

3

Environment

3 Environment

> Basic Approach 15

Global Management 16

Initiatives to Achieve Zero
Environmental Impact 18

Initiatives for Carbon
Neutrality 19

Clean Energy Initiatives ... 23

Resource Circulation
Initiatives 24

Biodiversity Conservation
Initiatives 28

Other Important
Initiatives 32

Target List 34

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

3 Environment

Basic Approach 15

> Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives ... 23

Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

Target List 34

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).

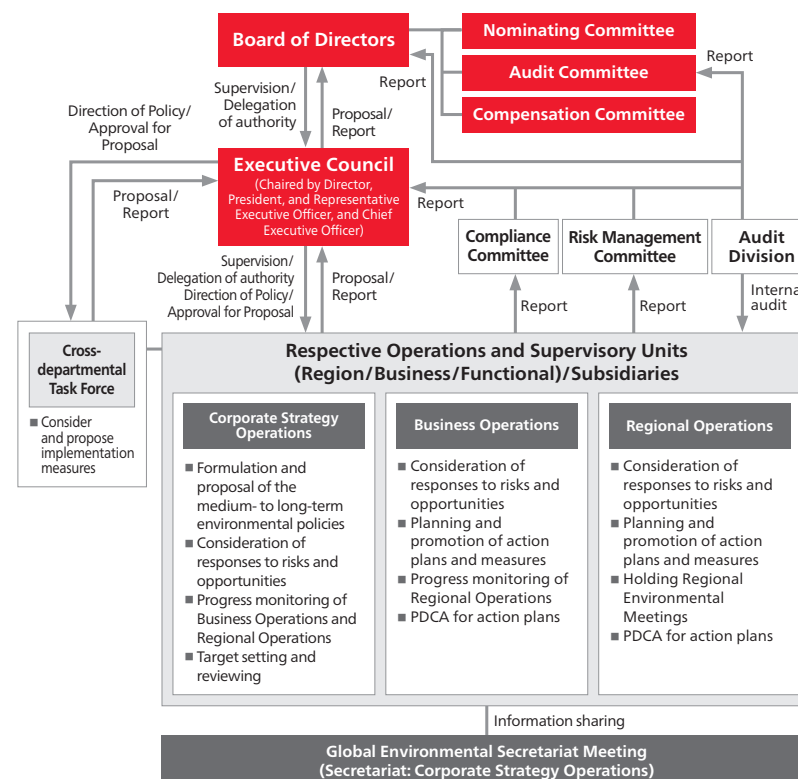
Each of Regional Operations holds a Regional Environmental Meeting to promote the PDCA (Plan-Do-Check-Act) cycle within Regional Operations. Each of Business Operations monitors regional progress and promotes the PDCA cycle within Business Operations. The Corporate Strategy Operations monitors the progress 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. (➡ p. 123)

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



3 Environment

Basic Approach	15
> Global Management	16
Initiatives to Achieve Zero Environmental Impact	18
Initiatives for Carbon Neutrality	19
Clean Energy Initiatives	23
Resource Circulation Initiatives	24
Biodiversity Conservation Initiatives	28
Other Important Initiatives	32
Target List	34

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.

Cost of environmental conservation activities and investments → p.154

Economic benefits (effect on revenue and expenses) → p.154

3 Environment

Basic Approach 15

Global Management 16

> Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives ... 23

Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

Target List 34

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

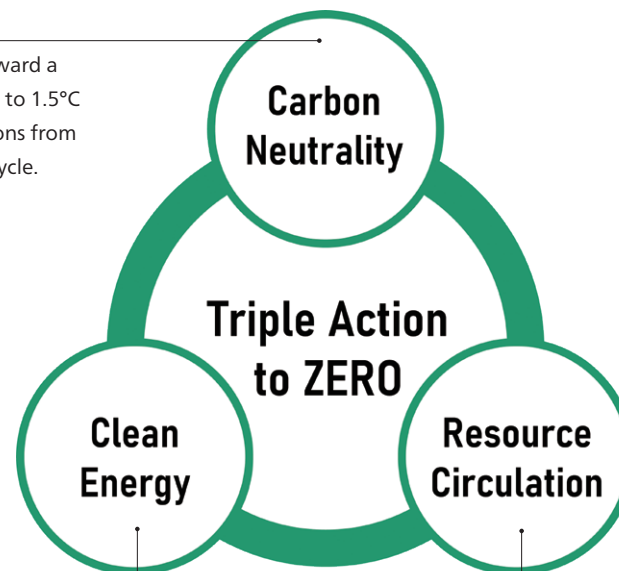
independently, we aim to maximize synergistic benefits by considering their linkages.

