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# Social

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 Social

Safety

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## Basic Approach

### To Realize a Zero Traffic Collision Society

Based on the global concept of "Safety for Everyone," Honda aims to achieve zero traffic collision fatalities involving Honda motorcycles and automobiles\*<sup>1</sup> worldwide by 2050. To achieve this goal, Honda has also set a milestone of halving the number of global traffic collision fatalities involving Honda motorcycles and automobiles\*<sup>2</sup> by 2030. This applies not just to new models but also to Honda motorcycles and automobiles already on the market. Honda has worked to address traffic accidents caused from various factors by evolving three elements individually and combining each of them: human ability (awareness-building activities), mobility performance (technological development), and traffic ecosystem (collaboration with others and system/service development). Going forward, the major challenge for 2030 is fatal accidents involving motorcycles in emerging economies. As the world's largest provider of motorcycles, Honda sees proactively addressing this issue as its social responsibility. The Company is conducting educational activities targeting a wide range of people and equipping motorcycles with advanced braking systems such as Anti-lock Brake System (ABS) and Combined Brake System (CBS), as well as lights with high visibility for both riders and other road users.

\*1 Traffic accidents involving Honda motorcyclists and drivers, as well as pedestrians and bicyclists (i.e., all traffic participants, except for intentional and malicious violators of the rules, and persons who are incapable of fulfilling their responsibilities)

\*2 Comparing to 2020

#### Global Safety Slogan

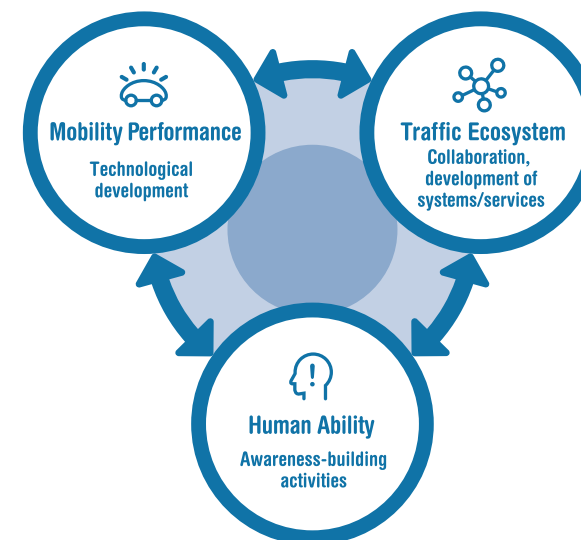
### Safety for Everyone

Honda dreams of a collision-free mobile society where our customers, and everyone sharing the road, can safely and confidently enjoy the freedom of mobility.

#### Three elements of safety

Development of technology to capture human intention and complement/enhance sensory abilities and/or skills

Contribution to creating environment and systems to bring people and mobility into harmony



Support for the enhancement of knowledge, awareness and experience of everyone involved in traffic society

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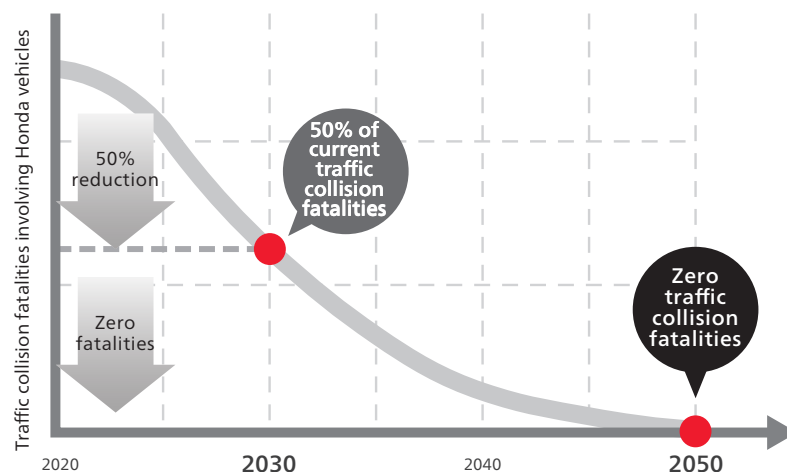
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## Basic Approach

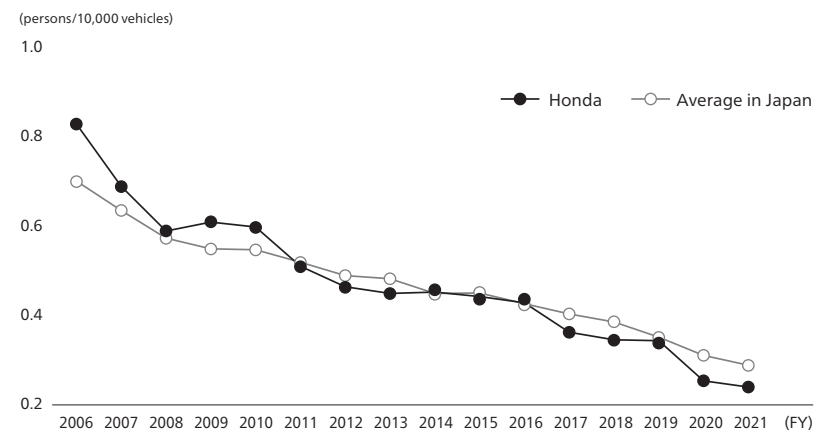
For automobiles, Honda is actively promoting the functional evolution and widespread use of Advanced Driver Assistance Systems (ADAS), which are effective in reducing traffic accidents in both emerging and developed countries.

And beyond that, the major challenge for 2050 is to address fatalities of pedestrians, bicycle riders, motorcycle riders, and other vulnerable road users throughout the world. To address this challenge, Honda is promoting the research and development of Safe and Sound Network Technology, which connects all traffic participants (i.e., people and mobility vehicles) via telecommunications to predict risks before accidents occur and support accident avoidance. Through these efforts, the Company aims to achieve zero traffic collision fatalities involving Honda motorcycles and automobiles.

