STI (Short Term Incentive) | LTI (Long Term Incentive) | |
| Directors (excluding Outside Directors) | 300 | 287 | 0 | 12 | 4 |
| Outside Directors | 90 | 90 | 0 | 0 | 5 |
| Executive Officers | 1,395 | 470 | 483 | 440 | 10 |
| Total | 1,786 | 849 | 483 | 453 | 19 |

- 'Directors' in the table above does not include the three Directors who concurrently serve as Executive Officers.
- These amounts indicate remuneration paid to Directors during the fiscal year. The above includes the amount paid to one Director who retired at the closing of the 99th Ordinary General Meeting of Shareholders held on June 21, 2023.
- The amount of STI for Executive Officers was determined by the Compensation Committee held on May 7, 2024.
- The total amount of LTI is the expenses recorded for stock delivery points granted during the fiscal year in relation to the Board Incentive Plan (BIP) trust and falls under non-monetary remuneration.

Annual total remuneration and bonuses of highest-paid individual (President and Representative Executive Officer, Chief Executive Officer) (Japan)

| | |
|--|-------|
| Annual total remuneration and bonuses of highest-paid individual President and Representative Executive Officer, Chief Executive Officer (millions of yen) | 438 |
| Ratio to median annual total remuneration for all associates (%) | 4,969 |

* President Mibe's annual income reflecting performance. Stock compensation is the base amount for FY2023. Figures are rounded down to the nearest million yen as in the previous section.

Rate of increase in annual total remuneration and bonuses of highest-paid individual (President and Representative Executive Officer, Chief Executive Officer) (Japan)

| | |
|--|----|
| Rate of increase in annual total remuneration and bonuses of highest-paid individual President and Representative Executive Officer, Chief Executive Officer (%) | 26 |
|--|----|



5 Performance Data

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Governance Data

Honda Tax Policy

Honda Tax Policy

1. Purpose of the Policy

The Honda Tax Policy prescribes the basic stance and thinking regarding taxes for Honda Motor Co., Ltd. (hereafter HM) and its consolidated subsidiaries (HM and its consolidated subsidiaries, collectively referred to as Honda). The Policy aims to contribute to society as well as maintain and increase corporate value by complying with the tax laws and regulations, and their intent, for each country and region where Honda conducts business activities and by making proper tax payments.

The tax systems of each country and region and international taxation rules are frequently changed. In this environment, to ensure the proper conduct of its business in a stable manner, Honda carries out accurate and high-quality tax affairs and responds to the tax risks associated with its business in accordance with the Tax Policy described below.

2. Tax Policy

(1) Compliance

Honda complies with letter and intent of laws, regulations and rules of countries and regions in which it conducts business, as well as tax conventions and international standards such as OECD guidelines. Honda also adopts and complies with internal rules, including tax-related policies and guidelines such as this Policy and Honda Corporate Governance (HCG). Based on the foregoing, Honda makes proper tax payments consistent with the actual state of business.

(2) Prohibition of tax avoidance

Honda shall not engage in any transactions such as the use of tax havens aimed at tax avoidance but make proper tax payments consistent with the actual state of business in keeping with the concept of "returning profits to the communities where profits are earned," which has been Honda's basic stance.

(3) Transfer pricing

Honda shall establish proper pricing (Arm's Length Price (ALP)) by giving sufficient consideration to transfer pricing taxation systems for transactions carried out within Honda to ensure the proper payment of taxes corresponding to the value created by business activities.

(4) Ensuring transparency

Honda recognizes the importance of fulfilling accountability to tax authorities and other tax-related stakeholders through the timely and proper disclosure of tax-related information and properly responds by disclosing tax-related information based on laws and regulations.

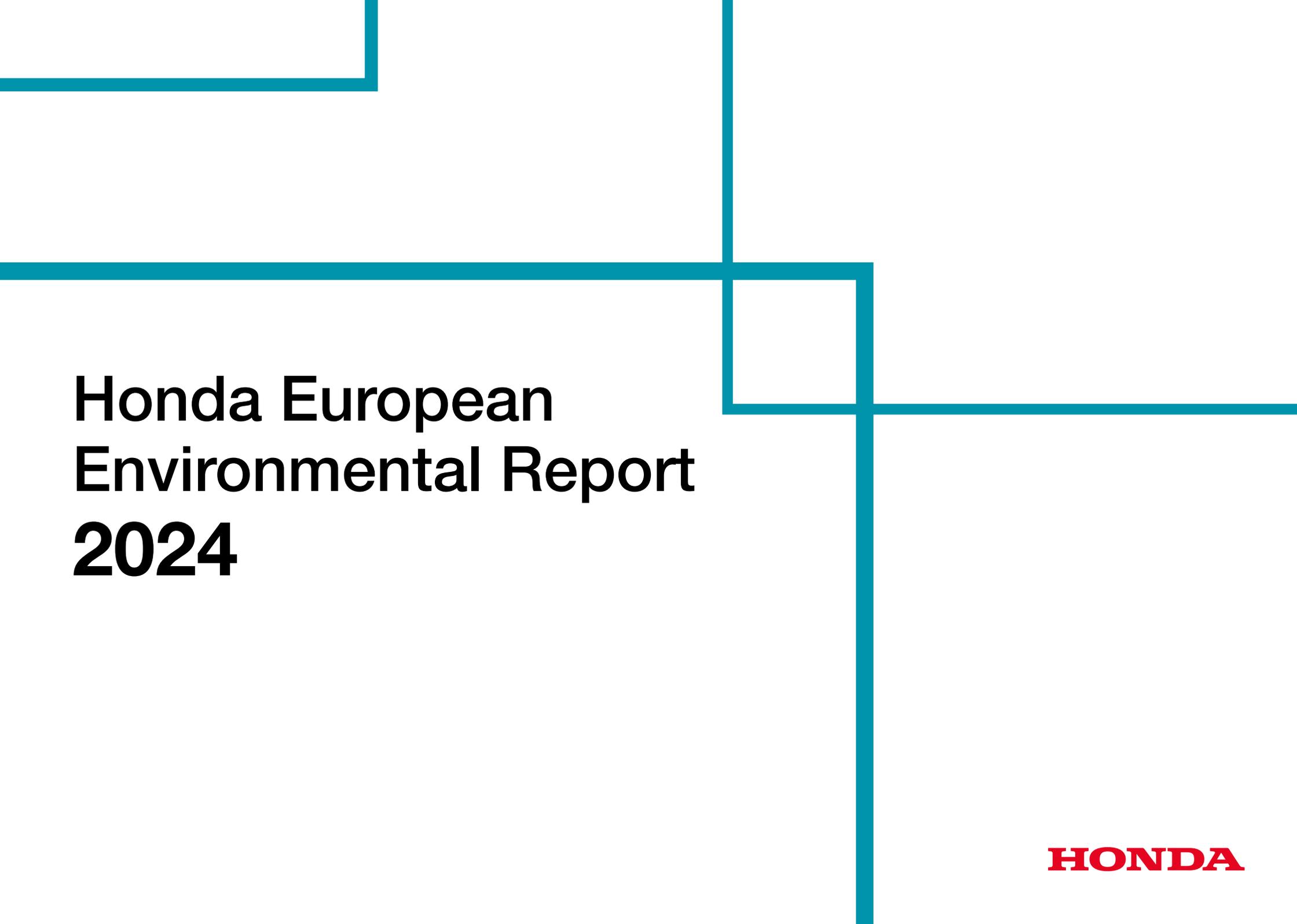
(5) Relationships with governments and tax authorities

Honda shall make efforts to ensure transparency and continuously build relationships of trust through sincere responses to governments and tax authorities in the countries and regions where it conducts business by ensuring timely and proper provision of tax-related information based on laws and regulations and requests from governments and tax authorities.

(6) Corporate governance

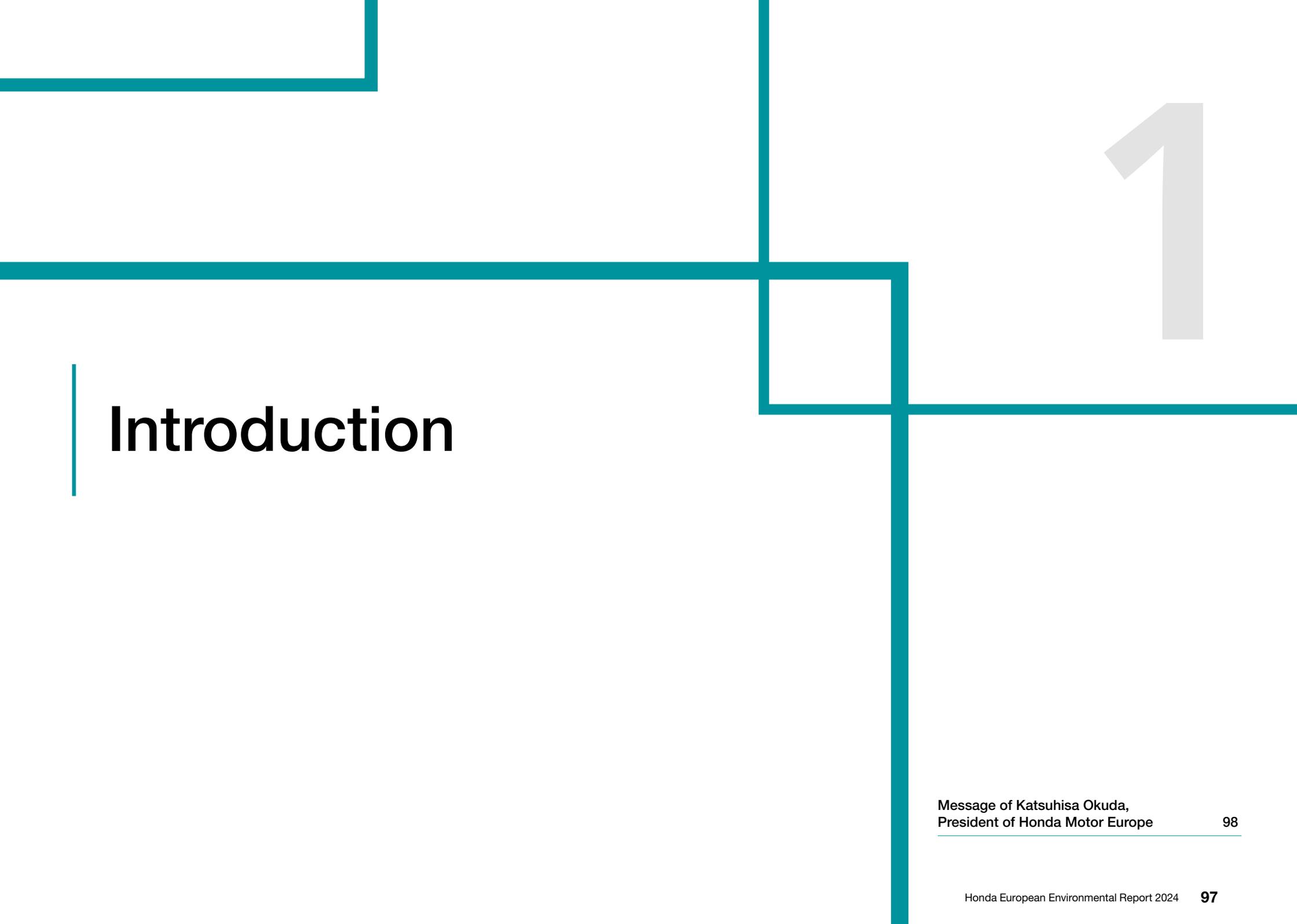
Honda strives to enhance corporate governance as one of the most important tasks for its management, based on the Company's basic principle, in order to strengthen the trust of its shareholders/investors, customers and society; encourage timely, decisive and risk-considered decision-making; seek sustainable growth and the enhancement of corporate value over the mid- to long-term; and become "a company that society wants to exist." In the same manner, Honda shall establish governance on taxation based on this concept, framework and management policy.

The establishment and amendment of this policy shall be subject to the approval of the director in charge of accounting and finance supervision.



Honda European Environmental Report 2024

HONDA



Introduction



Message of Katsuhisa Okuda,
President of Honda Motor Europe

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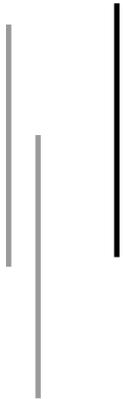


Introduction

Katsuhisa Okuda



Katsuhisa Okuda,
Managing Operating Officer of Honda Motor
and President of Honda Motor Europe



Honda's commitment to delivering carbon neutrality for all our products, services and corporate activities across the world by 2050 remains as strong as ever. Here in Europe, we have once again taken major strides towards hitting this target over the past financial year. With our extensively electrified automobile range, advanced production processes and unwavering commitment to R&D, Honda can look forward confidently to delivering on its environmental and sustainability goals.

This year, Honda celebrated 25 years of our pioneering hybrid technology in Europe, following the arrival to the region of the original Insight and its innovative powertrain back in 1999. Today, 100% of our mainstream automobile range is electrified, using a variety of powertrains including e:HEV full hybrid, e:PHEV plug-in hybrid and full EV technologies. From Jazz through to CR-V, Honda has an electrified option. These technologies continue to be part of our future, as shown by the hybrid Prelude Concept and the all-electric 0 series, both of which will arrive in the second half of this decade.

It is not only our automobile range where you can see Honda's commitment to reducing its environmental impact. A great example of this is the SH125i Vetro scooter. Combining style with sustainability, it features novel semi-translucent unpainted green fairing panels that are far more efficient to manufacture, delivering a 9.5% reduction in CO₂ emissions compared with standard body panels. In fact, we are steadily reducing our carbon emissions throughout our product line-up in accordance with our stringent Honda Environmental Performance Standard (HEPS) strategy.

As a result, we now have 86 HEPS-compliant products across our European portfolio. In 2024, we continue to invest in innovative low emissions technologies, including solid-state batteries, carbon neutral fuels and hydrogen fuel cells. We have also expanded the e:PROGRESS energy service business, which delivers smart EV charging to customers. Already established in the UK and Germany, it can now offer customers average annual savings of more than £2,000 on their domestic charging by automatically choosing the most cost-effective time to charge. The e:PROGRESS app can also charge at times when the grid is using the most renewable energy and, where applicable, even access a homeowner's solar panels.

Away from our products, the hard work to reduce environmental impact has continued throughout our European operations, including in-house production, logistics and sales and service. Despite increased production volumes, we've seen reductions in CO₂ emissions, water use and energy across all sectors. We have also overseen an increase in the use of recycled materials in production, while the implementation of initiatives such as 'naked' motorcycle deliveries has helped reduce waste across the board.

As ever, none of these successes would have been possible without the commitment of all Honda Motor Europe associates, suppliers and stakeholders, and I would once again like to thank all of them for their continued effort and enthusiasm. Through their hard work and determination, we are on course to meet our ambitious environmental and sustainability targets.

2

Products

| | |
|-----------------------|------------|
| HEPS | 100 |
| EU HEPS models | 102 |
| Automobiles | 103 |
| Motorcycles | 106 |
| Power Products | 107 |
| Energy | 108 |

HEPS

Responses to Climate Change and Energy Issues

Three initiatives to achieve environmental performance targets

'Use of products' accounts for approximately 80% of the CO₂ emissions from Honda's entire product lifecycle. As such, the business is working to reduce these levels during the manufacture and operation of its products, thereby establishing them as increasingly environmentally friendly to consumers.