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

3 Environment

- Basic Approach 15
- Global Management 16
- Initiatives to Achieve Zero Environmental Impact 18
- > Initiatives for Carbon Neutrality 19
- Clean Energy Initiatives ... 23
- Resource Circulation Initiatives 24
- Biodiversity Conservation Initiatives 28
- Other Important Initiatives 32
- Target List 34

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.

Ratio of electrified products (actual) → p. 146

	Motorcycles	Automobiles	Power products	
				
	2030 Targets			Vision for 2050
Sales ratio of electrified products	15%	30%	36%	Net zero CO ₂ emissions
Reduction rate of the CO ₂ emissions intensity of product use	34.0%	27.2%	28.2%	

* 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.

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

> Initiatives for Carbon Neutrality 19

Clean Energy Initiatives 23

Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

Target List 34

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.

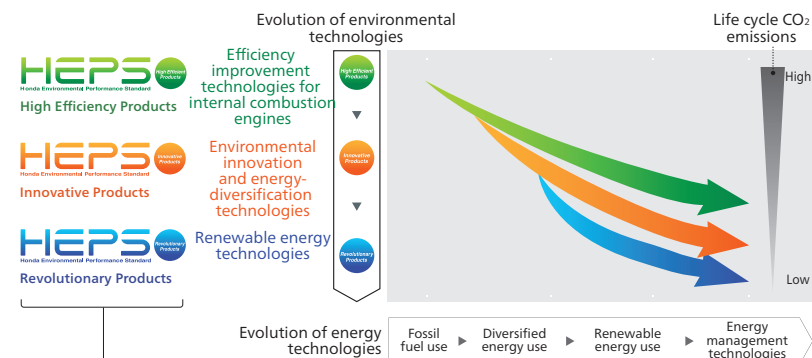
In light of this, Honda works to reduce CO₂ emissions during the usage of all of its products and manufactures and sells environmentally friendly products. Honda will promote the following three initiatives in phases to reduce CO₂ emissions, while expanding production and sales globally.

- (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.

Global Number of HEPS-compliant models → p. 153



● 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.

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

> Initiatives for Carbon Neutrality 19

Clean Energy Initiatives 23

Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

Target List 34

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.

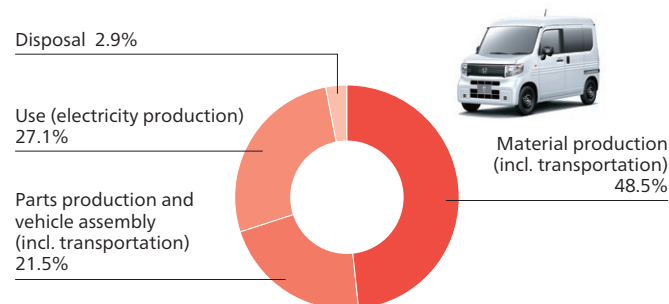
Honda has been quantitatively calculating and assessing CO₂ emissions from all business activities by using its original LCA system. Accordingly, the production, purchasing, sales and service, administration and transportation departments have been carrying out activities geared toward lower carbon emissions.

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.

3 Environment

- Basic Approach 15
- Global Management 16
- Initiatives to Achieve Zero Environmental Impact 18
- > Initiatives for Carbon Neutrality 19
- Clean Energy Initiatives 23
- Resource Circulation Initiatives 24
- Biodiversity Conservation Initiatives 28
- Other Important Initiatives 32
- Target List 34

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.