### Honda's safety targets: Milestones toward 2050

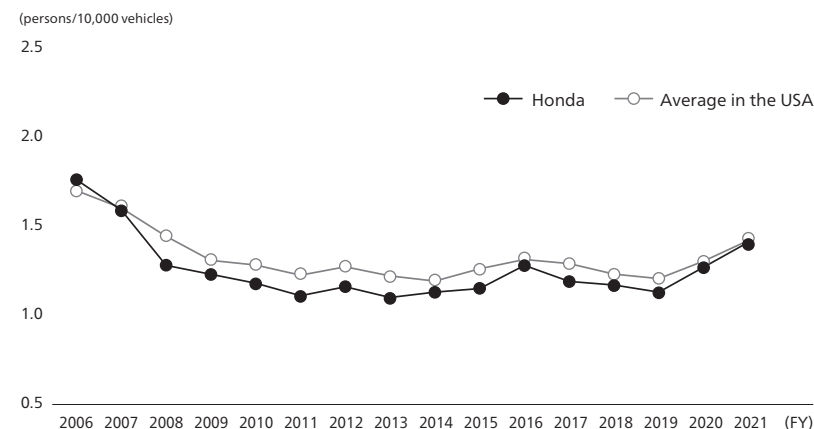


### Fatalities involving automobiles per 10,000 vehicles in Japan



Source: Honda's survey based on the data from the Institute for Traffic Accident Research and Data Analysis. Figures for Japan are based on traffic statistics for automobiles and motorized bicycles for each year.

### Fatalities involving automobiles per 10,000 vehicles in the USA



Source: Honda's survey based on the data from the Fatality Analysis Reporting System (FARS) of National Highway Traffic Safety Administration (NHTSA). Figures for the USA are based on the Fatality Rate per Registered Vehicles from the Traffic Safety Fact.

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# Safety Initiatives

## Human Ability

### Honda's Approach

In 1970, Honda established Traffic Safety Promotion Operations in Japan and subsequently a department dedicated to promoting activities overseas within the Department in 1972. Since then, Honda has been expanding its efforts overseas by establishing Traffic Education Centers\* in various countries and cooperating with local dealers. As of March 2024, Honda is carrying out traffic safety promotion activities in 43 countries and regions throughout the world, including Japan.

Honda's activities are based on the ideas of "Safety handed down from person to person" by conveying the importance of traffic safety directly to customers at dealers and to provide "participatory experiential education" under the guidance of expert instructors in dedicated courses.

In Japan, Honda has developed activities to deliver safety for all ages, from children to seniors, and provided education and actual training on traffic safety to more than 6.79 million customers to date in cooperation with Honda Traffic

Education Centers, motorcycle and automobile dealers, Local traffic Safety instructors, and related companies.

Overseas, particularly in emerging countries, there are areas where regulations, traffic rules and road infrastructure are not yet fully developed even though motorization is rapidly progressing. As such, the increase in the number of fatal traffic accidents has become a social issue.

In Asian countries, where traffic accidents are particularly frequent, Honda has actively provided the know-how it has cultivated in Japan to develop safety instructors and make educational materials. In FY2024, approximately 4.50 million people attended our educational programs.

Honda is undertaking activities matched to the traffic situation of each country while collaborating with local governments and relevant organizations.

### Countries and regions engaged in traffic safety activities



\* Traffic Education Centers: Honda facilities where internal and external instructors on traffic safety are trained and driving safety education is provided to corporations, schools and individual customers

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# Safety Initiatives

## Human Ability

### FY2024 Activities

#### Overseas Initiatives

#### ■ Signing a Memorandum of Understanding (MOU) for the Development of a Hazard Recognition Program between Thai Honda and the Department of Land Transport, the Ministry of Transport of Thailand

In April 2023, Thai Honda Co., Ltd. ("Thai Honda") and the Department of Land Transport (DLT), the Ministry of Transport (MOT) of Thailand signed a MOU to develop a Hazard Recognition Program to prevent traffic accidents. Thai Honda is a manufacturer and sales company of motorcycles and power products in Thailand. Thai Honda aims to significantly reduce the number of traffic accidents and fatalities by applying the knowledge on traffic accident prevention that the company has accumulated over the past 30 years to raise awareness and educate prospective driver's license holders and young people in the country, in cooperation with the DLT of the Ministry. Based on the animated video produced by Thai Honda, the DLT will create a new live-action video, which will be widely used for driver's license applicants and others.



MOU signing ceremony



Animated video for traffic accident prevention

#### ■ Release of Honda Driver Coaching App in the United States

In June 2023, Honda released in the United States the "Honda Driver Coaching" application for young people, which supports the acquisition of traffic safety skills through driving diagnosis and real-time voice advice functions. The Company is also planning to develop such a safe driving coaching system for drivers in emerging countries.



Honda Driver Coaching App (USA)

#### ■ Partnership between American Honda Motor and Discovery Education

In October 2023, Honda's U.S. subsidiary American Honda Motor Co., Inc. (AHM) and Discovery Education launched a new initiative, "Honda Safety Driven" to address traffic fatalities among young drivers in the United States. The initiative provides skill education and educational materials on traffic safety through a collection of digital resources, including guides for educators, classroom lessons, family discussion guides, and more.

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# Safety Initiatives

## Human Ability

### ■ Improvement of Traffic Safety Education Skills and Content in Asia and Oceania

In February 2024, the 2nd ASIA-OCEANIA Honda Safety Instructor Competition was held in Thailand. The purpose of this competition is to share the basic concept of traffic safety promotion activities through the improvement of driving knowledge/skills and mutual exchange among the instructors. The competition consisted of technical and leadership divisions for motorcycles and automobiles, with a total of 121 participants from eight countries and regions.

Also, a hands-on training session of Honda SENSING was held for associates of local subsidiaries. This training session focused on Collision Mitigation Braking System (CMBS), which could easily be misunderstood or overconfident by drivers. In the future, Honda plans to hold a hands-on test drive for customers by the associates who participated in the session.



Competition



Hands-on training session

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# Safety Initiatives

## Human Ability

### Initiatives in Japan

#### ■ Development of Materials for Daily Sustainable Education

In Japan, Honda offers educational programs and teaches instruction techniques to traffic safety instructors for conveying traffic safety in each local community.