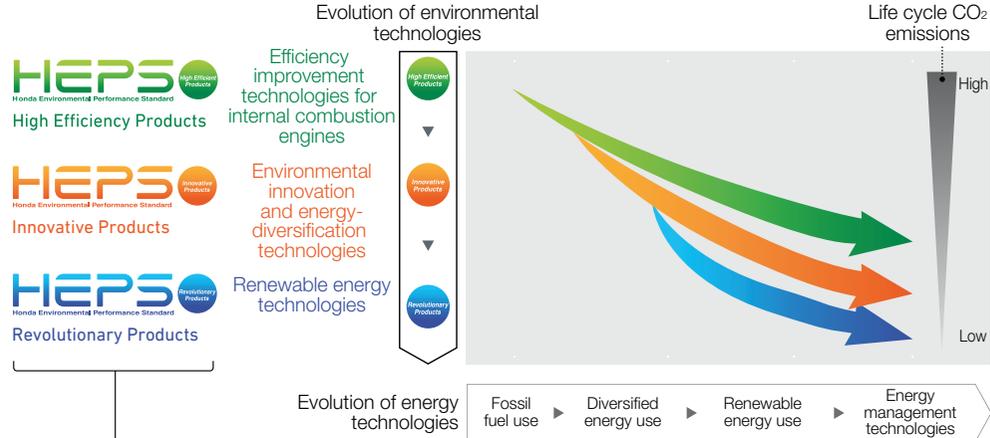
To date, Honda has carried out the following three initiatives to reduce greenhouse gas emissions, most notably CO₂ emissions, while expanding production and sales globally:

1. **Reducing CO₂ emissions from its internal combustion engines through efficiency improvements**
2. **Innovating and introducing more environmentally friendly technologies and diversified energy sources**
3. **Increasing the use of renewable energy and total energy management**

By implementing these initiatives in phases, Honda is steadily reducing its CO₂ emissions in accordance with the Honda Environmental Performance Standard (HEPS), which outlines a series of unique and advanced product guidelines first formulated in 2011.

At the time of publication, Honda's HEPS-compliant European product range comprised 30 motorcycles, 13 automobiles, and 43 power product models.

Honda's ultimate goal is to make all of its products HEPS-compliant.



• High Efficiency Products

Products that lower CO₂ emissions by improving internal combustion engine efficiency. This category includes products that incorporate technologies for improving fuel combustion and transmission efficiency, and reducing friction between engine parts. Compliance is determined based on how much a product reduces CO₂ emissions during use compared to preceding models.

• Innovative Products

Products that lower CO₂ emissions because they use an environmentally innovative technology or a diversified energy source. Environmentally innovative technologies include motorcycles that incorporate Honda's proprietary Idling Stop System, automobiles that incorporate hybrid or direct-injection engine technologies, and power products equipped with a fuel injection system (FI) feature. Diversified energy sources include motorcycles and automobiles that can run on ethanol, and power products that can run on gaseous fuels. Compliance is determined based on how much a product reduces CO₂ emissions during use as compared to preceding models.

• Revolutionary Products

Products that aim to achieve zero CO₂ emissions by harnessing renewable energies or facilitating total energy management. This category includes products that incorporate electromotive technologies or those which utilise renewable energy.



HEPS

HEPS-compliant products in the European market

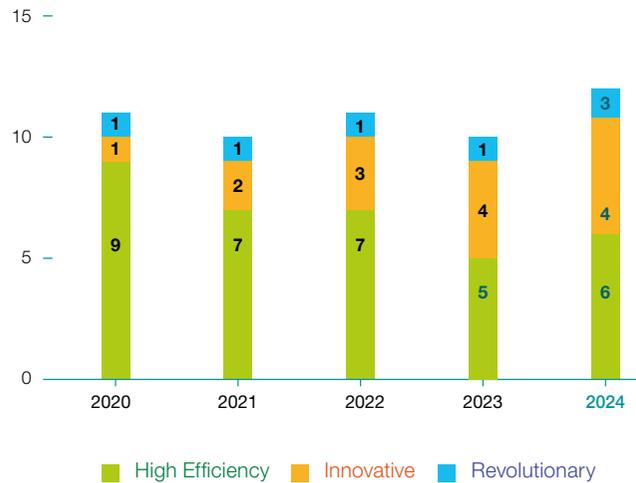
Based on the HEPS definition, 86 Honda products now come under at least one of these categories in Europe – an increase of seven compared to last year.

This is due to several developments, including the start of e:Ny1 and ZR-V automobile sales in Europe and the introduction of the next-generation Miimo robotic lawnmower.

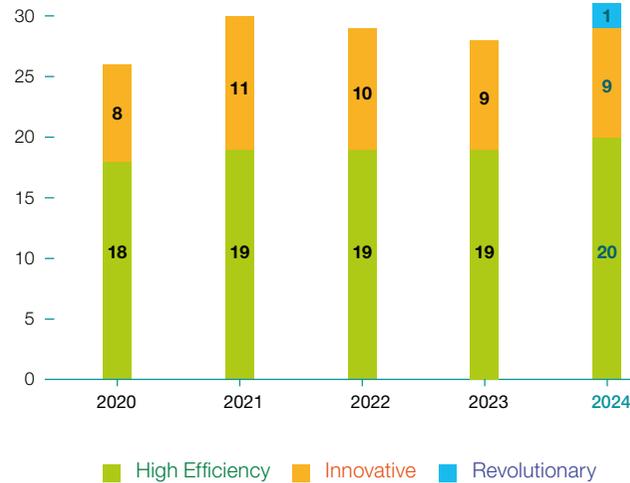
Examples of Honda’s HEPS-compliant products currently available in Europe can be found on the next page.*

* Not all models listed are commercially available in all European markets

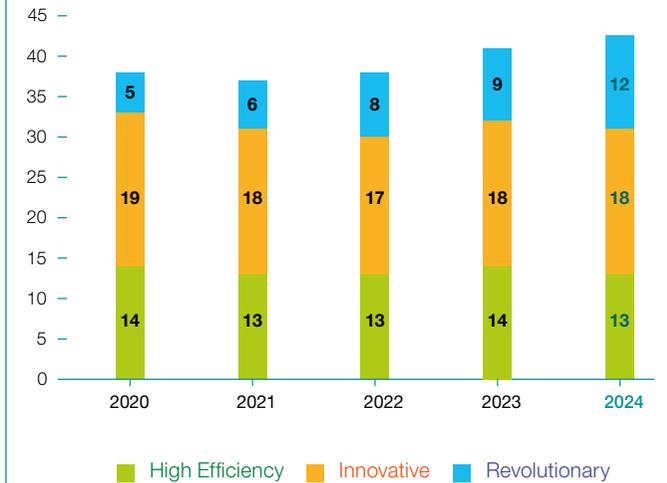
Car Models per HEPS Category



Motorcycle Models per HEPS Category



Power Product Models per HEPS Category





HEPS

EU HEPS Models 2023



Products with a more efficient internal combustion engine that emits less CO₂



Civic Type-R



Jazz



XL750



NT1100



GX390



HSS655c



Innovative environmental technologies or unconventional energy source that emit less CO₂



ADV750



CRF 110F



ZRV



BF250



EU32i



Products designed to reduce or eliminate CO₂ emissions by harnessing renewable energies or facilitating energy management



e:Ny1



HHH36



eGX



EM1e



HRE370



HRM 1000



Automobiles

25 Years of Hybrid

Honda is now in its fourth calendar decade of producing hybrid vehicles, having introduced the first petrol-electric hybrid car to Europe with its revolutionary Insight in 1999.

The brand's dedicated engineers have spent the past 25 years perfecting the petrol-electric powertrain, the fruits of which can be seen in the current fully electrified mainstream model range, which includes Jazz, Civic, HR-V, ZR-V, and CR-V - all of which feature the two-motor e:HEV powertrain.

Honda's first production hybrid car, the Insight, was fitted with a unique parallel hybrid Integrated Motor Assist (IMA) system and delivered a combined fuel consumption of 3.4l/100km (83.1mpg; NEDC cycle).

In the years since, Honda has further refined its hybrid technologies, developing various architectures for different applications. In addition to IMA, these include the two-motor intelligent Multi Mode Drive (i-MMD) system fitted across Honda's current European e:HEV range, and the ultimate three-motor Super Handling All-Wheel Drive (SH-AWD) system in the NSX.

Honda's hybrid technologies have also been proven in the white heat of motorsport competition. Following huge successes in the 1980s and 1990s, the brand returned to Formula 1 as an engine supplier in 2015, at the start of the current turbo hybrid era. It steadily refined its power unit to clinch the world driver's championship in 2021 with Max Verstappen and Oracle Red Bull Racing, before going on to three more titles in the following years.

Today, Honda's latest e:HEV hybrids are a testament to 25 years of pioneering research and development, offering impressive performance and responsiveness, while maintaining smooth power delivery and outstanding efficiency without compromising the "joy of driving".





Automobiles

With a fully electrified mainstream range, Honda leads the way in delivering cars that provide a compelling blend of dynamic performance and strong efficiency. Using the extensive lessons learned over 25 years since pioneering hybrid power in Europe, the brand has produced a line-up of models that all feature cutting edge electrified technology that is helping drive its commitment to reduce carbon emissions and provide customers with cars that meet their every need.

This means the availability of both self-charging and plug-in hybrid models, as well as the e:Ny1 BEV (Battery Electric Vehicle) in the current model line-up. Moreover, Honda's commitment to electrification is only going to get stronger over the coming years, with the recent reveals of the petrol-electric Prelude Concept and all-electric 0 Series, both of which will arrive in the second half of this decade. In combination with its existing models, Honda is fully demonstrating the breadth and ambition of the brand's electric mobility offering as it enters this next phase of its European development.

e:Ny1

Honda's second all-electric vehicle for Europe, the e:Ny1, offers trademark dynamics, responsive driving and premium levels of ride comfort. Built on Honda's newly developed e:N Architecture F, the e:Ny1 delivers a fun and confidence-inspiring drive.

Under its sleek coupe-inspired body is a high-performance, lightweight three-in-one integrated power drive unit, 150kW electric motor and gearbox, which has been engineered to provide smooth and comfortable acceleration.

A high-capacity lithium-ion battery delivers a range of up to 412 km (WLTP) and DC fast-charging capability that can replenish the battery from 10 to 80% in just 45 minutes.





Automobiles

CR-V

The all-new CR-V combines the advanced and sporty values that the brand is known for with the latest driver aids and passive safety to deliver outstanding reliability, dynamics and comfort.

Available with a choice of either a full hybrid e:HEV powertrain or, for the first time in Europe, a plug-in hybrid e:PHEV option, both versions deliver strong efficiency, exceptional refinement and dynamic performance. The e:PHEV is able to travel up to 82km (WLTP) in electric mode and can be recharged in just 2.5 hours.

All CR-V models feature Honda SENSING 360, the company's all-new omnidirectional safety and driver assist system, which removes blind spots around the vehicle and further contributes to collision avoidance.





Motorcycles

SH125i Vetro

Part of the million-plus selling SH family that debuted with the SH50 in 1984, the Honda SH125i first hit the European market in 2001, and has quietly and consistently gone about its mission to provide stylish, fun and fuss-free transport.

For the 2024 model year, the SH125i Vetro (which means 'glass' in Italian) is a celebration of the craftsmanship and technical skills of the team at Honda Italia Industriale's factory in Atessa on Italy's Adriatic coast.

Production of the Vetro's distinctive semi-transparent unpainted green fairing panels produces 9.5% less CO₂ emissions over a year of production compared to those of the standard colour schemes – a new way of reducing environmental impact.



Durabio

The SH125i Vetro is not the only Honda motorcycle to make use of new materials. Launched earlier this year, the Africa Twin and Africa Twin Adventure Sports models became the first production motorcycles to utilise a transparent Durabio™ windscreen.

The plant-based polycarbonate resin combines most of the advantageous properties of Polycarbonate (PC) and those of the Polymethacrylate (PMMA). It displays many excellent properties that make it suitable for application on a motorcycle, particularly its strong, yet highly mouldable properties. The flexibility of the material makes it easier to create intricate shapes, creating a world of new possibilities.

In addition to its flexibility, Durabio™ features a high surface hardness, and excellent weathering resistance. When used on a motorcycle, this ensures strong scratch resistance with little discolouration over time.





Power Products

Miimo HRM1000-4000 Robotic Lawnmowers

Honda has redefined convenience with its Miimo robotic lawnmowers. Benefitting from significant new developments in navigation, smartphone connectivity and new sensors, Honda's latest offerings include the HRM1000, HRM1500, HRM1500 Live, HRM2500, HRM2500 Live and the HRM4000 Live.

A standout feature across the range (excluding the HRM1000) is Shortcut Wire technology. This allows Miimo to navigate narrow passages with unmatched precision, effortlessly manoeuvring through spaces as tight as 60cm wire-to-wire. Users will appreciate the elimination of wheel tracks, ensuring a flawlessly manicured lawn every time.

Setting a new standard in precision, the Miimo HRM1500 Live, HRM2500 Live, and HRM4000 Live models introduce Satellite Assisted Homing technology. This advanced feature enhances operational efficiency with significantly more accurate navigation. These models offer Free Zones, which allow users to set areas for Miimo to avoid mowing for defined periods, such as keeping areas free for garden activities and encouraging biodiversity.

Mobile network connectivity on the new Live models contributes to a more intuitive and user-friendly experience, allowing users to interact with their robotic mowers effortlessly through a dedicated smartphone app. The Mii-monitor app offers an intuitive interface for seamless control from anywhere, featuring colour-coded indicators for quick monitoring.

The new Smart Timer, using real-time weather data, protects Miimo and your lawn, providing push notifications and avoiding mowing in adverse conditions. Live models offer 4G/3G connectivity and voice control through the Miimo Amazon Alexa skill, combining precision lawn care with smart convenience. Customers buying the non-Live models will still be able to enjoy many of the benefits of the Mii-monitor app by connecting to Miimo via Bluetooth.





Energy Services

e:PROGRESS

e:PROGRESS is an advanced charging solution that seamlessly integrates your Honda plug-in vehicle with any home charger and energy tariff. Through an intuitive app, this service ensures your Honda is charged in the most cost-effective and environmentally friendly way possible.

Compatible across Honda's entire plug-in range, e:PROGRESS has helped customers reduce their carbon footprint by an average of 20%. The system intelligently schedules charging to avoid peak grid times, supporting grid stability and lowering energy costs for users.

e:PROGRESS is easy to use—customers can simply download and sign in with their My Honda+ account. The app enables drivers to set minimum and maximum charge levels, ensuring the vehicle has sufficient range for the next journey, whilst optimizing battery longevity by avoiding overcharging.

Based on user preferences, e:PROGRESS automatically schedules charging during times with the lowest costs or lowest carbon emissions. For immediate needs, a 'Charge Now' feature allows for instant charging.

e:PROGRESS is a key component of Honda's Triple Action to Zero 2050 initiative, helping drivers reduce the environmental impact of home charging while minimising energy expenses. Currently available in the UK and Germany, Honda's Energy Solutions Division is exploring expansion into additional European countries. Future enhancements, including home energy management systems and vehicle-to-grid bi-directional charging, are also being developed.



3

In-House Production

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In-House Production

Introduction by Akira Toyama



Akira Toyama
HII President

It is a difficult time to be a manufacturer in Europe, because supply issues are still alive and well. They may be less severe today than in the immediate aftermath of the Covid-19 pandemic, but they are now driven not by lockdown factory closures, but by political and security crises.

In spite of these challenges, Honda Motor Europe's full-year 2024 production results were excellent, and our vehicles, accessories and power products continue to drive growth on the continent.

An increasing awareness of environmental policies and their importance has also further motivated our activities in the region. Honda Italia Industriale, for example, recently established a department dedicated to sustainable business planning.

