

Materiality Matrix

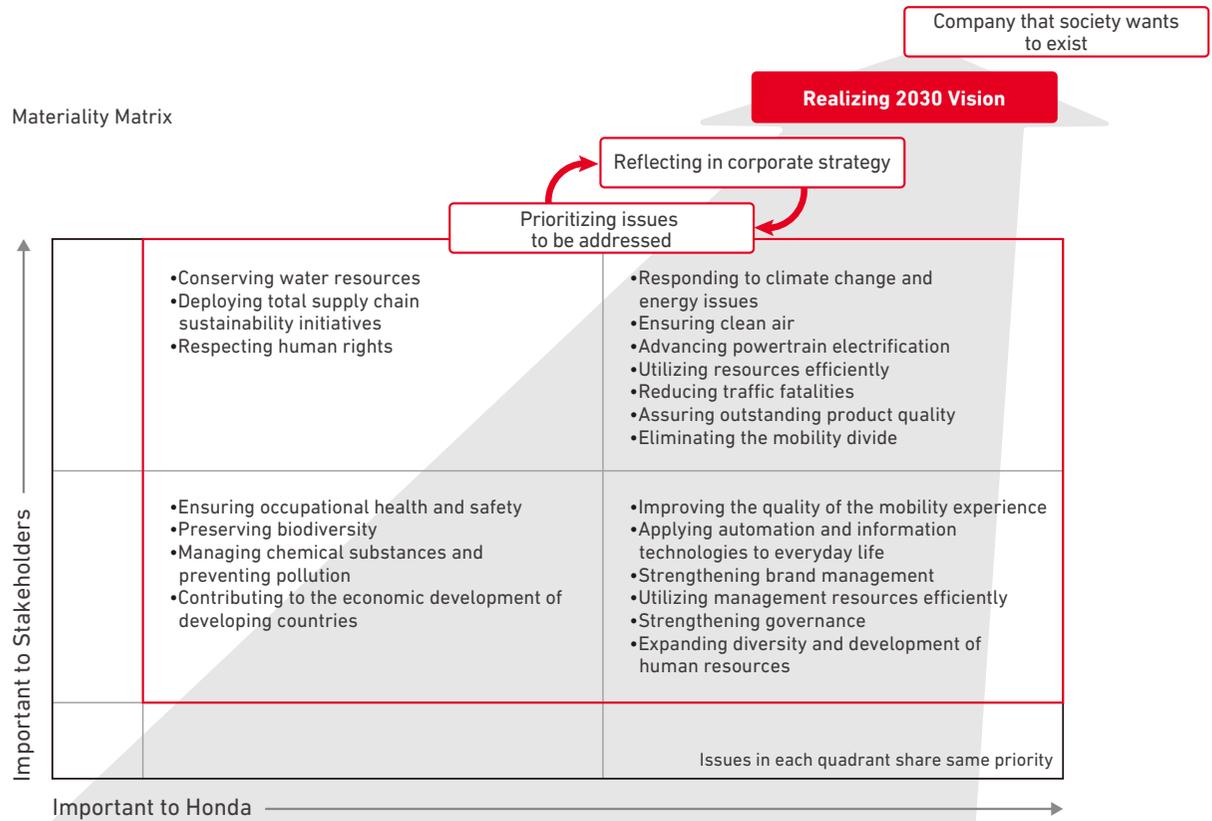
Evaluation of Issues from the Stakeholders' Perspective (Materiality Matrix)

Visualizing Issues and Reflecting in Corporate Strategy

At Honda, key issues that require addressing are organized from a corporate perspective and from the viewpoint of our stakeholders as a step toward achieving our long-term vision, which is based on the Honda Philosophy. The materiality matrix provides the essential framework for organizing these issues. By creating and employing this matrix, we confirmed the coverage of each issue and clarified where it is positioned.

The materiality matrix was prepared in two stages, in which issues were identified and then were categorized according to their materiality. Issues were identified through dialogue between members of respective operating divisions within the Company and from global and value chain perspectives in light of the status of technological innovation, SDGs* and social issues pursuant to the Paris Agreement. Evaluation of the materiality of these issues in light of the views of stakeholders was conducted through dialogue with leading environmental, social and corporate governance (ESG) rating agencies and NGOs in Europe and the United States that focus on sustainability issues. The contents were also evaluated and assessed by management at the Company's Sustainability Strategy Committee meetings and other occasions.

This resulted in the successful visualization of critical issues to be addressed on a priority basis as a mobility company, including the realization of a carbon-free society and a collision-free society. Our efforts aim to contribute to the achievement of certain SDGs, notably Goal 13 "Take urgent action to combat climate change and its impacts" and Goal 7 "Ensure access to affordable, reliable, sustainable and modern energy for all" and Goal 3 "Ensure healthy lives and promote well-being for all at all ages." Critical issues specified based on the views of stakeholders will be reflected in corporate strategy and incorporated into respective business activities to achieve the vision.



*This refers to Sustainable Development Goals, which are international objectives related to such areas as poverty, hunger, energy, climate change and a peaceful society adopted at the United Nations Sustainable Development Summit in 2015.