At many elementary schools, traffic safety classes are held several times a year by traffic safety instructors. However, the results of the effectiveness test showed that immediately after the class, students showed improvement in their behavior, such as walking on the street with caution, but over time, they returned to the level before the class. In response, Honda has developed a "Digital Traffic Safety Karuta (traditional Japanese playing cards)" in consultation with teachers and is distributing it free of charge to elementary schools so that education can be continued on a daily basis, not just in traffic safety classes.

While it is difficult to set aside time for traffic safety classes, this tool has been well received by teachers, as it allows them to easily provide traffic safety lessons during morning and afternoon meetings, and to raise traffic safety awareness of children while having fun with a quiz format.



Digital Traffic Safety Karuta developed as a handy traffic safety education tool



Children look at the pictures and discuss about the dangers hidden in

#### ■ Extending the Joy of Mobility in an Aging Society

Honda leverages its know-how on riding/driving safety and hazard prediction training (kiken yosoku training – KYT) it has accumulated over the years as well as develops and promotes the widespread use of educational equipment, such as simulators, which mimics actual traffic conditions and enables people to experience hazards in a safe environment.

Among these, Honda focused on traffic accidents caused by visual field impairment and developed a simulator that simulates the visual field of a person suffering from glaucoma.

The simulator was installed in the stores of Paris Miki, a chain of eyewear specialty stores, and an event was held to allow customers to compare the visual field of a normal person with that of a person with glaucoma. Customers who have used the service have commented that it has given them a renewed awareness of the importance of safety checks of their visual field, and that they would like to talk with their families about the dangers of glaucoma.

Honda will continue to provide educational opportunities so that many people can try this simulator to experience the visual field of glaucoma patients.



Normal vision

→ When driving looking forward (the red dot is the center viewpoint)



Glaucoma patient's vision

There is a risk of missing oncoming vehicles, traffic signals, etc.

Compared to normal vision, the glaucoma patient's vision shows that he/she cannot see oncoming vehicles.



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\*1 Based on Honda's research

\*2 A safety-oriented body structure that efficiently disperses and absorbs collision energy in the engine compartment when automobiles collide with each other. It offers significantly greater occupant protection and reduces the damage to the other impacted vehicles.

\*3 Automated driving technology corresponding to Automated Driving Level 3, as defined by the Japanese government (in accordance with SAE). Under certain conditions, the system monitors traffic conditions in the vicinity and operates on behalf of the driver. If the system deviates from the available conditions, an alarm is given, and the driver is required to take over driving immediately.

## Safety Initiatives

### Mobility Performance

#### Honda's Approach

Honda engages in technological development by fully understanding the real accident situations in a real-world traffic environment comprising multiple types of road users, including motorcycles and automobiles, and by conducting detailed analyses of accident mechanisms.

To date, Honda has developed the world's first\*<sup>1</sup> pedestrian dummy, an anthropomorphic model used to reproduce the human body's kinematics during a collision with an automobile, and has established the world's first indoor omnidirectional crash test facility to conduct research into more realistic crash configurations. In addition, the Company has developed and introduced new technologies, such as the SRS Airbag System for the driver's seat, the Advanced Compatibility Engineering (ACE) body structure\*<sup>2</sup>, and CMBS (a world first) for automobiles, and the mass-produced airbag system for motorcycles (a world first).

Since 2014, Honda has expanded the application of Honda SENSING, a safe driving support system that assists in accident avoidance, to its automobile models. In 2022, the Company launched Honda SENSING 360. Honda SENSING 360 is a technology that leverages the knowledge gained from the research and development of Honda SENSING Elite, the world's first practical application of automated driving technology\*<sup>3</sup> in 2021.

Going forward, in developed countries, the Company aims to apply these technologies, which cover a wide range of fatal collision situations envisioned by Honda, to all automobile models by 2030, including Honda SENSING 360, further enhanced pedestrian protection and collision mitigation technologies, and advanced automatic collision notification (AACN).

In addition, to address the major issue of fatal accidents involving motorcycles in emerging countries, Honda is promoting the application of Honda SENSING with a motorcycle detection function to all automobile models. For motorcycles, Honda aims to equip more models with its advanced braking systems, such as ABS and CBS, as well as lights with high visibility for both riders and other road users.



Pedestrian dummy



Indoor omnidirectional crash test facility



SRS Airbag System



Airbag system for motorcycles



Collision Mitigation Braking System (CMBS)



Honda SENSING Elite

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## Safety Initiatives

### Mobility Performance

#### FY2024 Activities

Toward the achievement of the 2030 milestone, the popularization and functional evolution of Honda's ADAS are of critical importance for automobiles.

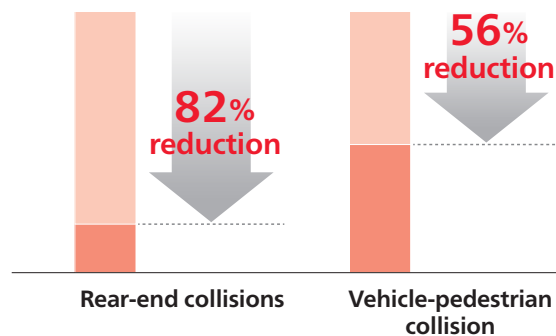
Honda SENSING, one of Honda's ADAS, has been available since 2014. In Japan, the N-BOX minicar equipped with this system has been shown to reduce rear-end collisions by 82% and pedestrian accidents by 56%\*1, confirming its effectiveness in reducing accidents.

The future goal is to roll out a version of Honda SENSING with a motorcycle detection function to all automobile models worldwide, including emerging countries, by 2030.

In FY2024, the application rate of Honda SENSING in emerging countries\*2 was 77% and in developed countries\*3 94%. In developed countries, Honda aims to roll out Honda SENSING 360 to all automobile models by 2030, starting with the CR-V that was launched in China in 2022.

For motorcycles, the Company is aiming to equip more models with its advanced braking systems, such as ABS and CBS, as well as lights with high visibility for both riders and other road users, and in FY2024, the application rate of advanced brakes in emerging countries\*4 reached 85%.