That team's priorities include the transition towards the EU Corporate Sustainability Reporting Directive. This regulation requires European companies to report externally on their environmental, social and governance performance, with deadlines beginning in 2025.

Honda also has an ambitious new target for the EU region: carbon neutrality for scope one and two emissions. The former refers to emissions generated directly from our own sources, and the latter to where the energy we purchase and use is produced. Plus, all our EU factories are aiming to achieve net zero for their internal operations by 2034.

Achieving these challenging goals will require teamwork and continuous support from key stakeholders: Honda Motor Europe Product Compliance and Sustainability, the SDG (Sustainability Development Goals) workgroup and a strong commitment from senior management. However, we look forward to tackling these challenges head on in pursuit of our own global corporate sustainability targets.



In-House Production

Explanatory Note

The data expressed in the “In-House Production” section is limited to the production of motorcycles, power equipment and parts, following the cessation of in-house production of automobiles in Europe in FY2022 – including both the UK in July 2021 and Turkey in September 2021. As of FY2021, the data expressed in the graphs is limited to the last five fiscal years and the data included within this report has been collected based on the following collection and calculation rules:

Energy

Energy data relates to direct energy consumption (being primary energy sources as purchased and used by the reporting organisation, including natural gas, fuels from distilled crude oil, or from renewable resources) and indirect energy consumption (through purchasing of electricity, heat and steam from fossil, nuclear or renewable sources and as used within the respective sites).

Energy used is derived from meter readings and invoices from energy suppliers.

Where conversion is required, the rate applied is based on:

- The information provided by the energy supplier, or, if not available;
- National standard conversion values, or, if not available;
- International conversion factors;
- Calculations based on chemical conversions

For the conversion to CO₂ equivalents, the following priority of conversion factors is used:

- The information provided by the energy supplier, or, if not available;
- National sector standard conversion values, or, if not available;
- National standard conversion values, or, if not available (GHG Protocol country data);
- International conversion factors (GHG Protocol data);
- Calculations based on chemical conversions (only applicable for primary energy resources)

These rules apply per site. Site data is then consolidated after conversion. To make the performances comparable we normalise the values:

- For car, motorcycle and power product production sites and transport: per unit output
- For purchase from suppliers, parts production and parts transport: per turnover (referring to base year data = 100%)
- For logistics sites, dealers and for offices: per area (m²) building

Water

The preservation and efficient consumption of water is an important objective across Honda's environmental vision. Water consumption is therefore monitored closely in production and logistics sites primarily through meter readings.

The following values have been used in order to make data comparable:

- For production sites: per unit output
- For logistics sites: per working hour

Waste

Waste control is a very important element in the environmental control of Honda's production sites globally. Honda's production and logistics sites in Europe are committed to increase the amount of waste sent for re-use or recycling. As such, Honda reports the split of waste by treatment process – re-use, recycle, recover, incinerate, landfill. Information on waste quantities and related waste treatment methods is mainly derived from waste collector data.





In-House Production

Motorcycle Production

Scope

Honda has two factories that produce motorcycles in Europe: Montesa Honda S.A. (MHSA) in Spain and Honda Italia Industriale S.P.A. (HII) in Italy.

Energy

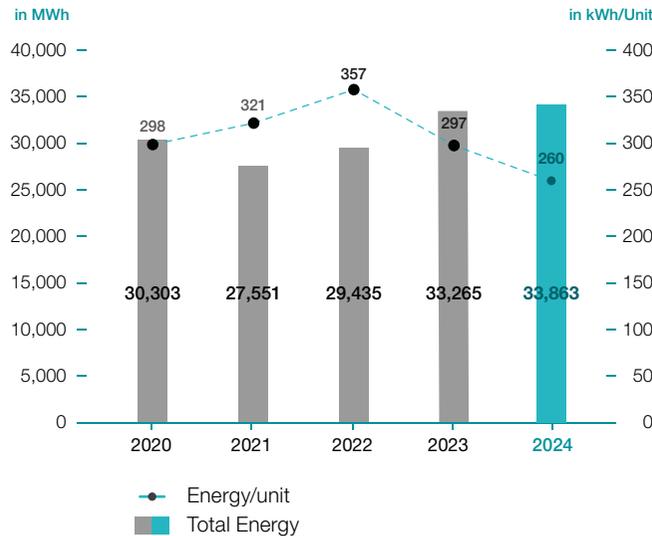
Total energy consumption remained stable despite an increase in production volume. This was due to the various energy reduction activities implemented in recent years.

Energy by Source

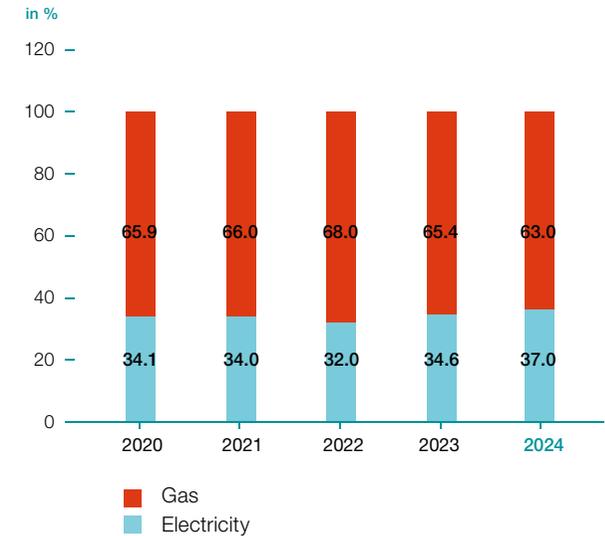
The split in energy by source in motorcycle production has remained stable for several years. This year saw a reduction in the use of gas and an increase in electricity, due to the implementation of improvements aimed at reducing gas in painting operations.



Energy Consumption for Motorcycle Production



Energy by Source for Motorcycle Production





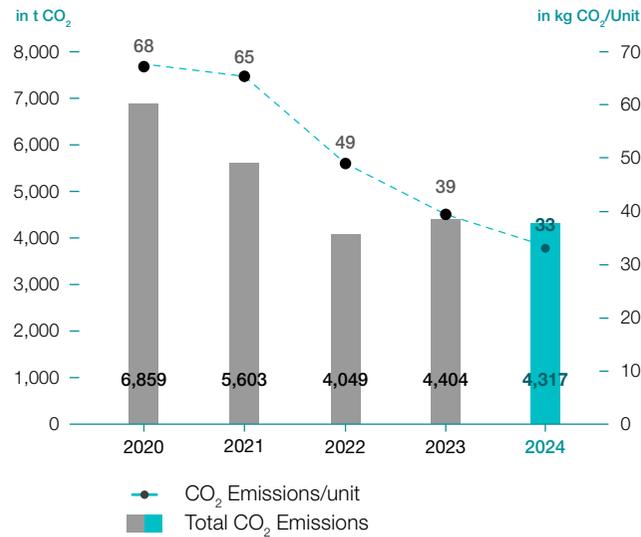
In-House Production

Motorcycle Production

Emissions

Total CO₂ emissions from production have remained stable over the last three years. CO₂ emissions per unit have decreased over this period due to reduction activities. These include the introduction of solar power, purchasing renewable electricity with Guarantee of Origin (REGO) and the reduction of gas consumption.

CO₂ Emissions for Motorcycle Production

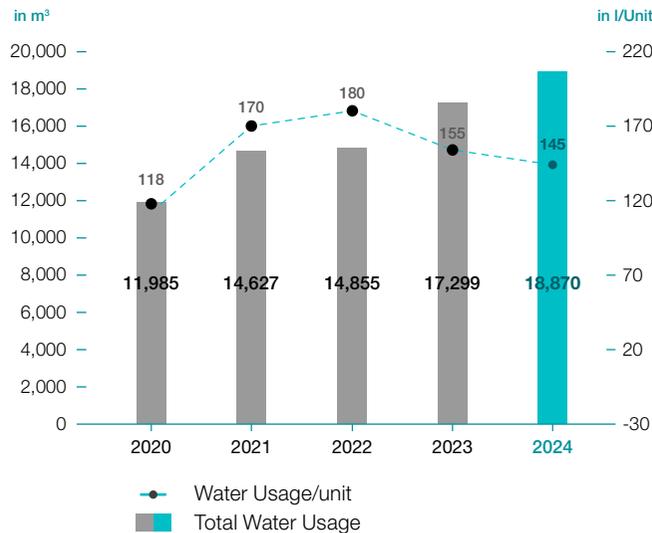


Water

Total water consumption in motorcycle production increased significantly this year, largely due to an increase in operational activity in the painting process to deal with the increase in production volumes.

However, the efficiency of water usage per unit produced has been improved through the introduction of a new water treatment system, which was implemented in FY2023.

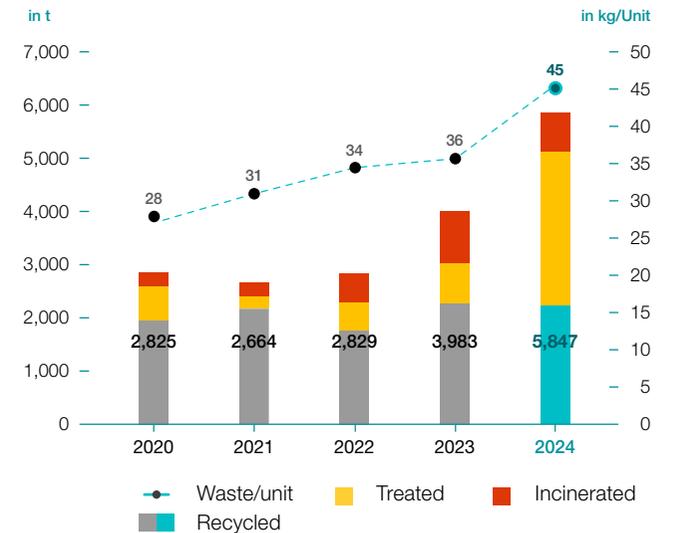
Water Usage for Motorcycle Production



Waste

In FY2024, a significant increase in production volume generated a higher volume of sludge waste due to problems with implementing a new paint/sludge management system. Countermeasures are being put in place to better manage the process, make it more efficient and reduce total sludge waste.

Waste for Motorcycle Production





In-House Production

Power Products Production

Scope

Honda France Manufacturing S.A.S (HFM) is the only factory producing Power Products in Europe.

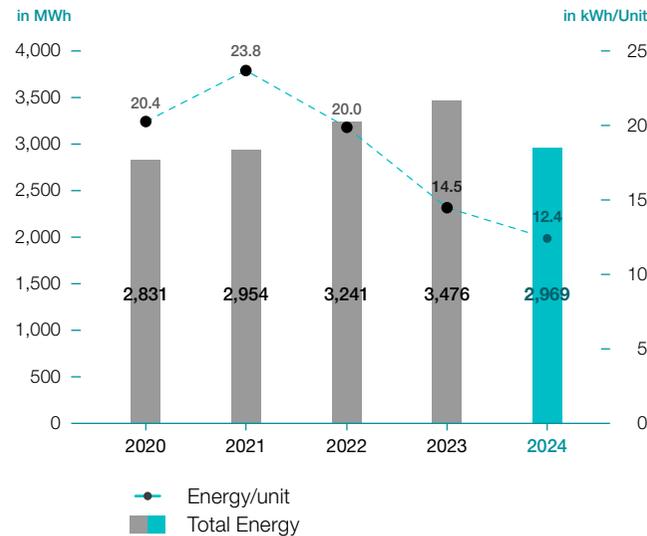
Energy

Total energy consumption in power products production reduced due to a fall in volume. Also, the paint production line was modified to reduce the use of heat energy and significantly cut energy consumption.

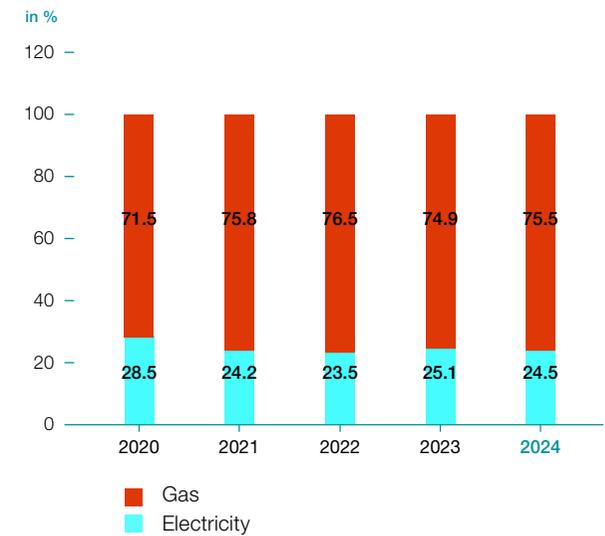
Energy by source

Gas continues to account for most of the energy in the mix due to its importance in painting operations.

Energy Consumption for Power Products Production



Energy by Source for Power Products Production





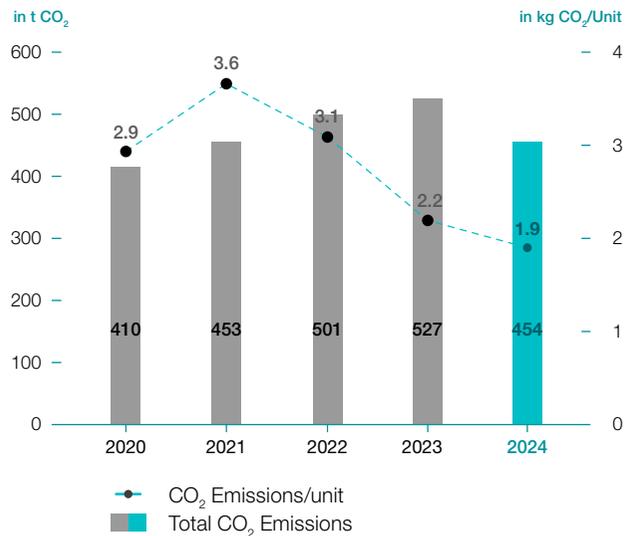
In-House Production

Power Products Production

Emissions

In FY2024, total CO₂ emissions in power product production decreased in-line with volume. CO₂ emissions per unit production decreased for the second year, due to a continued effort to reduce fossil fuel (gas) use.

CO₂ Emissions for Power Products Production

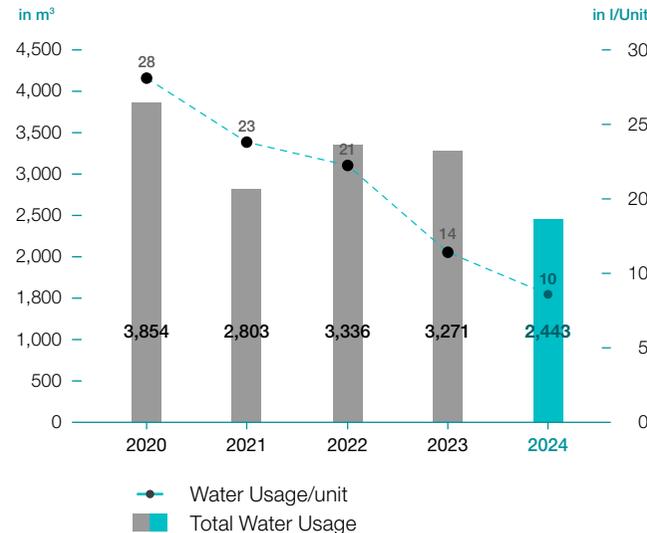


Water

Total water consumption in power product production has been stable for the fourth consecutive year, largely due to a reduction in water usage for production activities.

