

Stakeholder Engagement

Basic Approach

To be a “company that society wants to exist,” Honda must appropriately and accurately convey to society the value that it seeks to offer. Together with this, Honda must put into practice a communication cycle in which it engages in dialogue with diverse stakeholders to grasp and understand the demands and expectations placed on the Company, translate these into concrete measures and implement them, and finally listen to stakeholders’ evaluations of its activities.

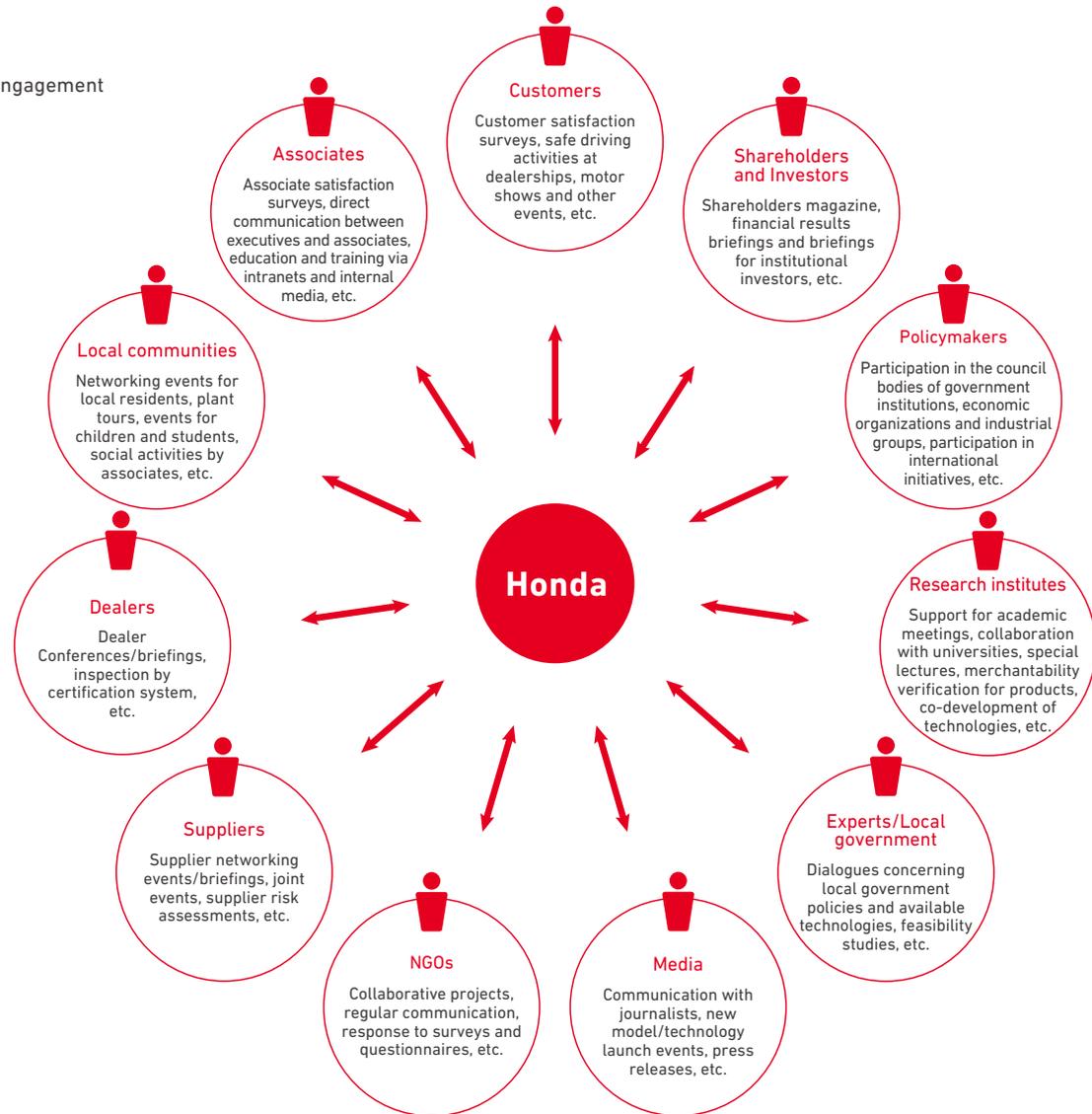
Especially in recent years, the growing scale and globalization of companies, along with the rapid proliferation of IT, have heightened the impact of companies on society, and vice-versa. As this process continues to accelerate, Honda considers that stakeholder dialogue is a beneficial tool that leads 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, the various divisions at Honda conduct dialogues globally, through a variety of opportunities, with the stakeholders engaged in Honda’s business: those stakeholders shown in the diagram on the right that either are impacted by Honda’s business activities or whose activities that impact Honda’s business activities.

As an example, through dialogue with shareholders, in addition to conventional investor relations (IR) activities, Honda conducts shareholder relations (SR) activities, which mainly introduce ESG initiatives; exchanges opinions with institutional investors as our shareholders; and introduces Honda’s strategies and initiatives by way of shareholder events and shareholder magazines.