#### Collision reduction effect of vehicles equipped with Honda SENSING (N-BOX)



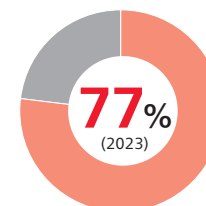
\*1 The difference in the number of traffic accident fatalities and injuries per registered vehicle between N-BOX vehicles without AEB and vehicles equipped with Honda SENSING. Based on data from the Institute for Traffic Accident Research and Data Analysis, according to Honda's research.

\*2 India, Indonesia, Malaysia, Thailand, and Brazil

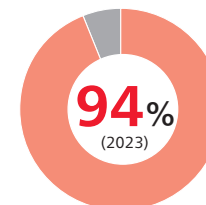
\*3 Japan, USA, China, and Europe

\*4 India, Indonesia, Vietnam, Thailand, and Brazil

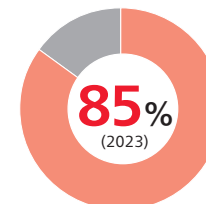
#### Application rate of Honda SENSING to automobiles in emerging countries\*2



#### Application rate of Honda SENSING/Honda SENSING 360 to automobiles in developed countries\*3



#### Application rate of advanced braking systems, ABS/CBS to motorcycles in emerging countries\*4



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# Safety Initiatives

## Mobility Performance

In March 2024, Honda SENSING 360 was installed in the new ACCORD model for the first time for the Japanese market. Honda SENSING 360 provides 360° sensing\* by equipping the vehicle with a front sensor camera as well as front radar and a total of five millimeter-wave radars at each corner. CMBS has evolved from the conventional Honda SENSING functionality to detect pedestrians when turning right or left, in addition to vehicles encountering each other at intersections. CMBS provides a comfort and even safety driving environment with the addition of Front Cross Traffic Warning, Lane Change Collision Mitigation, and Active Lane Change Assist.

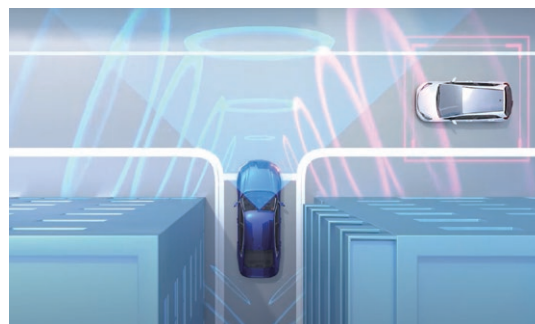
### Main features of Honda SENSING 360

#### ■ Advanced Collision Mitigation Braking System (CMBS)

The CMBS of the conventional Honda SENSING has been further evolved to support collision avoidance and damage mitigation at intersections by extending the detection range from the front to all directions.

#### ■ Front Cross Traffic Warning

When starting from a stop or traveling at low speeds, the system notifies the driver of intersecting vehicles approaching from the left or right in front of the vehicle.



Front Cross Traffic Warning



Lane Change Collision Mitigation

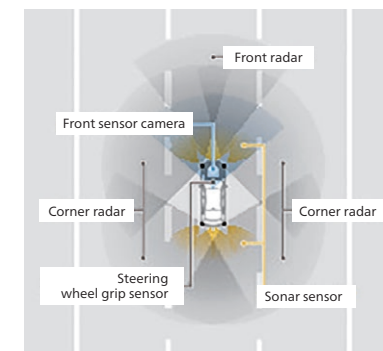
#### ■ Lane Change Collision Mitigation

When changing lanes, the system detects vehicles in the adjacent lane approaching from behind and alerts the driver and assists in steering to avoid a collision.

#### ■ Active Lane Change Assist

When the driver operates the blinker on highways and freeways, the system detects the surrounding conditions and assists the driver in steering to change lanes.

In 2025, Honda plans to launch Honda SENSING 360+ on the ACCORD model, which is designed to further reduce the driver's workload by accurately detecting abnormalities of the driver and the surrounding environment, thereby reducing the risk of accidents.



Honda SENSING 360+



Active Lane Change Assist

\* The detection performance of Honda SENSING 360 has limitations and does not eliminate the need for visual confirmation by the driver.

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# Safety Initiatives

## Traffic Ecosystem

### Honda's Approach

In 1998, Honda started to offer "Internavi," a car navigation system in Japan that is equipped with communication functions to support safe driving by providing drivers with information on traffic congestion and disasters using driving data collected from Honda vehicles.

In 2013, Honda launched a Safety Map service that integrates and analyzes various information, such as emergency braking information collected through the Internavi system, information on traffic accidents provided by the police and local governments, and traffic information provided by local residents. This service on Honda's website allows users to learn in advance about areas where accidents frequently occur. In addition to being used by ordinary people, the Safety Map has also been used by local governments and other organizations to improve roads by adding road markings, etc. These efforts have evolved since then, and in 2017 the Company launched Honda Drive Data Service, a data service that displays dangerous areas on a map in real time, aiming to address social issues, including disaster prevention and traffic accident prevention. Honda is also operating AACN\*. This system utilizes vehicle-connected technology to estimate the probability of fatality and serious injury of occupants based on vehicle data

at the time of a traffic accident using an algorithm to estimate the probability, and to notify a hospital with a doctor helicopter base so that a doctor helicopter or doctor car can be dispatched at an early stage.