Water consumption efficiency has improved consistently over the last five years, due to continued conservation efforts in painting operations, which are heavily reliant on water.

Water Usage for Power Products Production

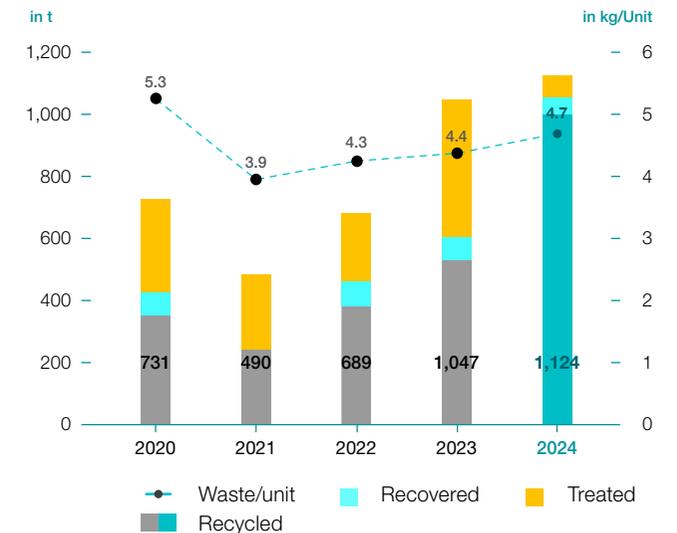


Waste

Power equipment produced slightly more waste this year compared to last year, caused mainly by packaging materials from a new supplier. We are already working on solutions to address this.

The volume of recycled materials in our waste stream has jumped significantly. This is due to a reclassification of waste from the global office, leading to a better picture of exactly what is being recycled.

Waste for Power Products Production





In-House Production

Parts Production

Scope

Honda has two factories producing parts in Europe: Montesa Honda S.A. (MHSA) in Spain and C.I.A.P.S.P.A. (CIAP) in Italy.

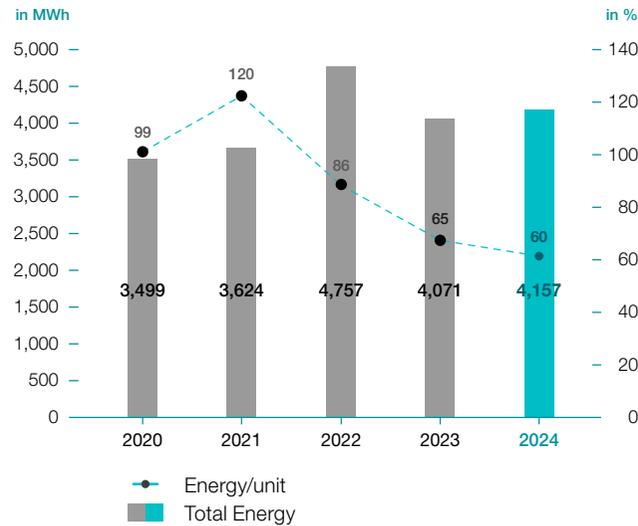
Energy

Total energy consumption in parts production facilities remained stable over the last two years. Energy efficiency has improved over the last year due to the implementation of CO₂-free electricity at our Italian factory.

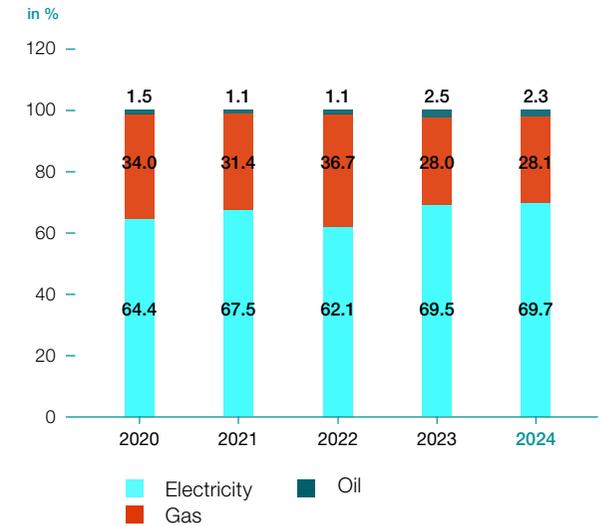
Energy by source

Gas took a smaller share of the energy mix in parts production due to improvements in energy management at the MHSA site, which saw gas consumption monitored and managed in real-time.

Energy Consumption for Parts Production



Energy by Source for Parts Production





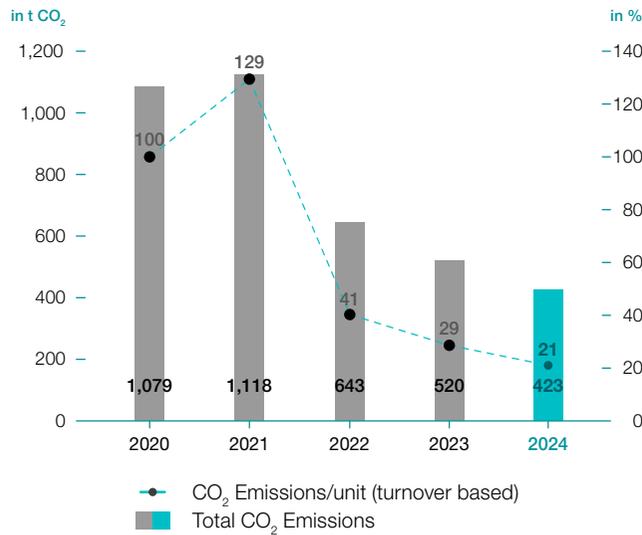
In-House Production

Parts Production

Emissions

CO₂ emissions (total and per-unit) in parts production facilities fell once again, due to the purchase of Renewable Electricity with Guaranteed Origin (REGO) and the reduction of gas consumption in FY2024.

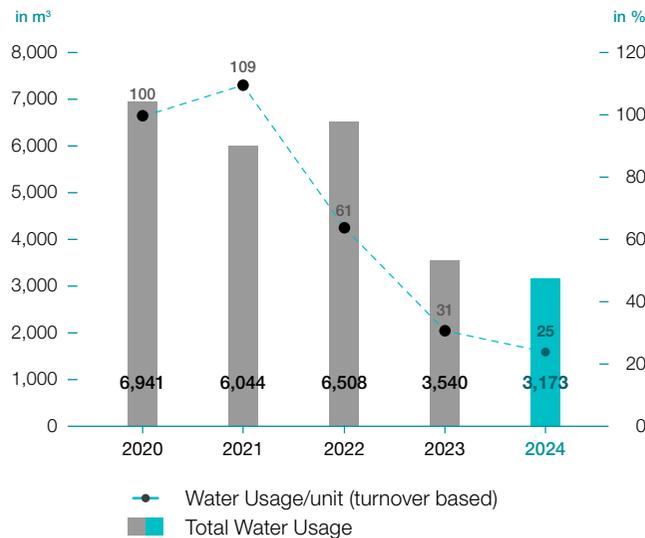
CO₂ Emissions for Parts Production



Water

Total water consumption in parts production facilities decreased significantly compared to the previous year, largely due to the reduction of water consumption in gardening. Additionally, while overall production increased, water consumption per product actually went down.

Water Usage for Parts Production

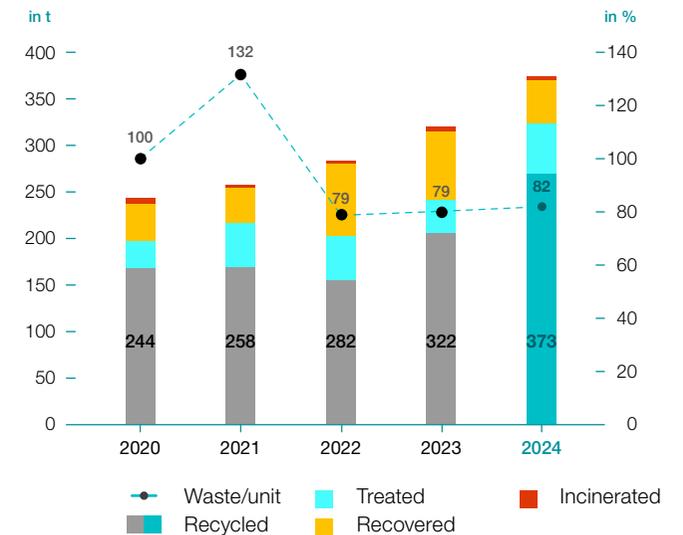


Waste

Overall waste production rose slightly compared to last year, which was in line with the increase in production volume.

The volume of recycled materials in our waste stream has seen a comparable increase, because it is mainly related to the production of scrap plastic parts, which are reused in the production of new parts.

Waste for Parts Production





In-House Production

Case Study

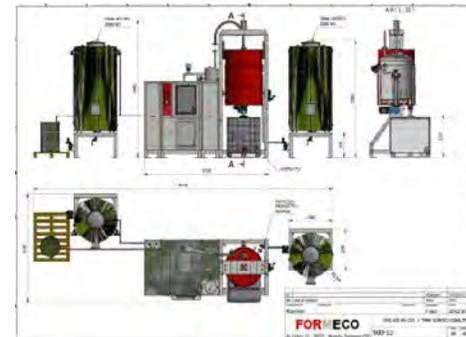
Honda Italia Industriale S.P.A.

Several efficiency measures have been introduced at Honda Italia Industriale S.P.A., each of which has positively impacted the facility's environmental endeavours.

Firstly, a water film sludge removal system was installed between July 2023 and February 2024, which increases the efficiency of water used in the veils of the painting booths. This was a direct response to issues with the previous system, which increased water consumption and waste.

Four heat pumps were also installed between November 2023 and March 2024. These replaced gas boilers and shifted the facility's reliance from gas to electricity for its heating, reducing CO₂ emissions by around 700 tons per year.

Finally, a distillation machine was installed between April 2023 and February 2024 to better manage washing thinners and exhausted paints. This facilitates the recycling of degreasing and washing solvents, which reduces both waste and cost. After it is distilled, the condensed solvent is collected for reuse. The characteristics of the treated solvent are not altered by the process, which can be repeated indefinitely. This process is expected to reduce waste by 45 tons and boost thinner recovery by 40 tons.



4

Logistics

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Logistics

Introduction by Masaya Wakuda



Masaya Wakuda,
President, HMEL

To help Honda achieve its objective of carbon neutrality across all its global operations by 2050, Honda Motor Europe is committed to taking the necessary steps across its European logistics facilities to ensure it plays its part to help create a cleaner and safer society. As such, we are running numerous ongoing initiatives which focus on energy, CO₂ and waste reduction, alongside water resource management.

As part of this, we have taken many initiatives to reduce energy consumption in our warehouses. In March 2023, we completed the installation of solar panels on our facility in Poland, which means it can now meet a large part of its electricity needs independently. We have also added extra insulation to the roofs of our Belgian facilities – HMEL-Gent and HMEL-Aalst – to reduce energy loss and ensure more sustainable and future-proofed buildings. Our Montesa motorcycle facility in Barcelona will also be fitted with solar panels in 2024.

We are now studying how we can replace gas heating at our HMEL site in Gent. Similarly, we are investigating how we can switch away from the gas heating system used on the painting line in HMEL-Aalst to further support our commitment towards carbon neutrality.

In addition, the past several years have seen us continue to minimise our environmental impact by increasing the efficiency of our European transport network. For example, we now aim to maximise the loading volume of every truck, continuously analyse the efficiency of transport routes, and use barge shipments or trains where possible. This not only results in a reduction in CO₂ emissions, but also has a positive impact on traffic and road safety. There are still further steps we can take, and this will require a strong commitment from our transport providers to deliver on our goals.

By instilling sustainability as a goal across our operations, HMEL is proud to have achieved United Nations ‘SDG Pioneer’ status. This recognises us as a business that aligns with the organisation’s 17 Sustainable Development Goals, including clean energy, climate action and sustainability.

For several years now, HMEL has also been receiving the Sustainable Entrepreneurship Charter from VOKA East Flanders. Through these, and several other ongoing initiatives, we continue to work towards our commitment to carbon neutrality and vision of sustainability.



Logistics

Transport

Car Transport

CO₂ Emissions

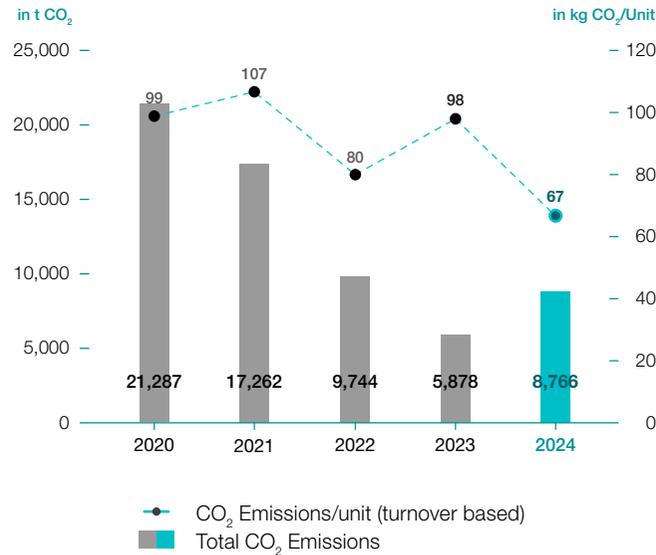
The below graph shows a general trend in reduction in total CO₂ emissions in car transport over the last five years, although there is a substantial increase in total emissions compared to last year due to increase in transportation volumes, emissions per unit vehicle have reduced due to consistent efforts to increase efficiency and sustainability in car transport

Motorcycle Transport

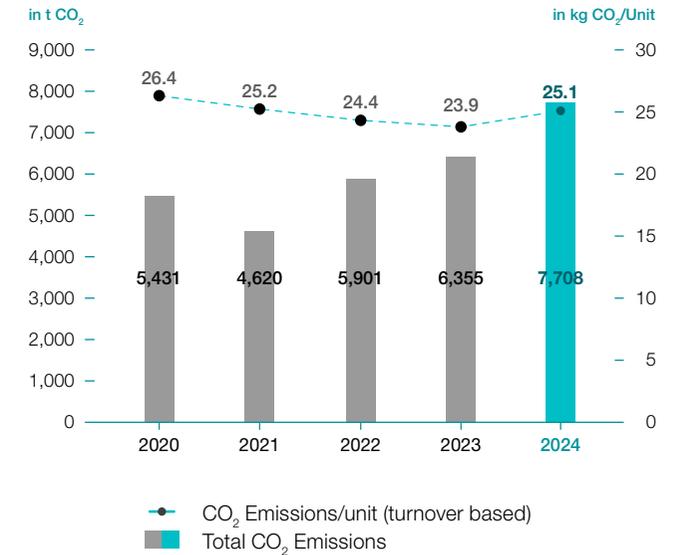
CO₂ Emissions

Total CO₂ emissions in motorcycle transport increased over the last three years, mainly due to a substantial increase in volumes of deliveries to dealers. The CO₂ emissions per unit has remained fairly stable, however, due to our consistent striving for efficiency in transport.