In addition, opinions gained from leading ESG rating agencies and NGOs are reflected in the Materiality Matrix (⇒ p.11), which is utilized in identifying issues Honda ought to be addressing.

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Cooperation with External Organizations

To carry out our responsibility as a global mobility-related manufacturer, Honda engages in dialogues with government, economic and industry organizations and also cooperates with external bodies. In Japan, Honda personnel serve as vice chairman, committee head and committee member within the Japan Automobile Manufacturers Association, president of the Society of Automotive Engineers of Japan, as well as vice president of the Tokyo Chamber of Commerce and Industry.

In addition, Honda personnel serve as technical committee chairs and other representatives in the international motorcycle and automobile industry bodies such as The International Motorcycle Manufacturers Association (IMMA) and Organisation Internationale des Constructeurs d'Automobiles (OICA). 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).

At Honda, we delegate 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 are made following required internal procedures based on the laws and regulations of respective countries.

External Evaluations

Honda Selected to the Dow Jones Sustainability Asia/Pacific Index

Honda was selected for the second consecutive year as a member of the Dow Jones Sustainability Asia/Pacific Index after being ranked in the top two for the Automobiles sector for the Asia Pacific region in the Dow Jones Sustainability Indices (DJSI), one of the key benchmarks for socially responsible investing.

The DJSI are investment indices developed and offered cooperatively by U.S.-based S&P Dow Jones Indices and Switzerland-based RobecoSAM, which evaluate the sustainability of the world's leading companies from three perspectives in terms of economic, environmental and social criteria and select companies that demonstrate overall excellence for inclusion in the indices.



Selected for the Second Straight Year with a Bronze Class Rating in the RobecoSAM Sustainability Index

Honda was selected for the second year running with a Bronze Class rating in the Automobiles sector of the Sustainability Award 2017 issued by Switzerland-based RobecoSAM. RobecoSAM evaluates sustainability of approximately 2,500 companies worldwide in terms of economic, environmental and social criteria. Companies deemed to be particularly outstanding in each sector are rated in categories of Gold Class, Silver Class and Bronze Class each year.



Securing an A- on the CDP Japan 500 Climate Change Report 2016

In November 2016, CDP released the results of a survey on climate change initiatives and reduction of GHG emissions for 5,000 major companies worldwide.

Honda received an A- rating, a score at the leadership level, in recognition of activities deemed to be best practices in environmental management in the CDP Japan 500 Climate Change Report 2016, one of those categories.

CDP is an international NPO that provides a global system for measuring, disclosing, managing and sharing important environmental information from companies and cities. Company initiatives in environmental challenges are evaluated in the four stages of information disclosure, awareness, management and leadership.

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T O P I C S

Honda Established the Honda Marine Science Foundation in California

Honda established the Honda Marine Science Foundation, a new initiative to address marine ecosystem restoration and the impact of humans and climate change on oceans and intertidal areas. The foundation will support science-based programs that improve and preserve coastal areas for future generations. This foundation board is comprised of Honda representatives and experts from the marine sciences field, including the National Oceanic and Atmospheric Administration (NOAA), Santa Monica-based Heal the Bay, UCSB Bren School of Environmental Science & Management and the Aquarium of the Pacific in Long Beach, California. The first initiative is the Southern California Native Oyster Restoration Project and the goals include pioneering research to educate the public about the benefits of restoring native oysters for shoreline stabilization.

Honda determined the foundation would foster meaningful cross-sector collaboration to help restore marine ecosystems.



Ceremony for the establishment of the foundation



Students participating in a project

NSX Auctioned in Support of Charitable Causes

The 2017 NSX, a super sports car resurrected after about 10 years, was the first all-new Acura vehicle to be auctioned for the benefit of charitable organizations – the Pediatric Brain Tumor Foundation and Camp Southern Ground, which supports children who have trouble fitting in and those with neurobehavioral illnesses – at the world-famous Barrett Jackson Auction in Scottsdale, Arizona. Honda/Acura dealer and race team owner Rick Hendrick walked away with the NSX VIN #001 for a record \$1.2M USD. Additionally, a second NSX was also auctioned off for charity in February 2017 for the Grammy Foundation’s MusiCares charity. MusiCares provides healthcare to musicians who do not receive adequate services from the government or healthcare system.



Auction venue



A record bid was achieved in front of the children.

Smart City Challenge and Northwest US33 Corridor Projects in Ohio

In June 2016, the City of Columbus, Ohio won the U.S. Department of Transportation Smart City Challenge from among 78 cities nationwide. The eco-conscious social pilot project aims to promote smarter cities that can enable all residents to move easily and to access opportunity.

These activities are in alignment with Honda’s dream of a collision-free mobile society. With a strong manufacturing and R&D presence in central Ohio, Honda will help the city move into this new era of advanced technology and help chart the course to the future of mobility. Honda also has pledged to make available a number of plug-in hybrid and electric vehicles for the city.

In addition, the Northwest U.S. 33 Smart Mobility Corridor project will provide Honda with an ideal place to test and analyze “vehicle-to-everything” (V2X) communications network technologies that connect cars with people and road communication systems in a real-world setting.