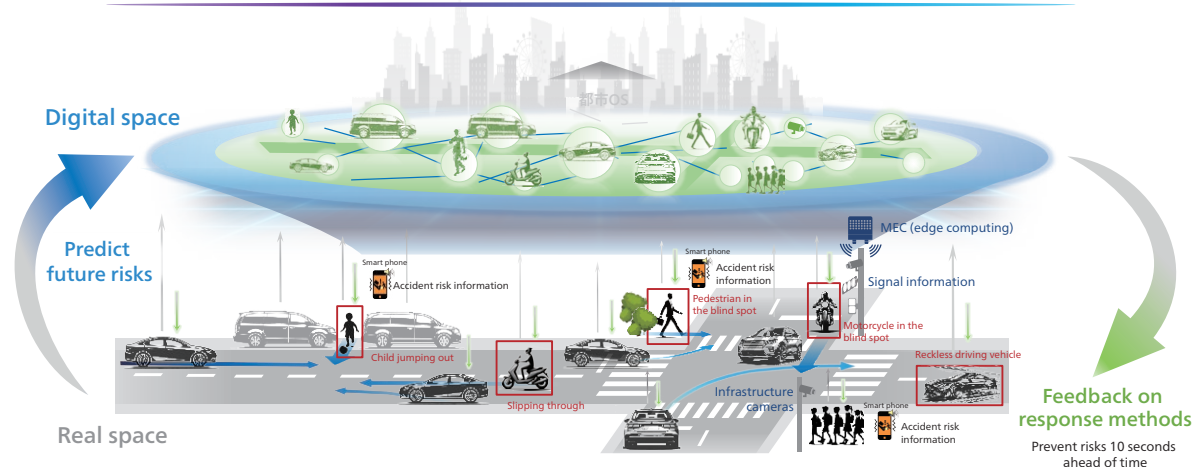
Looking toward the future, Honda is developing its Safe and Sound Network Technology, which connects all traffic participants, i.e., people and mobility vehicles, through telecommunications to predict risks before accidents occur and support accident avoidance.

The Technology utilizes digital twin technology that aggregates information from all traffic participants and recreates the traffic environment in the virtual space. It is characterized by its ability to predict the occurrence of traffic accidents based on human behavior by using Honda's proprietary technology to determine the state and characteristics of traffic participants and reflecting them in the virtual space. Traffic participants are informed of supportive information derived from these predictions to prevent traffic accidents and are encouraged to take evasive action before an accident may occur.

Honda is accelerating industry and public-private sector-led efforts toward social implementation of the Safe and Sound Network Technology from 2030 onward.

### Safe and Sound Network Technology

## Innovative risk-predictive technology to provide Security by keeping you away from risk



\* The system automatically reports vehicle collision information that is useful for emergency lifesaving by providing accurate location information and injury prediction when airbags are activated. Development of a system that extends the scope of coverage to accidents involving pedestrians and motorcycles is planned.



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\*1 Bi-annual forum for discussion and exchange of ideas on advanced safety technologies held by the National Highway Traffic Safety Administration (NHTSA) of the Department of Transportation, in cooperation with governments of other countries.

\*2 Interactive environment with multiple agents

\*3 A program to promote R&D from basic research to social implementation in a comprehensive manner, and to promote cross-field R&D through collaboration among Ministries and Agencies, and social implementation of the results of such R&D through industry-academia-government collaboration

## Safety Initiatives

### Traffic Ecosystem

#### FY2024 Activities

Honda believes that improving the traffic system is an effective way to prevent traffic accidents, and actively collaborates with national and regional public agencies. Such collaboration is particularly important in the Asian region, where motorcycle traffic accidents are serious. In September 2023, Honda signed a memorandum of understanding with Malaysian Institute of Road Safety Research (MIROS) in Malaysia and Asian Transportation Research Society (ATRANS) in Thailand for joint research on reducing traffic accidents in ASEAN countries. The findings from this research will be used to propose improvements to reduce the number of motorcycle traffic fatalities, with the aim of contributing to the fields of motorcycle design, accident analysis standardization, road infrastructure, traffic laws, and other safety policy areas.

In April 2023, Honda participated in the 27th International Technical Conference on the Enhanced Safety of Vehicles (ESV) 2023\*1 held in Japan and presented its research results on Safe and Sound Network Technology to automotive safety engineers around the world. The Company also demonstrated a multi-agent\*2 simulator. This simulator is a tool that not only visualizes predicted accident scenarios from the perspective of automobile drivers and vulnerable road users, such as pedestrians and riders of two-wheeled vehicles, but also evaluates the effectiveness of safety technology.

In November 2023, Honda held a technology hands-on event for the media in the Asia and Pacific region, where participants experienced Safe and Sound Network Technology using accident scenarios involving a right-turning vehicle and a motorcycle proceeding straight ahead at an intersection. In February 2023, Honda also conducted a demonstration test of a motorcycle hazard notification technology using infrastructure cameras at Honda's test course in Thailand.

It is also important to implement Honda's Safe and Sound Network Technology in society. In October 2023, a joint proposal, "Research and Development of Support for Prevention of Traffic Accidents through Advance Notification of Risks," was adopted in the "Phase 3: Building a Smart Mobility Platform of the Strategic Innovation Creation Program\*3" led by the Cabinet Office of Japan. Honda is accelerating its movement toward the future.



Image analysis technology to improve road infrastructure



Multi-agent simulator



Honda's booth in the 27th ESV 2023



Demonstration of an accident scenario involving a right-turning vehicle and a motorcycle proceeding straight ahead at an intersection (at Honda's test course)



Demonstration test of a motorcycle hazard notification technology using infrastructure cameras (at Honda's test course)

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\*1 IIHS: Insurance Institute for Highway Safety  
The organization conducts the car assessment that tests and evaluates the safety performance of various cars. IIHS only awards TSP and TSP+ to vehicles that achieve excellent test results. TSP refers to Top Safety Pick.

\*2 NCAP: New Car Assessment Program  
This is a program that tests and evaluates the safety performance of cars and is performed by public organizations in various regions. Testing and evaluation methods are different for each region. Ratings range from 0★ to 5★ (5★+ is the highest rating in some regions).

\*3 C-IASI: China Insurance Automotive Safety Index  
This tests and assesses the safety performance of vehicles, in which the four grades of G (Good), A (Acceptable), M (Marginal) and P (Poor) are used.

\*4 Number of vehicles that received the highest rank/number of vehicles that received a rating

## Safety Initiatives

### Third-Party Evaluations

#### FY2024 Activities

Many of Honda's models have received the highest safety ratings in third-party evaluations in various regions, including the IIHS\*1 in the United States, where testing requirements have been tightened and new standards have been introduced.