CO₂ Emissions for Car Transport



CO₂ Emissions for Motorcycle Transport





Logistics

Transport

Power Products Transport

CO₂ Emissions

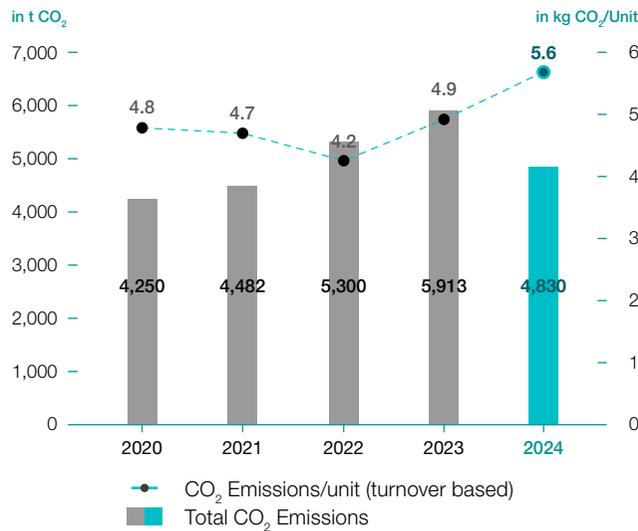
Total CO₂ emissions in power products transport decreased alongside a lower volume in transport. However, CO₂ emissions increased per unit, as we saw a drop in deliveries of our Multi-Purpose Engines for business customers. To ensure that we continue to improve efficiency, we have prioritised better management of truck loads going forward.

Parts Transport

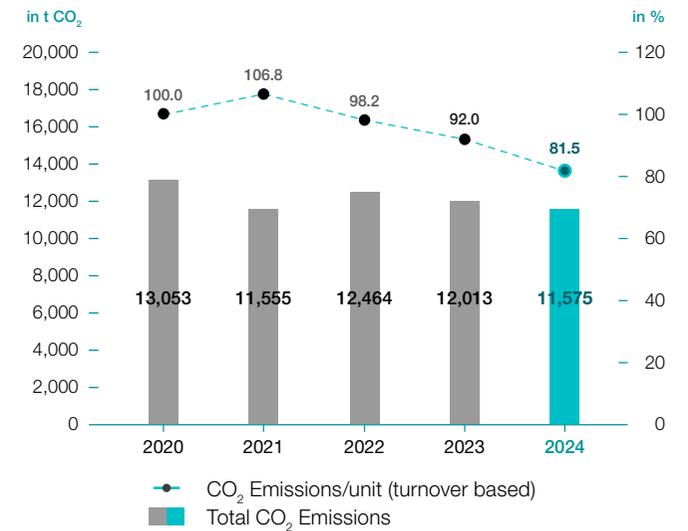
CO₂ Emissions

Total CO₂ emissions reduced compared to last year, even though the business expanded. CO₂ per unit fell during the past three years, due to a shift in transport model from road transport to marine.

CO₂ Emissions for Power Products Transport



CO₂ Emissions for Parts Transport





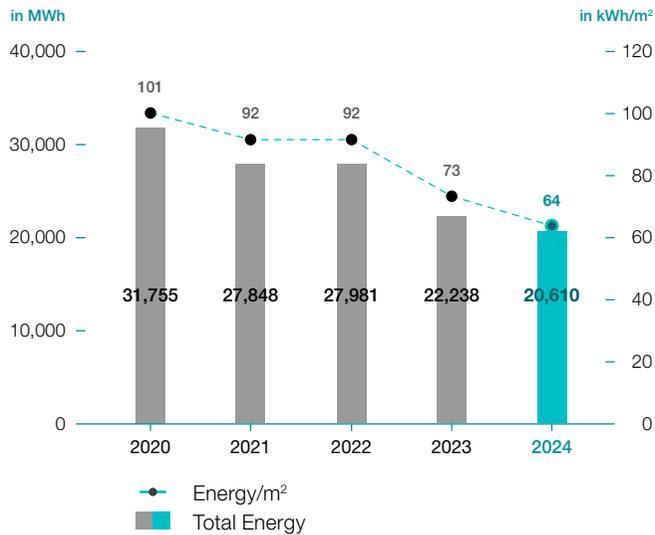
Logistics

Warehousing

Energy

Total energy consumption in warehousing has continuously fallen throughout this decade, mainly through the reduction of gas consumption for heating. By implementing additional measures in line with energy supply guidelines set by the European Commission, HMEL has achieved a 35% reduction in energy consumption in five years. As a result, overall energy consumption per unit (m²), which identifies efficiency in energy use, fell by 12.3% in the last year.

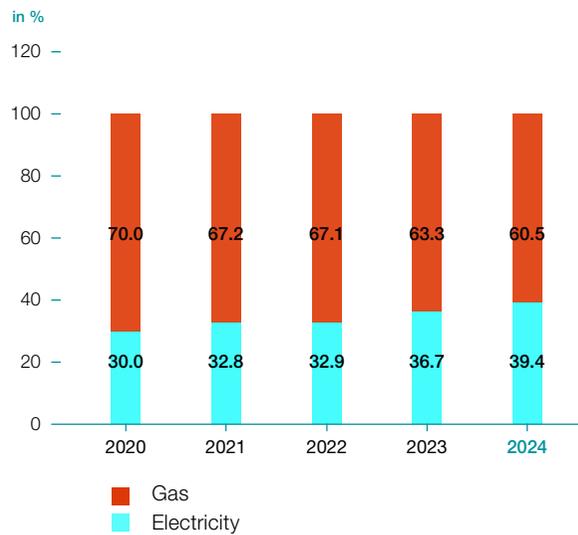
Energy Consumption for Warehousing



Energy by source

The energy mix in warehousing continues to shift away from fossil fuels, with a fall in gas usage resulting from the reduction of gas consumption for heating over the past five years.

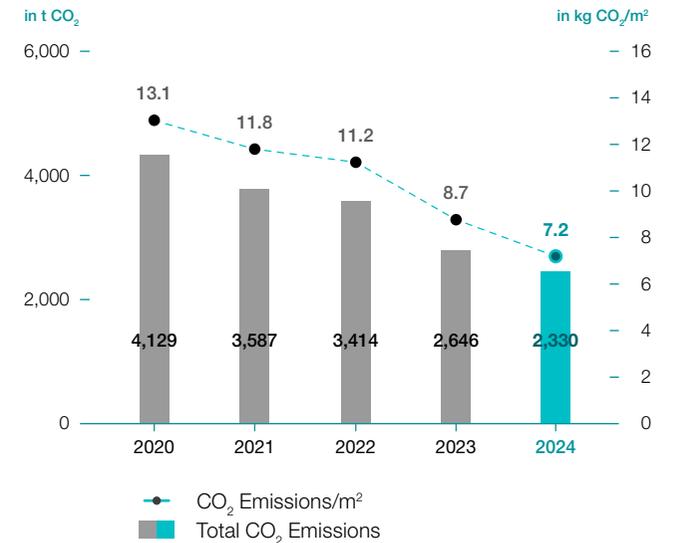
Energy by Source for Warehousing



CO₂ Emissions

We have managed to reduce total CO₂ emissions in warehousing for the fifth consecutive year, achieving a 44% reduction over that five year period. Per-unit CO₂ emissions also fell again over the past year, due to continued improvements across all sites in recent years.

CO₂ Emissions for Warehousing





Logistics

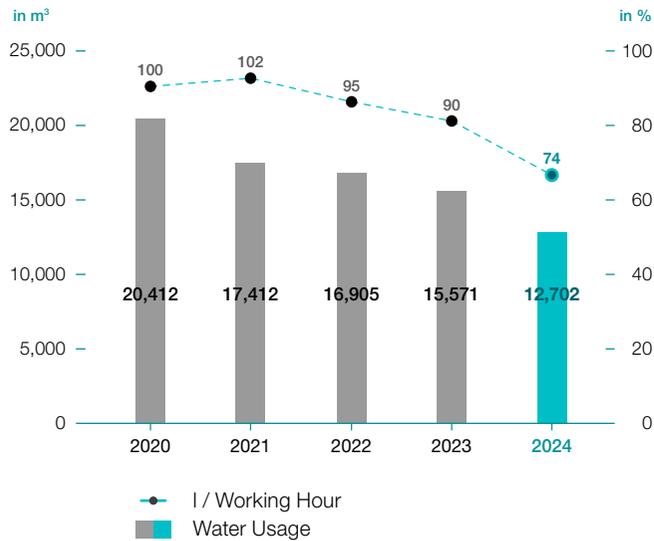
Warehousing

Water

Total water consumption in warehousing has fallen over the last five years, mainly due to changes in the activities of the organisation in Europe, such as the reduction in the painting of bumper parts in Aalst.

Per-unit water consumption decreased again due to implementation of various countermeasures and a decrease in water usage for gardening in Spain.

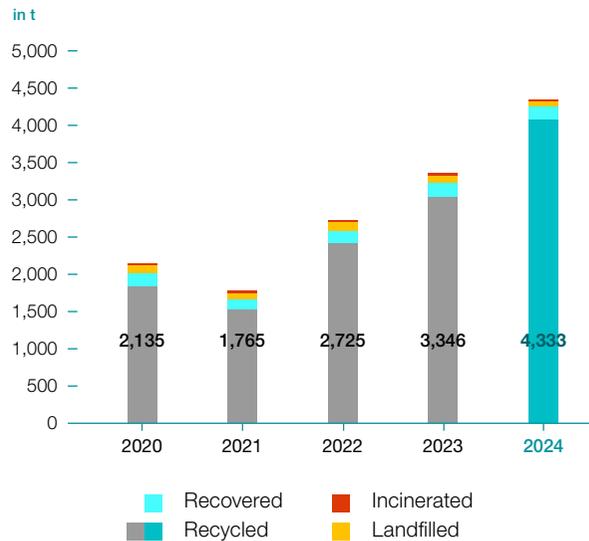
Water Usage for Warehousing



Waste

Total warehousing waste rose year-on-year in line with increased scrappage campaigns in our warehouses in Sweden and Spain. The campaigns help to centralise the collection and recycling of steel packaging for our motorcycles and reduce CO₂ by increasing the number of bikes transported on each truck.

Waste for Warehousing





Logistics

Case Study

'Naked' motorcycle deliveries

Motorcycles were previously shipped to dealers in individual crates, but HMEI has changed this method for a more sustainable alternative. The vehicles are now removed from their crates in the main warehouse in Ghent before being shipped 'naked' to the dealer, creating space for up to four more motorcycles per truck. The iron crates are then processed and recycled. The technique has allowed HMEI to reduce transport deliveries by 11% and therefore cut CO₂, while the dealer no longer has to process any packaging waste.



Case Study

Building upgrades prioritise sustainability at HMEI

HMEI prioritises sustainability through building upgrades and has recently enhanced the roof and facade insulation of its parts warehouses. This extra layer minimises the energy required to maintain comfortable building temperatures, reducing environmental impact and energy costs of the facilities. Upgraded insulation ensures the warehouses are future-proofed and reflects Honda's commitment to responsible resource use.



5

Sales & Services

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Sales & Services

Introduction by Hans De Jaeger



Hans De Jaeger,
Senior Vice President, Honda Motor Europe



At Honda, we are committed to the electrification of our product ranges to ensure we are meeting the demands of our customers and society, as well as regulation which is set across the region. This ‘Electric Vision’ strategy has already seen us electrify almost our entire automobile range, resulting in a 30% reduction in CO₂ emissions, and extends to our motorcycle and power product ranges. As such, 86 products have received our Honda Environmental Performance Standard (HEPS) certification, which sets out a series of unique guidelines to reduce emissions in production and use.

The increasing variety of the new electrified products and services we are introducing in the region – including the broadening of the company’s smart vehicle charging service, e:PROGRESS – is part of a multi-pathway approach to future electrification. This is to ensure we meet our global target of achieving carbon neutrality across all products and global operations by 2050.

Automobiles

Our fully electrified automobile range includes four SUVs – all-electric e:Ny1, the full hybrid HR-V and ZR-V, and the CR-V, available with both full hybrid and plug-in hybrid powertrains. The all-electric e:Ny1 offers a range of 412 kilometres alongside impressive levels of driving dynamics, comfort and usability.

For customers seeking a sporty and dynamic compact SUV, the ZR-V is equipped with the same e:HEV hybrid technology found within the critically acclaimed 11th generation Civic. While the latest CR-V raises the bar in terms of design, practicality and everyday usability – in addition to debuting a new e:PHEV (plug-in hybrid) powertrain option that offers up to 82km of pure electric range.

This year sees Honda celebrate 25 years of pioneering hybrid expertise, following the arrival of the revolutionary Insight coupe as Europe’s first mass-produced hybrid

model back in 1999. Ever since, the brand has pioneered the development of petrol-electric powertrain technology, with a range of models that have helped drivers make the smoothest, most convenient and cost-effective switch to an electrified future.

Motorcycles

As we look towards the electrification of our motorcycle range, the EM1 e: leads the pack. Honda’s first two-wheeled electric scooter for Europe is aimed at younger riders looking for fun, emission-free urban transport. With a range of 41km, it features the Honda Mobile Power Pack e: – a lightweight swappable battery that can be removed and topped up using a bespoke charging unit.

The EM1 e: is the next step in Honda’s ambitions to achieve carbon neutrality for its full motorcycle line-up during the 2040s, as we look to introduce at least 10 electric two wheelers globally by 2025.

Power Products

Honda’s commitment to electrification also extends to our range of power products, with several new additions over the past year.

The HRX 476 XB lawnmower is the latest within our premium HRX series, delivering industry-leading performance in a durable, quiet and environmentally friendly package. It is designed to work with Honda’s Universal Battery System, which can be used across all our cordless products, delivering power, performance, and convenience.

Honda is committed to supporting growing customer demand for cordless and electric products, and we will continue to develop battery technologies and new power products that align with our ambitious environmental goals.



Sales & Services

Sales Subsidiaries

Scope

This report covers consolidated Honda sites only. Variations in data sets when comparing year by year reflect organisational restructuring, resulting in changes to the utilisation of surface area.

Energy

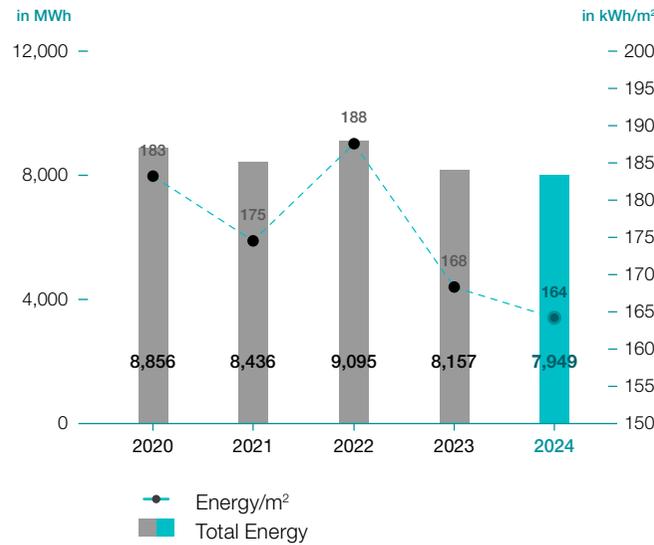
Total energy consumption across sales subsidiaries stabilised over the last year.

Over the last five years there has been an 11% improvement in total energy consumption, which has been achieved through continued efforts in effective energy management.

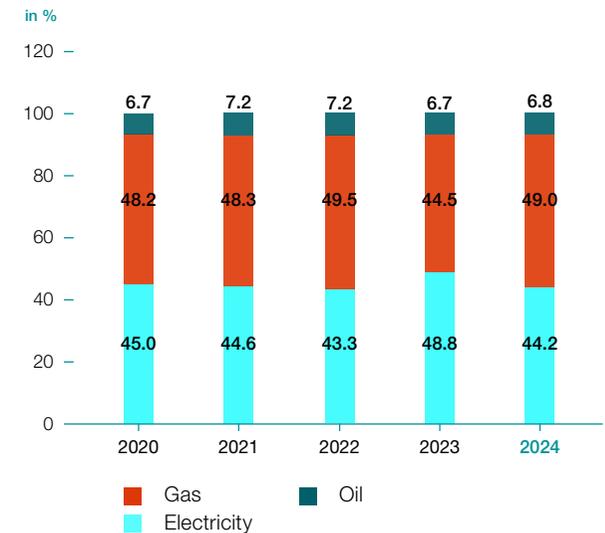
Energy Mix

The energy mix of electricity, gas and oil has remained stable over the last five years.

