Materiality Analysis

Evaluation of Issues from the Stakeholders’ Perspective

Toward achieving our long-term vision which is based on the Honda Philosophy, key issues to be addressed are identified and prioritized from our perspective and from the viewpoint of our stakeholders. The materiality matrix provides the essential framework for organizing these issues. By creating and employing this matrix, we confirmed the coverage of overall issues and clarified where each of them is positioned.

The materiality matrix was prepared in two stages: identifying issues and then categorizing them according to their materiality. Issues were identified through dialogue among members of respective operating divisions within the Company. The process also took into account various viewpoints including global and value chain perspectives, the status of technological innovation, the Sustainable Development Goals (SDGs)*1 and social issues pursuant to the Paris Agreement. We evaluated the materiality of these issues in light of the views of stakeholders 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 material issues on a priority basis as a mobility company, including the realization of a carbon-free and collision-free mobile society. We believe our efforts should contribute to the achievement of certain SDGs, notably Goal 13 “Take urgent action to combat climate change and its impacts”; 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 are being reflected in company-wide strategy and incorporated into respective business activities to achieve the Company’s vision.

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\*1 The SDGs 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.

\*2 Disparity in quality of life between those who do and do not have access to mobility

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### Materiality Matrix

<table>
<thead>
<tr>
<th>Important to Stakeholders</th>
<th>Important to Honda</th>
<th>Priority Issues</th>
<th>Material Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely high</td>
<td>Extremely high</td>
<td>🟠 Responding to climate change and energy issues</td>
<td>🟠 Conserving water resources</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>🟠 Ensuring clean air</td>
<td>🟠 Deploying total supply chain sustainability initiatives</td>
</tr>
<tr>
<td>High</td>
<td>Extremely high</td>
<td>🟠 Advancing powertrain electrification</td>
<td>🟠 Respecting human rights</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>🟠 Utilizing resources efficiently</td>
<td>🟠 Preserving biodiversity</td>
</tr>
<tr>
<td>Extremely high</td>
<td>High</td>
<td>🟠 Significantly reducing traffic fatalities</td>
<td>🟠 Managing chemical substances and preventing pollution</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>🟠 Assuring outstanding product quality</td>
<td>🟠 Contributing to the economic development of developing countries</td>
</tr>
<tr>
<td>Extremely high</td>
<td>High</td>
<td>🟠 Eliminating the mobility divide*2</td>
<td>🟠 Improving the quality of the mobility experience</td>
</tr>
</tbody>
</table>

Issues in each quadrant share the same priority.

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Honda’s Initiatives and the SDGs

1. Roadmap for Sustainable Growth
2. 2030 Vision
3. Direction for Realizing the 2030 Vision

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Honda Sustainability Report 2020