#### Results of key third-party evaluations (tests conducted in FY2024)

Country/Region	Third-party evaluation		Models	Number of vehicles*4
United States	IIHS	TSP+	HR-V/Accord, Acura MDX, Integra	4/4
		TSP	CR-V/Pilot	2/2
	US NCAP*2	5★	Odyssey/HR-V/Ridgeline/Civic Hatchback/Civic Sedan/Passport/Acura MDX/RDX/TLX/Integra	10/10
China	C-NCAP	5★	CR-V	1/1
	C-IASI*3	G/G	Breeze/CR-V	2/2
Southeast Asia	ASEAN NCAP	5★	CR-V/Accord	2/2



CR-V

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## Basic Approach

### Aiming to Bring Reassurance and Satisfaction to Customers

“We have to aim for 120% product quality, since even a 1% rejection is unacceptable.” These words of founder Soichiro Honda define the company’s fundamental approach to quality, or more specifically, what it means to strive to be a company society wants to exist. It is also the identity of Honda, which has always strived to create products that exceed the expectations of customers.

Adhering to these objectives, 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 (➡ p. 53), which works continuously on quality enhancement and improvement, encompassing every stage in the process – from planning, development, production, and sales to after-sales service.

In order to realize the basic principles of “Respect for the Individual” and “The Three Joys” (The joy of Buying, The Joy of Selling, The Joy of Creating), Honda has confirmed being number one in customer satisfaction in all points of contact as a primary objective. Honda works in collaboration with dealers to satisfy customers at every stage, from sales to after-market service, so that customers can continue using and enjoying its products and services.

### Offering a New Level of Outstanding Quality

Over the years, Honda has implemented a variety of dynamic activities aimed at realizing products that achieve a new level of outstanding quality.

Meanwhile, the industry is heading toward an unprecedented turning point concerning responses to factors of environment, safety, and intelligence.

Honda will accelerate powertrain electrification to achieve carbon neutrality as well as to introduce driver-assistance technologies for the realization of a collision-free mobility society. Furthermore, Honda is now working to create new value through open innovation by teaming up with other companies, including many from different industries, to address the challenge of creating new forms of mobility that incorporate the Internet of Things (IoT).

Moving ahead, Honda aims to reduce problems at all points of customer contact in step with innovations in mobility and living, in addition to ensuring the highest quality levels among the products and services that customers rely on. Through this pursuit of quality in each domain, Honda has allowed its activities to evolve and produce new standards along the way.



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# Global Management

## Quality Management System and Quality Enhancement Promotion System

### Global Honda Quality Standard (G-HQS) Aimed at Increasing Quality of Honda Brand Products and Services

As Honda's production expands globally, alongside its parts and materials sourcing, maintaining a globally shared quality management system is essential to ensure that all facilities continue to remain consistent in generating 120% product quality. Established in April 2005, G-HQS serves as the foundation of this system.

Based on the Honda Quality Cycle, G-HQS is a set of fundamental standards supporting quality assurance and improvement activities in all sections. The aim is to improve the quality of Honda brand products manufactured and sold around the world as well as the services offered globally. G-HQS is also, in part, utilized as a means to reliably implement and certify process-based quality assurance focusing on rules, which has recently grown in importance following changes in laws, regulations, and the business environment.

In accordance with the Honda Quality Cycle, to enhance and improve quality, Honda clearly defines the roles and responsibilities between global and regional functions in such areas as planning/development, production, sales/service, and quality. With G-HQS, the goals and requirements integral to quality assurance activities for each function are stipulated by Global Management Division. In line with local characteristics, the means for achieving these goals and requirements are specified by each operation base. This approach enhances the awareness of quality improvement and leads to the personal growth of local associates. The operational status of G-HQS within each operation base is confirmed by global function on a regular basis to enhance quality improvement activities as a concerted effort alongside facilities.

Based on ISO 9001\* criteria to which Honda production facilities in Japan and around the world have been certified, G-HQS represents the accumulation of knowledge that Honda has gathered independently to improve quality and prevent issues from recurring. As such, conforming to G-HQS is compatible with conforming to ISO certification standards.

As of February 29, 2024, 57 of the 62 Honda production facilities had acquired ISO 9001 certification.

\* ISO 9001: An international quality control and quality assurance standard set by the International Organization for Standardization (ISO).

## Global Meeting Structure

In order to ensure the strengthening of quality under this quality management system, Honda sets challenges based on quality targets established in company-wide policy, which are then modified to reflect those faced in different regions for which specific countermeasures are formulated. Regular Global Quality-related Meetings allow for this initiative to be managed and for information sharing to take place.

Regarding customer service, Honda has devised an action policy that is focused on each customer, via which value is created through service and the joy of continuing to use Honda products is prioritized. Those individuals responsible for quality-focused departments, from the headquarters down to the regions, hold joint Aftersales Business Meetings to share this policy and any other measures globally. Any productive measures and initiatives established within these meetings are set as global benchmark levels to enable the provision of higher-quality services on-site.

### Global meeting structure

Meeting structure	Business	Meeting name	Times/year
Quality related	Motorcycle/Power products	Regional Quality Conference	1
	Automobile	Global Chief Inspecting Engineer Meeting	1
		Global Automobile Quality Meeting	3
Aftersales business	Motorcycle	Aftersales Business Meeting	1
	Automobile		2
	Power products		1



Global Automobile Quality Meeting

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# Global Management

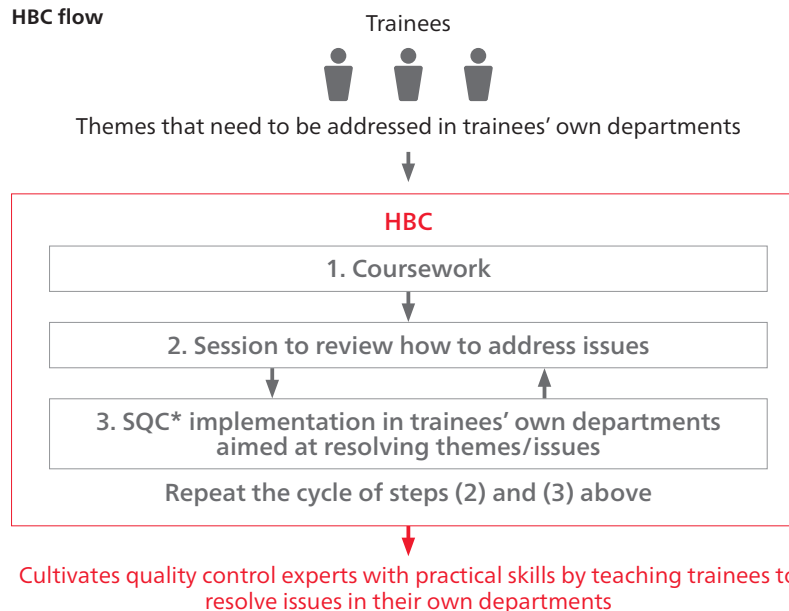
## Quality Control Training

With the aim of improving associates' quality assurance skills, Honda offers quality control training based on in-house qualifications and quality control responsibility levels.