Total Energy for National Sales Offices



Energy by Source for National Sales Offices





Sales & Services

Sales Subsidiaries

CO₂ Emissions

Through the gradual introduction of energy produced from renewable sources – and efficiency improvements in energy use – CO₂ emissions at branches across Europe have been reduced by 17% over the last five years. The increase in CO₂ emissions over the last year was due to the rounding-up and finalisation of contracts by the energy supplier.

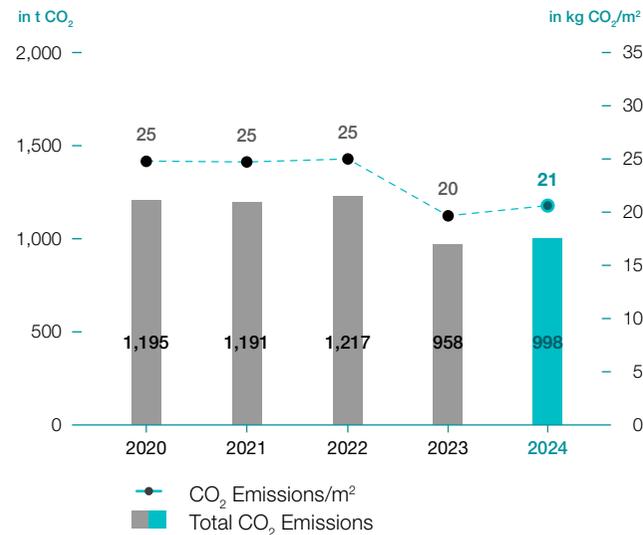
Water Consumption

Following the introduction of our 2030 vision, we have monitored and managed the preservation of water since FY2019. Reduction in water consumption has been driven by a reduction in water use for gardening in our Spanish facilities.

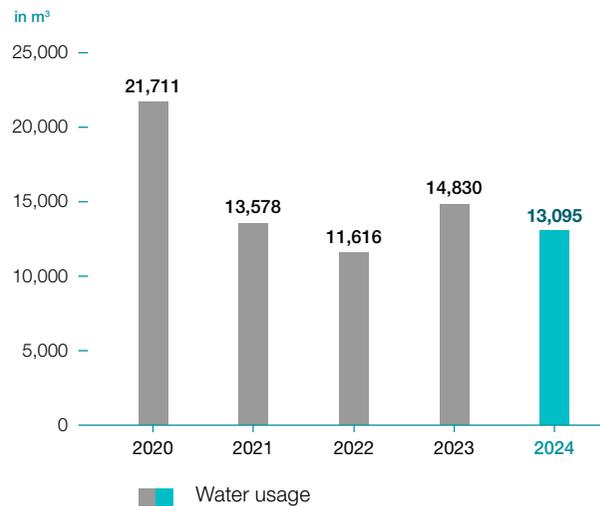
Waste

As part of our 2030 vision, waste prevention and reduction are closely monitored and managed, with the majority of the waste generated by our sales offices being recycled as a result of our initiatives. Our Belgian office has increased the accuracy of its waste measurement, which led directly to a reduction in total waste from its sales offices.

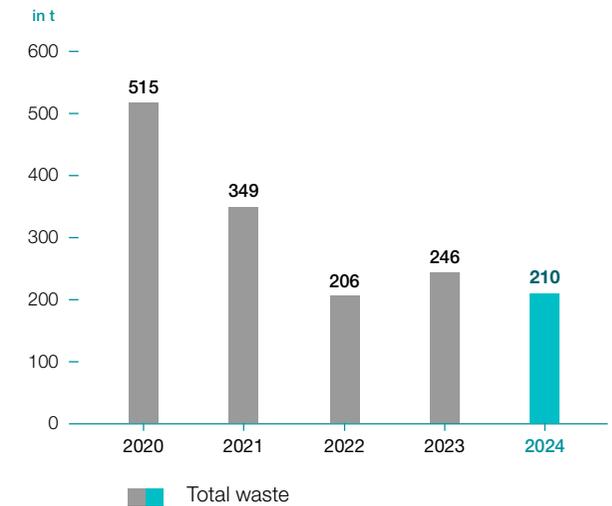
CO₂ Emissions for National Sales Offices



Water Usage for National Sales Offices



Total Waste for National Sales Offices





Sales & Services

Dealers

Scope

In total, there are nine Honda-owned dealers in the scope of this report: six in Switzerland and three in Germany.

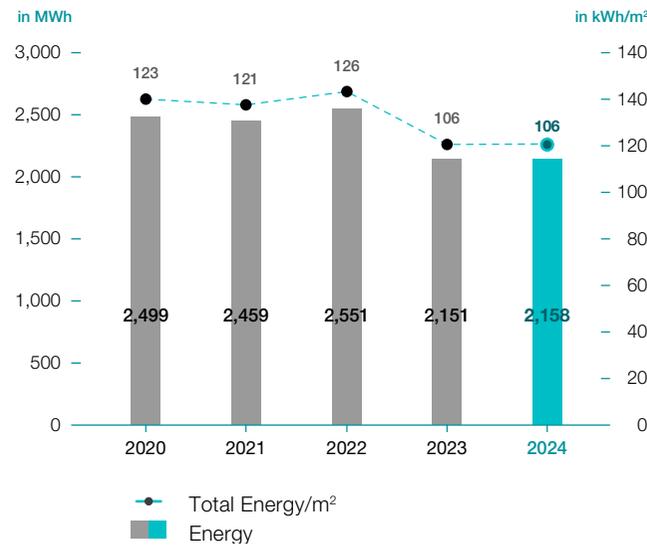
Energy

Total energy consumption across dealer sites has decreased as the use of fossil fuels – specifically natural gas for heating purposes – has fallen. By implementing measures to achieve greater efficiency, the amount of energy consumed has fallen by 14% over the last five years.

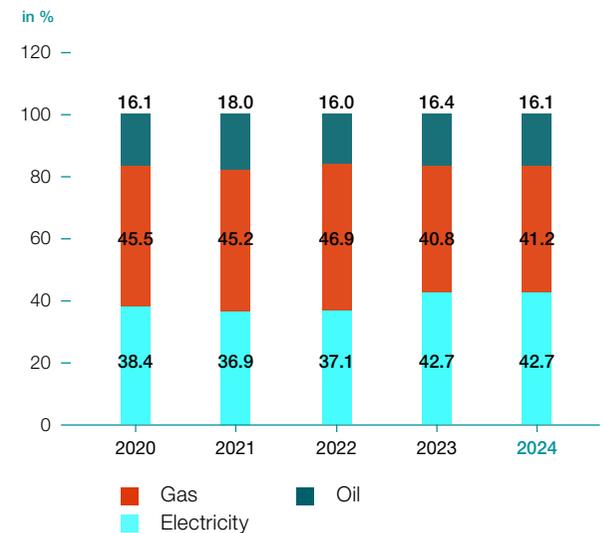
Energy Mix

The ongoing shift in the energy mix used at retail sites resulted in a 7% reduction in the use of fossil fuels over the last five years, achieved through improvements in heating efficiency.

Energy Consumption for Dealers



Energy by Source for Sales Dealers





Sales & Services

Dealers

CO₂ Emissions

Total CO₂ emissions from dealers have fallen by 35% over the last five years, while overall efficiency improved by 35%. This progress is underpinned by a 'Renewable Electricity with Guarantee of Origin' (REGO) certificate that was gained for all retail sites, in combination with an overall reduction in fossil fuel usage.

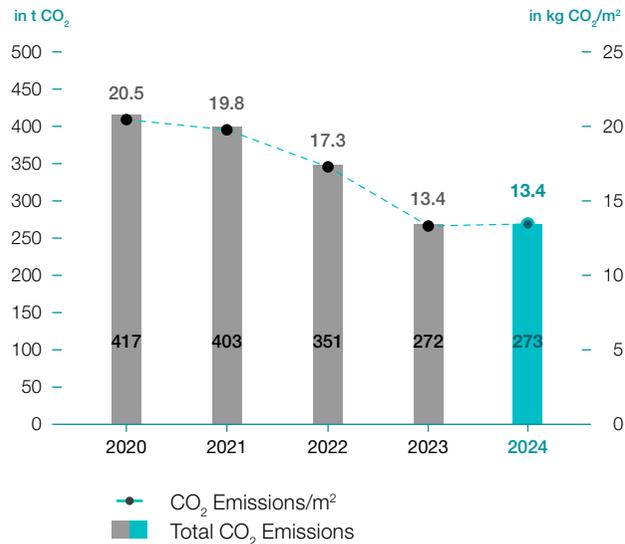
Water Consumption

Water consumption at dealerships has fallen by 13% over the past five years thanks to initiatives to reduce usage at all sites.

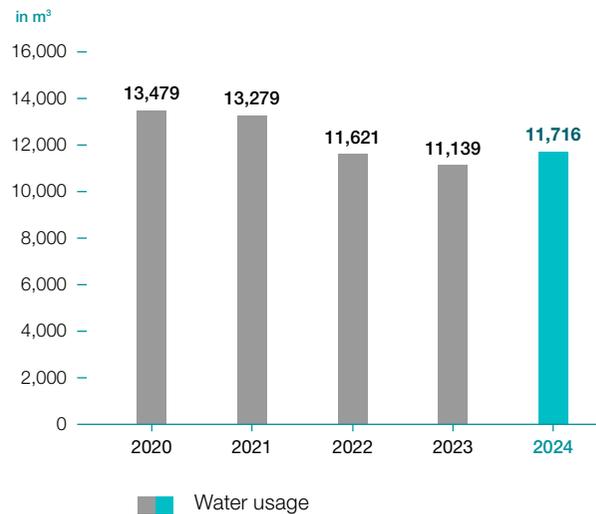
Waste

Total waste generated from dealer operations over the last five years has remained relatively stable, with most of the waste being recycled. In the next few years we will gradually implement programmes to encourage and enable the reuse of parts and materials.

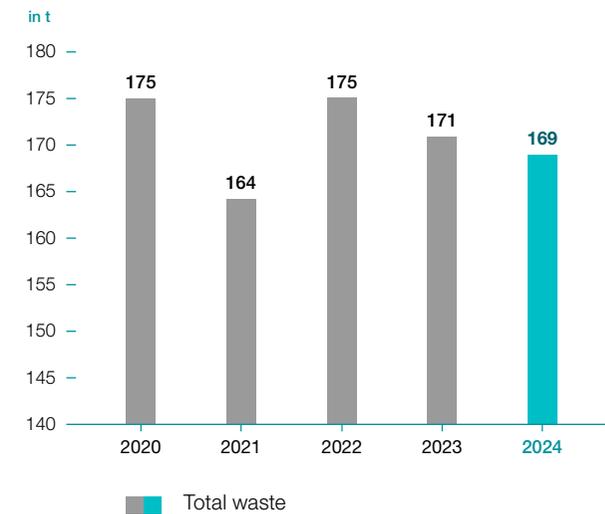
CO₂ Emissions for Dealers



Water Usage for Dealers



Total Waste for Dealers





Sales & Services

Research & Development (R&D)

Scope

This report consolidates the data from Honda's Research and Development entities within the region (Germany, Italy and the UK).

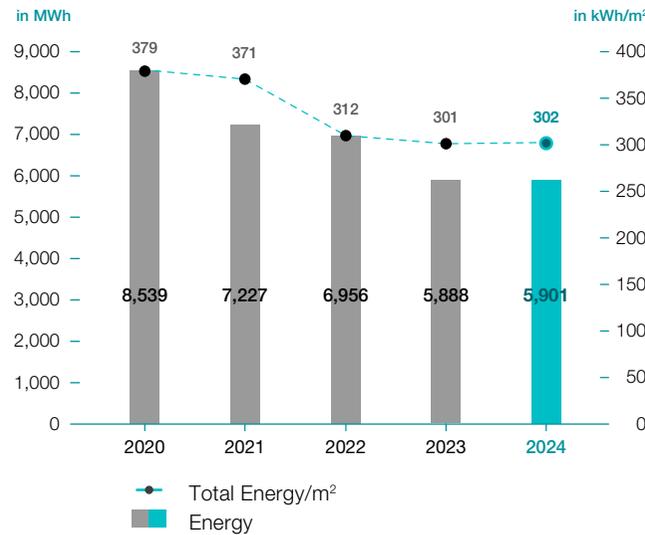
Energy

Total energy consumption across R&D sites has decreased over the past five years due to ongoing efforts in effective energy management. In the last two years, energy consumption has stabilised at a reduced level.

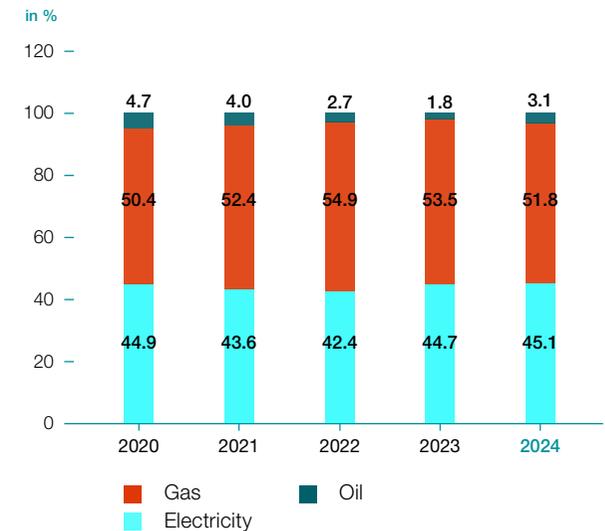
Energy Mix

The energy mix has remained stable over the last five years, with consistency across oil, gas and electricity. There are continuous efforts in place to decrease the share of fossil fuels for testing purposes, reflecting the increasing electrification of our product range.

Total Energy R&D



Energy by Source for R&D





Sales & Services

Research & Development (R&D)

CO₂ Emissions

Total CO₂ emissions in R&D have reduced consistently over the last five years and have come to a stable point. This is due to the implementation of various reduction processes, such as the cogeneration of renewable electricity. Since FY2019, all Honda R&D sites in Europe have used CO₂-free electricity.

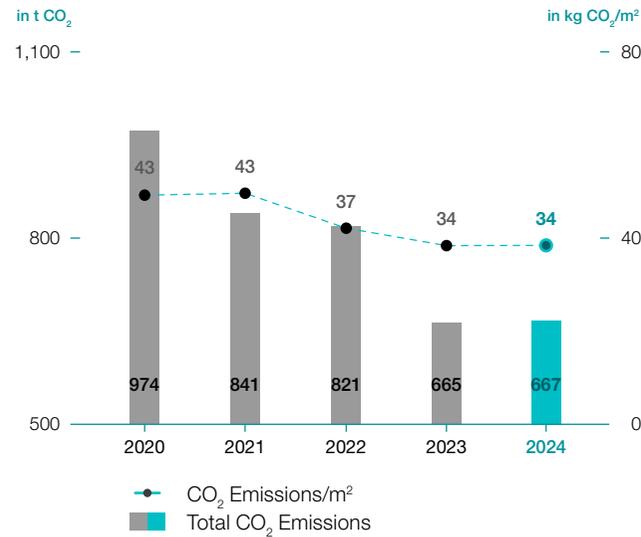
Water Consumption

Continuous promotion of initiatives to reduce water use has resulted in a substantial drop in consumption compared to the beginning of the decade. This year's increase in water use is mainly related to refurbishment works at our facilities in Germany.