Honda supports the Paris Agreement and is implementing corporate activities, including lobbying for public policy. In line with the Paris Agreement, 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/CNMaterial_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>

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

> Clean Energy Initiatives ... 23

Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

Target List 34

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)

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives 23

> Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

Target List 34

Resource Circulation Initiatives

Honda's Approach

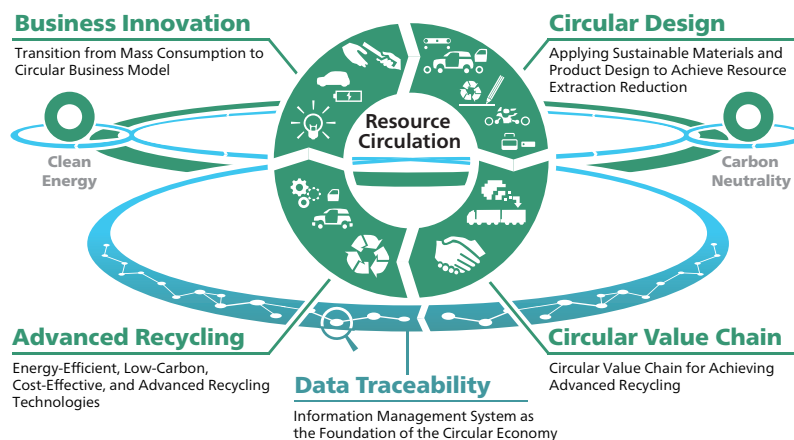
Honda is taking on the challenge of realizing a society with zero environmental impact so that we can permanently provide “the Joy and Freedom of Mobility” through mobility.

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.

3 Environment

Basic Approach	15
Global Management	16
Initiatives to Achieve Zero Environmental Impact	18
Initiatives for Carbon Neutrality	19
Clean Energy Initiatives	23
> Resource Circulation Initiatives	24
Biodiversity Conservation Initiatives	28
Other Important Initiatives	32
Target List	34

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.

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives 23

> Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

Target List 34

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) (Japanese only)
<https://global.honda/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.

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives 23

> Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

Target List 34

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)

3 Environment

Basic Approach	15
Global Management	16
Initiatives to Achieve Zero Environmental Impact	18
Initiatives for Carbon Neutrality	19
Clean Energy Initiatives	23
Resource Circulation Initiatives	24
> Biodiversity Conservation Initiatives	28
Other Important Initiatives	32
Target List	34

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

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives 23

Resource Circulation Initiatives 24

> Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

Target List 34

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.



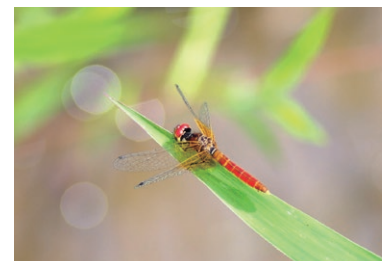
Activities to Protect and Restore Biodiversity

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.

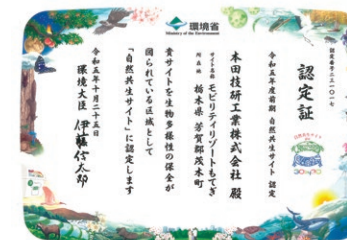
The area was unmanaged wooded areas and rice paddies, but Honda has improved the environment by cutting trees to let light into the forest, restoring terraced rice paddies and other riparian areas, and protecting and relocating endangered Haccho dragonfly (*Nannophya pygmaea*). Based on the idea that "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

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives ... 23

Resource Circulation Initiatives 24

> Biodiversity Conservation Initiatives 28

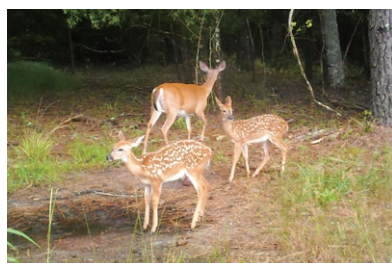
Other Important Initiatives 32

Target List 34

Biodiversity Conservation Initiatives

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

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives 23

Resource Circulation Initiatives 24

> Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

Target List 34

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/>

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives ... 23

Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

> Other Important Initiatives 32

Target List 34

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

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives ... 23

Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

> Other Important Initiatives 32

Target List 34

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).

3 Environment

Basic Approach 15

Global Management 16

Initiatives to Achieve Zero Environmental Impact 18

Initiatives for Carbon Neutrality 19

Clean Energy Initiatives ... 23

Resource Circulation Initiatives 24

Biodiversity Conservation Initiatives 28

Other Important Initiatives 32

> Target List 34

Target List

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%	
Reduction rate of CO ₂ emissions intensity of product use (compared to FY2020)	Motorcycles	34.0%	
	Automobiles	27.2%	
	Power products	28.2%	
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