In Japan, Honda offers a training curriculum that consists of four courses divided into basic training and specialized training. As part of this curriculum, the Honda QC Basic Course (HBC) focuses on training experts in all aspects of Honda quality control and is open not only to Honda associates but also to suppliers.

Outside of Japan, the QC Junior (QC J) Course and the QC Foreman (QC F) Course are offered as basic training.

### HBC flow



\* SQC: Statistical Quality Control

### Training curriculum content

Category	Course name	Course content	Period
Basic training	QC Junior (QC J) Course	Targets associates during the six-month to one-year period after joining Honda to teach the basics of quality control techniques.	1 day
	QC Foreman (QC F) Course	Targets associates engaged in production and quality duties to teach the key quality control techniques and approaches required for robust quality assurance activities.	2 days
Specialized training	Statistical Quality Control (SQC) Course	Targets the teaching of professional quality control techniques and approaches among those associates whose principal responsibility is quality control and the carrying out of quality improvement activities.	2 days
	Honda QC Basic Course (HBC)	Targets associates responsible for the core of quality control activities to teach skills that allow them to resolve difficult problems/issues with the aim of becoming quality control experts.	Total of 18 days

\* SQC Course and HBC are held in Japan.

## Best Quality Award

By analyzing quality-related measures based on policy management with the aim of elevating quality awareness, the head of the Quality Innovation Supervisory Unit presents awards for themes that generate outstanding results. Divisions eligible for recognition include development, production, production technology, purchasing, certification, quality, parts/service, and IT.

Awards for divisions overseas were introduced in 2012, with the head of the Quality Innovation Supervisory Unit presenting the awards on-site. From FY2013 to FY2024, visits were made to a total of 79 sites around the world to directly communicate with associates (employees).



Award ceremony and a group photo (FY2024)

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# Quality Initiatives

## Honda Quality Cycle

Honda has created the Honda Quality Cycle to provide a continuous focus on quality enhancement and improvement at every stage, encompassing planning, development, production, sales, and after-sales service.

The aim of this initiative is to apply and reflect design and development

expertise at the production preparation and production (mass production) stages. Ultimately, the goal is to achieve the highest quality by creating drawings designed to facilitate manufacturing and by developing manufacturing control techniques that limit process variability.

### Honda Quality Cycle



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## Quality Initiatives

### Planning/Development and Production (Mass Production)

To ensure high quality, Honda conducts comprehensive quality assurance activities from the dual perspectives of planning/development and manufacturing. For example, drawings for objects that will be machine-processed include finished dimensions. However, when the same worker uses the same materials, equipment, and procedures to produce an item according to the dimensions specified on the relevant drawings as part of a given production process, small variations are inevitably found in the item's finished dimensions.

To address this complication, when designing drawings, R&D departments consider not only function and performance but also the ease of manufacture and minimization of variations. For their part, production departments implement manufacturing controls, based on the drawings, to keep variability within applicable standards and also develop production processes so that all workers can continue to achieve consistent quality levels.

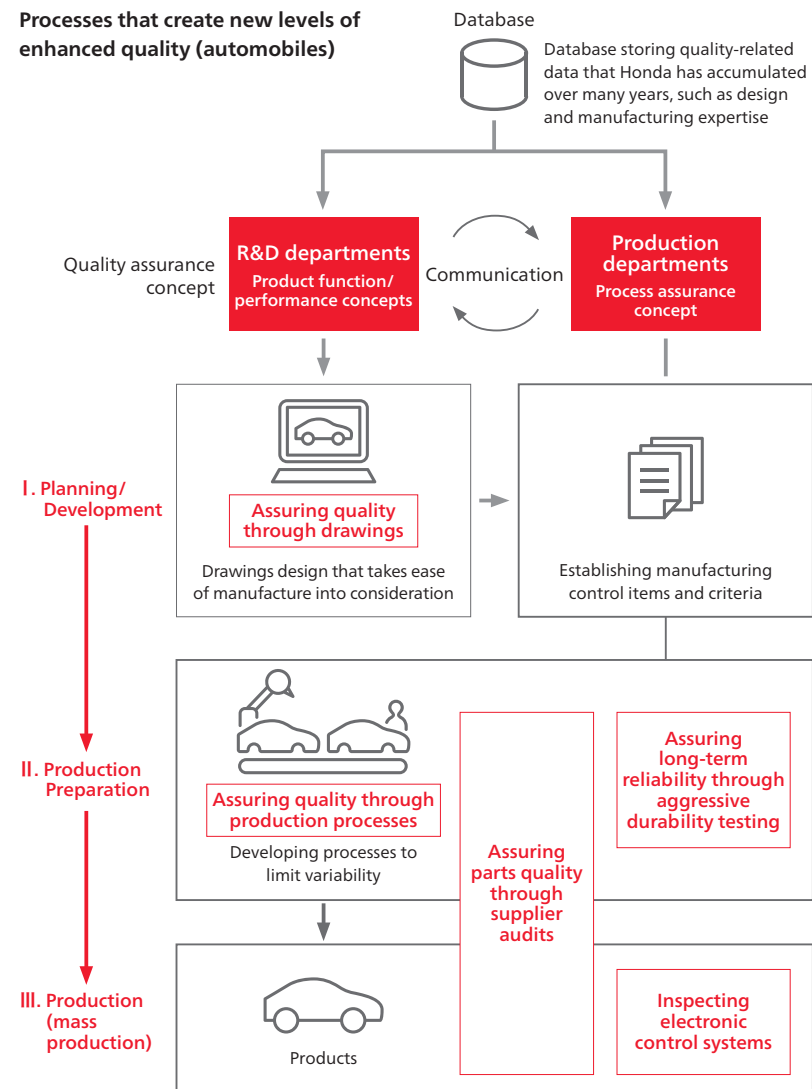
### Improving Planning/Development Activities

At each stage of planning, development, production preparation, and production (mass production), Honda is working on improvement activities to reduce quality-related issues. This involves investigating any cause in the event of a major quality issue and introducing measures to prevent a recurrence.