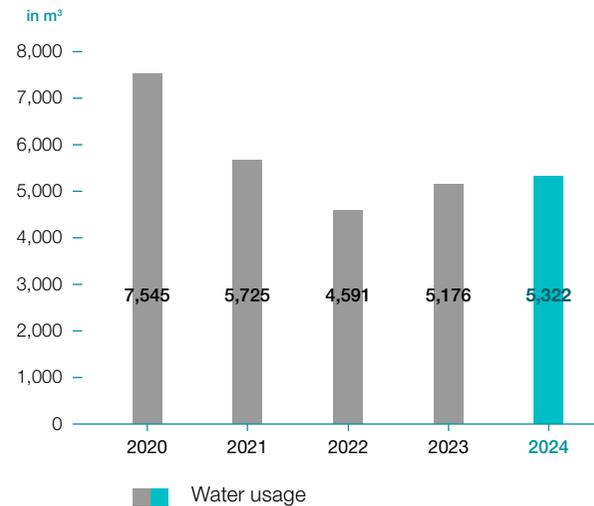
Waste

The increased amount of waste generated over the last year is related to the refurbishment of buildings at our facilities in Germany.

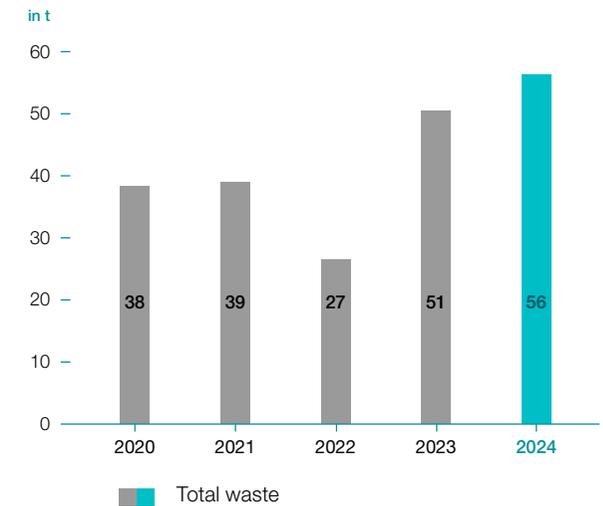
CO₂ Emissions for R&D



Water usage for R&D



Waste for R&D





Sales and Services

Case Study

Honda R&D opens green hydrogen production plant

Honda R&D in Offenbach, Germany, has officially launched its green hydrogen production plant with representatives from Honda R&D, the Mayor of Offenbach and the Japanese Consul General all in attendance for the opening in July 2024.

This facility is unique within Europe, enabling the production of green hydrogen using an intelligent and predictive energy management system, which ensures the sole usage of surplus solar power from the local photovoltaic system.

At the end of 2023, this plant had already started the commissioning and testing process, with the certification for green hydrogen production having been finalised this year.

Honda recognises that the world is facing concerns around the depletion of non-renewable energy resources, but with investment in this new technology, the production of green hydrogen can contribute to how we look to solve this problem.

The full hydrogen storage capacity at this site now enables re-fuelling of 110 passenger cars or 11 trucks. The plant will remain a crucial part of the work being done towards achieving our global carbon neutrality targets, through continued development of new hydrogen and energy management technologies.



6

Resource Circulation

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Resource Circulation

Introduction by Victoria Friend



Victoria Friend,
Head of Product Compliance and Sustainability



As we take on the challenge of realising our 2050 goal to achieve carbon neutrality as a business, a priority area is to increase the reuse and repurposing of resources, something called 'resource circulation'. That means building sustainability into every aspect of what we do, from product design to value chain management.

We're targeting a 46% reduction in Honda's CO₂ emissions globally by 2030 and carbon neutrality across all products and corporate activities by 2050.

In future, our work in this area will increasingly focus around a reduction in resource extraction as we explore more energy-efficient, low-carbon, cost-effective advanced recycling technologies that create new value for the customer.

The SH125i Vetro (Italian for 'glass') scooter is a model that features distinctive semi-transparent unpainted green fairing panels. The processes around the use of these panels at the Atessa factory reduce CO₂ emissions by 9.5% when compared with the manufacturing processes for standard painted fairings.

We have also demonstrated how society could be freed from the constraints of finite resources displaying the R&D concept of SUSTAINA-C at the 2024 Milan design week. Its panels – which do not require painting – can be manufactured using recycled acrylic resin sourced from second-hand taillights, allowing Honda to create a unique, unpainted finish that would not be possible with

traditional materials. This approach could reduce production emissions by up to 45% – both by using recycled materials and by leaving the panels unpainted, which can account for as much as 80% of the CO₂ emissions from an automobile factory.

Another instance of where we need to close this loop is how we generate and use energy, and we are already making important steps towards realising that on a site-by-site basis.

For example, at HME-L in Ghent, Belgium, at least 70% of the energy used on site is generated by a 200m wind turbine. Meanwhile, our Atessa factory uses a bank of photovoltaic panels to power 21% of HII activity. It is local steps such as these that are moving Honda forwards.

Resource circulation must inform every aspect of our activities. So, during the design phase, designers should be asking: 'How difficult will this be to recycle?'.

To this end, we created a dismantling manual for new vehicles sold in Europe. It informs recyclers of the components and materials in our products to enable optimal recycling and the opportunity to give parts a new life. We are also preparing for more stringent European legislation on this topic.

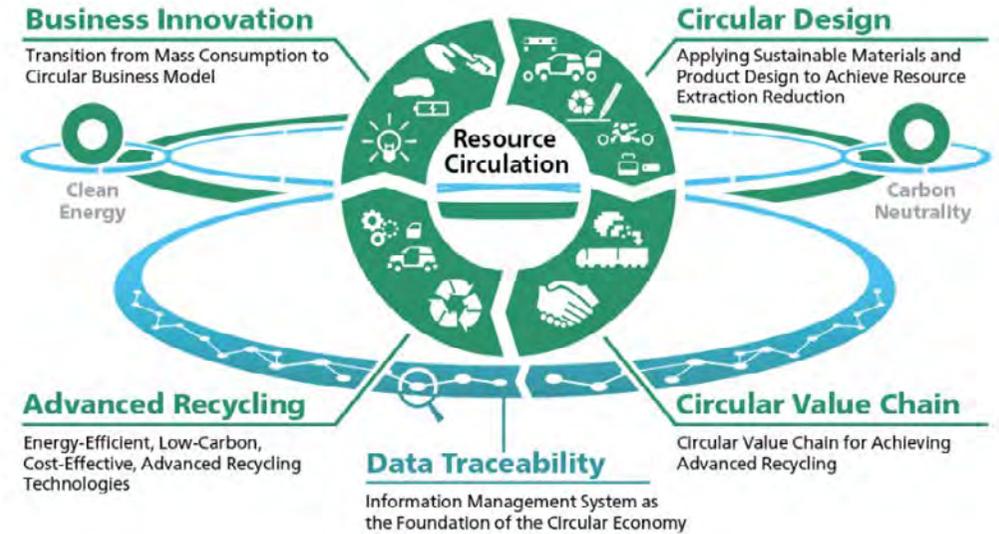


Resource Circulation

Introduction by Victoria Friend (cont.)

Increasing environmental regulation

The European Commission is leading the way with regulations aiming for carbon neutrality by 2050. Plastic packaging is now being taxed, encouraging activities to reduce unnecessary materials or replace them with more environmentally-friendly alternatives. And the law is getting stricter on supply chains too, as Europe is leading with some of the most stringent requirements for replacing hazardous chemicals. That has a positive effect for resource circulation because it makes the product easier and safer to recycle. It is therefore important that we stay one step ahead of the rapidly-changing regulations.





Resource Circulation

Case Study

End-of-Life Vehicle & Battery Management

One of the most important considerations for end-of-life cars is the safe and responsible collection and treatment of batteries, and to this end Honda has a long-standing partnership with SNAM Groupe, to collect and recycle high voltage batteries from end-of-life hybrid and electric vehicles.

Honda has worked with SNAM since 2013, to ensure the traceability of end-of life batteries and dispose of them in accordance with European Union standards.

For other battery categories, Honda registers with national schemes to ensure compliance for all battery groups and ensure the recycling of batteries across Europe.

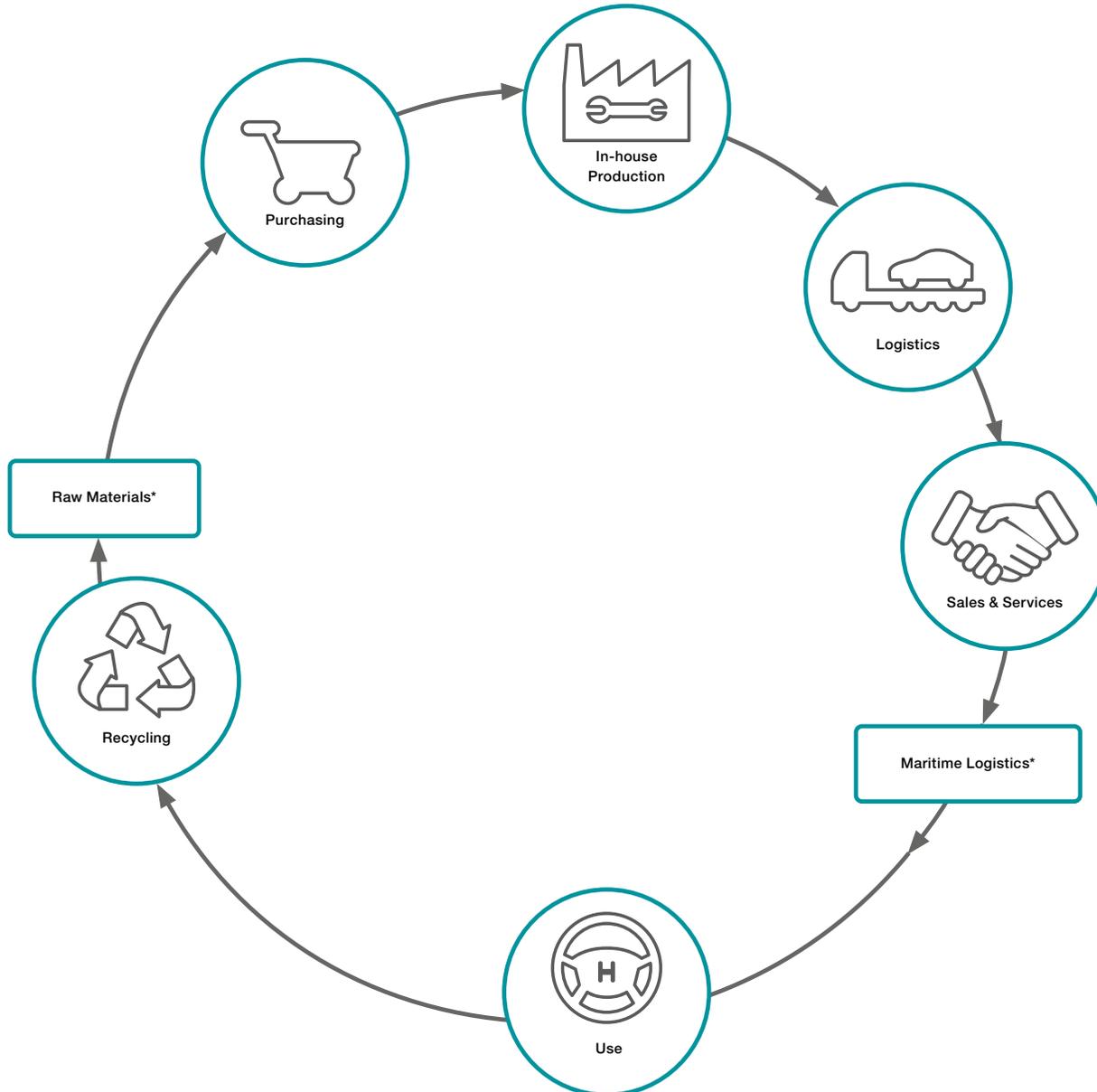
To promote the most efficient practices for recycling of automobiles, Honda is an active member in the International Dismantling Information System (IDIS). In line with the updated ELV legislation, motorcycles have now been added to IDIS for the French Market and will be expanded to other regions

Information relating to the safe dismantling, or depolluting, of Honda vehicles is uploaded to the IDIS database, enabling authorised treatment facilities across the continent to prepare vehicles for compacting and shredding, by removing pollutants such as batteries and oils.

By providing them with accurate information, Honda is enabling Member States to achieve the End-of-Life Vehicle Directive targets of 85% recycling and 95% recovery rate, in all countries.



The LCA Cycle



As Honda implements initiatives designed to realise its environmental vision, the company recognises the importance of addressing the environmental impact of products throughout their life cycle, including CO₂ emissions generated through usage.

The life cycle assessment (LCA) approach is very important to Honda, hence the use of this image throughout the regional data within the report. The aspects of the life cycle marked with * are not in the scope of this report.

If sites referenced in the report are responsible for multiple LCA aspects or sub-LCA aspects, the values which are not directly attributable are split, based on the used facility surface share (see the company overview at the end of the report).

For example, if the premises are shared by sales entities, warehousing activities and/or R&D facilities, and there is no separate measurement of the respective environmental data, the split is made based on surface used in the buildings by each of the activities.



CSR

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Honda Motor Europe 141

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CSR

Introduction by Ian Howells



**Ian Howells,
Executive Vice President,
Honda Motor Europe**

As part of Honda's global '2030 Vision' strategy, we are committed to carrying out activities in the area of corporate social responsibility (CSR) – investing in a range of diverse initiatives, from environmental and safety to social activities, which support education and local communities. All to reinforce our position across Europe as a company that society wants to exist.

Hiring Ukrainian refugees

As a global business and employer, we have a responsibility to step up and play a role in international crises wherever and whenever we can. Our French manufacturing facility in Orléans received just such an opportunity when the town hosted refugees fleeing the war in Ukraine. Our factories are always on the lookout for skilled employees, and hiring some of the town's new residents was the perfect way both to assist with a wide-ranging international issue and to forge a mutually beneficial working partnership with those seeking a new, peaceful life.

Community awards sponsorship

We may be a global business, but we have an equally strong focus on our local impact. Honda Motor Europe's head office in Bracknell, UK, is every bit a part of the local community, so it was only natural that we chose to sponsor the Pride of Bracknell Forest Awards. They first took place in 2005, and celebrate the achievements of outstanding individuals in the local community. They bring together a broad range of disciplines, including education, business, sport and leisure, local government and the voluntary sector, to showcase the very best of our community of which Honda is proud to be a part.

Looking to the future

In accordance with the United Nations' Sustainable Development Goals (SDG), Honda will continue to contribute to the sustainability of society through an ever-broadening range of activities.



Materiality

Honda Motor Europe (HME) Sustainability Update

Honda Motor Europe (HME) remains firmly committed to operating responsibly by carefully considering the impact of our business on the environment and society. This commitment aligns with our overarching goal of being a company that society values and wants to exist.

Building on our previous sustainability efforts, HME has recently advanced its strategy by initiating a comprehensive double materiality assessment. This new phase is conducted in accordance with the recommendations of the European Sustainability Reporting Standards (ESRS), in line with the Corporate Sustainability Reporting Directive (CSRD). Our aim is to ensure that our operations meet emerging regulatory expectations and ESG (Environmental, Social, and Governance) disclosure requirements. The current double materiality process will evolve from the foundational materiality assessment we completed last year (as demonstrated by the attached matrix, page 101) and will help refine our approach by identifying and prioritizing key ESG topics and establishing thresholds for Impact, Risk, and Opportunity (IRO) identification.

The double materiality approach ensures that we address both the impacts our operations have on society and the environment (outside-in perspective) and how external trends, risks, and opportunities affect our business (inside-out perspective). This aligns with the ESRS focus on impact materiality and financial materiality, recognising the reciprocal relationship between Honda's activities and the surrounding environment, society, and regulatory landscape. We aim to refine this holistic view through an integrated assessment, emphasising environmental impact, social factors, and governance considerations.

As part of this transition, we will focus on CSRD compliance, with the 2025 reporting period being a key milestone. Although HME will formally be required to submit our CSRD-compliant ESG report by 2026, we intend to use 2025 as a preparatory year. This will allow us to thoroughly test our internal processes, data collection mechanisms, and sustainability initiatives to ensure a smooth transition into formal ESG reporting. Through this process, we will explore new reporting methodologies, including double materiality thresholds for the identification of risks and opportunities, sustainability impact on financial performance, and adherence to ESRS reporting frameworks.

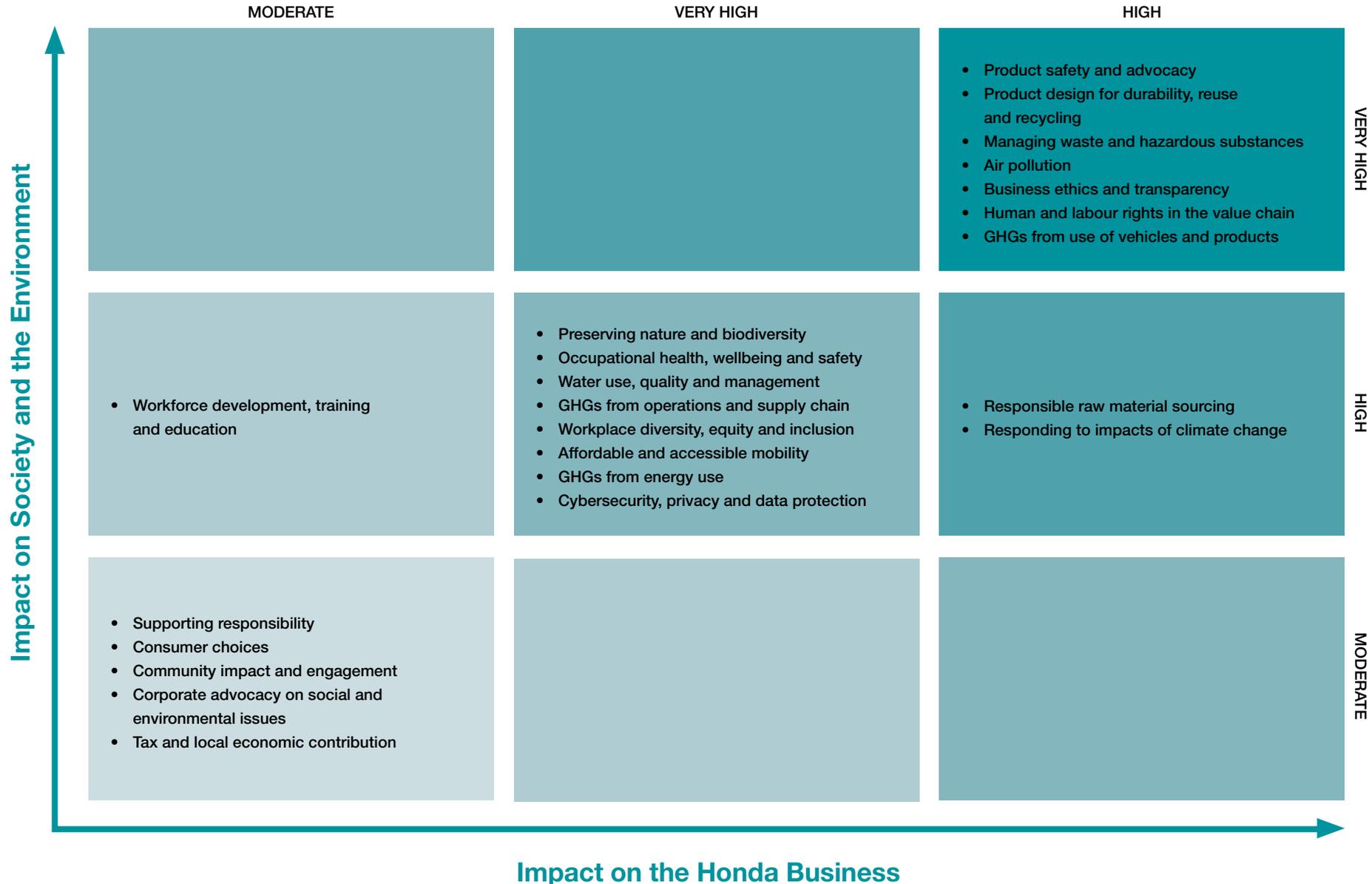
The initial findings of our materiality assessment highlighted several areas for strategic growth and development in our ESG efforts. Specifically, the environmental pillar remains a top priority, with product design identified as having the most significant impact and growth potential. Our efforts will focus on designing products for durability, reuse, and recycling, thereby contributing to the circular economy, minimising resource use, and reducing waste. Additionally, key environmental growth areas include climate change mitigation, managing greenhouse gas emissions (GHG), reducing air pollution, and improving waste management.

We are also extending our focus to address human rights, business ethics, and responsible raw material sourcing, consistent with the ESRS guidance on social and governance disclosures. These are vital components of our sustainability approach, which will be rigorously integrated into our future CSRD-compliant reporting structure.

As we continue this journey, HME is committed to maintaining transparency, engaging with stakeholders, and aligning with the latest EU sustainability standards to enhance the positive impact of our operations on society and the environment.



Materiality





CSR

Case Study

Honda France Manufacturing hires Ukrainian refugees

The French city of Orléans began accepting refugees when the war in Ukraine broke out. Honda France Manufacturing S.A.S., located just north of the city, participated in a chain of solidarity established by the local authorities, which saw the company hire a series of temporary staff from Ukraine.

As many of the arrivals spoke neither English nor French, French-speaking Ukrainian associates took on the role of coordinating the refugees. To date, a total of 20 refugees have been hired to work at the facility.



Case Study

Sponsorship of Pride of Bracknell Forest Awards

The Pride of Bracknell Forest Awards started in 2005 to celebrate the achievements of outstanding individuals in the local community.

As a local business, we believe it to be an excellent initiative, because the awards bring together education, business, sport and leisure in local government and the voluntary sector, to showcase the very best of the community.

In 2023, we sent a group of HME-UK Associates to represent the business at the awards night. Honda UK sponsored the volunteer of the year award, which was presented to the worthy winners by HME's Executive Vice President, Ian Howells.





Certificates & Registrations

Certificates and Registrations

Safety and the environment have always been an integral part of Honda's operations across the globe. A healthy, safe and environmentally responsible workplace and workforce is vital to us, and to achieve this we operate all aspects of our business in compliance with our stated policies and procedures. We also comply with all relevant legislation as an absolute minimum, aiming to exceed these standards wherever we can. Our Safety and Environment policies are the starting point of this activity, supported by company action guidelines that provide direction to our improvement and clearly establish our responsibilities. Honda's environmental and safety activities are reinforced by the achievement of the Environmental Management standard ISO 14001:2015 and the Safety Management standard OHSAS 18001:2007. This has strengthened the process of continuous improvement and assured compliance with legislation

Safety Policy

Honda will ensure a safe and healthy working environment by building safety into our processes and equipment, helping to achieve the highest level of safety awareness in our associates. There can be no production without safety. In a global capacity, Honda's quest for safety in its products is not limited to the needs of car drivers and motorcycle riders. Our total commitment to 'Safety for Everyone' extends to passengers, pedestrians, occupants of other vehicles and everyone on the road. We will therefore continue to develop and refine our innovative technologies to realise a safer society.

Environment Policy

Honda will make every effort to protect the environment from the effects of its manufacturing operations and will achieve, by means of continual improvement, the expectations of society and our local community. From its early days Honda has implemented proactive measures to help solve environmental challenges. As we continue in our ongoing efforts, we have set for ourselves clear targets to help preserve our environment and strive to be 'a company society wants to exist' through leadership in environmental and energy technologies.





Certificates & Registrations

Factories

| Validity Date | ISO 14001 | OHSAS 18001 (ISO 45001) | ISO 50001 | EMAS |
|-----------------------------------|---------------|-------------------------|---------------|-----------|
| Honda Italia Industriale S.P.A. | July 2025 | July 2025 | - | June 2025 |
| C.I.A.P. S.P.A. | December 2024 | December 2024 | - | - |
| Montesa Honda S.A. | November 2024 | November 2024 | November 2024 | - |
| Honda France Manufacturing S.A.S. | October 2024 | October 2024 | - | - |

Logistics Centres

| Validity Date | ISO 14001 | ISO 45001 | EMAS |
|---|-----------|-----------|----------------------------------|
| Honda Motor Europe Logistics - Aalst | May 2026 | May 2026 | Replaced by Environmental Report |
| Honda Motor Europe Logistics NV | | | |
| Honda Motor Europe Logistics - Austria | | | |
| Honda Motor Europe Logistics - Central Europe Sp.z.O.Z. | | | |
| Honda Motor Europe Logistics - Spain AS | | | |
| Honda Motor Europe Logistics - Italy SPA | | | |
| Honda Motor Europe Logistics - Sweden AB | | | |
| Honda Motor Europe Logistics NV - UK Branch | | | |

* Honda Motor Europe Logistics NV centralises the environmental and health management system for itself and the Honda Logistics Centres in Europe. All sites are covered by the same system.



Honda Sites



Honda Motor Europe Logistics Sweden Branch

Factories

| | Name | City | Country |
|-------|----------------------------------|------------------------------------|---------|
| HII | Honda Italia Industriale. S.P.A. | Atessa | Italy |
| CIAP | C.I.A.P. S.P.A . | Bologna | Italy |
| MHSAU | Montesa Honda S.A.U. | San Perpetua de Mogoda (Barcelona) | Spain |
| HFM | Honda France Manufacturing S.A. | Ormes (Orléans) | France |

Logistics

| | Name | City | Country |
|---------|--|-------------------------|---------|
| HMEL | Honda Motor Europe Logistics NV | Gent & Aalst | Belgium |
| HMEL AT | Honda Motor Europe Logistics Austria Branch | Guntramsdorf | Austria |
| HMEL PL | Honda Motor Europe Logistics Central Europe Branch | Pniewy | Poland |
| HMEL ES | Honda Motor Europe Logistics Spain Branch | Barcelona | Spain |
| HMEL IT | Honda Motor Europe Logistics Italy Branch | Collogna Al Colli | Italy |
| HMEL SE | Honda Motor Europe Logistics Sweden Branch | Malmö | Sweden |
| HMEL UK | Honda Motor Europe Logistics UK Branch | South Marston (Swindon) | UK |
| HACE | Honda Access Europe N.V. | Aalst | Belgium |



Honda Motor Europe, Bracknell Headquarters, UK



Honda Sites



Honda Centre, Frankfurt, Germany



Honda Centre, Frankfurt, Germany II

Sales Subsidiaries (Administration)

| | Name | Location | Country |
|---------|--|------------------------------------|----------------|
| HME | Honda Motor Europe Ltd. | Bracknell | UK |
| HME-DE | Honda Deutschland Niederlassung der Honda Motor Europe Ltd. | Frankfurt | Germany |
| HME-CH | Honda Motor Europe Ltd, Succursale de Satigny/Geneve | Satigny Geneve | Switzerland |
| HME-AT | Honda Austria branch or Honda Motor Europe Ltd. | Wiener Neudorf | Austria |
| HME-BEB | Honda Motor Europe Ltd. Belgian Branch | Zellik (Brussels) | Belgium |
| HME-FR | Honda Motor Europe Ltd. (France) | Marne la Vallée | France |
| HME-IT | Honda Motor Europe Ltd. (Italia) | Rome | Italy |
| HME-ES | Honda Motor Europe Ltd. Sucursal en Espana | San Perpetua de Mogoda (Barcelona) | Spain |
| HME-BEA | Honda Motor Europe Ltd. Belgian Branch - Aalst Office | Aalst | Belgium |
| HME-PT | Honda Motor Europe Ltd. Sucursal en Portugal | Sintra | Portugal |
| HME-CZ | Honda Motor Europe Ltd. Ceska Republica | Praha 5 | Czech Republic |
| HME-SK | Honda Motor Europe Ltd. Organizacna Zlozka | Bratislava | Slovakia |
| HME-HU | Honda Motor Europe Ltd. Magyarorszagi Fioktelepe | Budaörs | Hungary |
| HME-PL | Honda Motor Europe Ltd. (Spolka Z Organiczona Odpowiedzialoscia) Odzial W Polsce | Warszawa | Poland |
| HME-NR | Honda Motor Europe Ltd. Filal Sverige | Malmö | Sweden |
| HME-NO | Honda Motor Europe Ltd. Norge norsk avdeling av utenlansk foretak | Drammen | Norway |
| HME-DK | Honda Motor Europe – Denmark filial af Honda Motor Europe Ltd. United Kingdom | Kolding | Denmark |



Honda Sites



Honda R&D Europe (Deutschland) GmbH, Offenbach, Germany

Finance Subsidiaries (Administration)

| | Name | Location | Country |
|-----|--------------------------------|----------------------|----------------|
| HFE | Honda Finance Europe PLC | Bracknell | UK |
| HBG | Honda Bank GmbH | Frankfurt, Barcelona | Germany |
| HVG | Honda Versicherungsdienst GmbH | Frankfurt | Germany, Spain |

Research & Development

| | Name | City | Country |
|--------|--|-----------------|---------|
| HRE-UK | Honda R&D Europe (U.K.) Ltd. | Theale, Reading | UK |
| HRE-G | Honda R&D Europe (Deutschland) GmbH | Offenbach | Germany |
| HRI-EU | Honda Research Institute Europe G.M.B.H. | Offenbach | Germany |
| HRE-I | Honda R&D Europe (ITALIA) S.R.L. | Roma | Italy |



Honda Sites

Dealers

| | Name | Location | Country |
|-------|--|------------|-------------|
| GG | Garge Du Golf | Aigle | Switzerland |
| GCS | Garage City Servette S.A. | Geneve | Switzerland |
| GB | Honda Retail Group S.A. | Lausanne | Switzerland |
| GJ | Garage des Jordils S.A. | Neuchatel | Switzerland |
| GVC | Garage de Villars Chandolan S.A. | Fribourg | Switzerland |
| LG | Letzigraben Garage AG, Spreitenbach Branch | Zurich | Switzerland |
| HC -G | Honda Center - Germany GmbH | Frankfurt | Germany |
| | Honda Center - Germany GmbH | Düsseldorf | Germany |
| | Honda Center - Germany GmbH | Leipzig | Germany |

Organisation changes since 31/3/2023

| | |
|---------------------------------------|---|
| Honda Racing Corporation UK Limited - | <p>Not part of HME legal structure but there is a management relationship.</p> <p>Company incorporated 28 February 2024.</p> <p>Related Data will be included as from the 2025 Year Report onwards.</p> |
|---------------------------------------|---|



GRI Reference List

Based on the following GRI reporting recommendations:

GRI 2: General Disclosures

GRI 3: Material Topics

GRI 301: Environment

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