To prevent specification-related issues, Honda identifies the impact of previously changed and changing points. Improvements are then implemented via a review committee that examines changing points and works through pending issues.

Additionally, the planning and development procedures at Honda have also been evolving. Indeed, Honda is strengthening its design review to enhance planning accuracy in the initial stages of new technology development. Furthermore, the Company has formulated evaluation conditions and standards in order to minimize deviation from the values expected by customers and society, as well as setting a sufficient verification timeframe.

### Processes that create new levels of enhanced quality (automobiles)



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# Quality Initiatives

## I. Planning/Development

### Assuring Quality through Drawings

Honda's R&D departments create drawings that take ease of manufacture into consideration in order to limit process variability and prevent human error during the manufacturing process. These drawings serve as the basis of Honda's quality assurance efforts.

Specifically, the R&D departments utilize a database of measures and techniques previously used to address market quality issues and other information. They communicate closely with manufacturing departments during the initial development stage, together with putting the concepts of product functionality, performance, and quality assurance in writing. These details are then shared to ensure coordination with production departments' concept of process assurance and quality assurance.

### Establishment of Development Procedures with Suppliers

For many years, Honda has been committed to development based on "purchasing components with guaranteed performance," from which the Company presents its requirements to suppliers who design and test components for Honda products and also procures the components from them. Honda's R&D departments, purchasing departments, and other related departments have initiated a project to reduce critical quality issues within such components, which has included producing a manual for development based on "purchasing components with guaranteed performance." The manual is revised annually.

In the planning phase of advanced development, the technical challenges of the components to be developed are first organized. Accordingly then, the key development roles and responsibilities are determined to reflect the development experience and technical know-how of Honda and its suppliers. Essential development plan areas to focus on are then clarified, such as increasing the accuracy of Honda's requirements or taking a concrete approach toward verification.

In addition, quality assurance roles and responsibilities are clarified among Honda's departments/business sites and suppliers, based on logistics, distribution channels, and contractual agreements at the time of mass production. Areas requiring quality control in development, production preparation, and mass production are then conveyed to the relevant departments.

When a quality-related issue is found in the process of monitoring product quality defects based on the aforementioned procedures, an investigation into the cause is then conducted to ensure continuous improvement in development procedures.

## II. Production Preparation

### Assuring Quality through Production Processes

To prevent product quality issues, Honda's production departments establish manufacturing control items and criteria for each part, process, and operation. Engineers then use these manufacturing control items and criteria to verify manufacturing variability.

Honda's activities regarding parts procurement also cover parts materials.

Furthermore, by incorporating suggestions for enhancement from the work sites conducting actual operations and determining manufacturing control methods for each process, Honda develops processes that limit variability.

### Assuring Parts Quality through Supplier Audits

Assuring the quality of procured parts is an important factor in delivering high-quality products.

Honda visits its suppliers' manufacturing facilities to conduct quality audits based on the "Three Reality Principle," which emphasizes 'going to the actual place,' 'knowing the actual situation,' and 'being realistic.'

These audit activities are conducted for both the production preparation and mass production stages of supplier operations. Experts in the development and production of individual parts visit manufacturing facilities to conduct audits of suppliers' quality assurance systems and their implementations.

Honda then works to improve part quality through activities emphasizing communication with suppliers, for example, by sharing audit results and cooperating to identify quality improvement measures.



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## Quality Initiatives

### Assuring Reliability through Durability Testing

For new or redesigned models, Honda conducts rigorous long-distance durability testing before beginning mass production of such models to verify that no quality issues are present.

Honda also disassembles vehicles used in the test drives to verify that no parts show quality issues via a process consisting of several thousand check items. By accumulating data on the issues discovered via these test drives and detailed inspections, as well as associated countermeasures, the Company ensures a high level of quality and reliability.



Verification of parts following durability testing

## III. Production (Mass Production)

### Inspection of Electronic Control Systems

In recent years, the installation of electronic control systems in vehicles has increased dramatically in order to improve environmental friendliness, together with convenience and comfort. Inevitably, the implementation of efficient inspection is required to assure the quality of these systems.

To this end, Honda has installed Line End Tester (LET) – an inspection and diagnostic system developed in-house at production plants in Japan and overseas.

The LET was initially deployed to perform diagnostics of emission cleaning systems and parts in order to comply with U.S. emissions regulations. Then, in response to the recent evolution of electronic control systems, Honda extended the device's capabilities, allowing its use in the shipping quality inspection of all electronic control systems, from switches and instruments to air conditioner, audio, engine, and transmission operations. Doing so has enabled quantitative inspections through communication with electronically controlled components, which improves the accuracy and efficiency of inspections when compared to conventional methods dependent on human senses, such as smell, sight, and hearing.

To further enhance the precision and efficiency of sensory inspections, Honda is continuing to promote the quantification of shipping quality assurance for electronic control systems.



Inspection using the LET system

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# Quality Initiatives

## IV. Sales and Service

Honda has established the Customer First Supervisory Unit to realize optimal service operations in worldwide markets. The unit has set the key objective of being “No.1 in customer satisfaction in all points of contact” based on a “customer-first” policy.

“No.1 in customer satisfaction in all points of contact” refers to the realization of an environment in which customers feel satisfied with Honda in each and every situation they come into contact with the Company, including products, dealers, and online services. In addition to fulfilling customer expectations built up through past experience and information, the unit aims to be No.1 in customer satisfaction by continuously providing exciting experiences that exceed customer expectations.

### Contact points between Honda and its customers

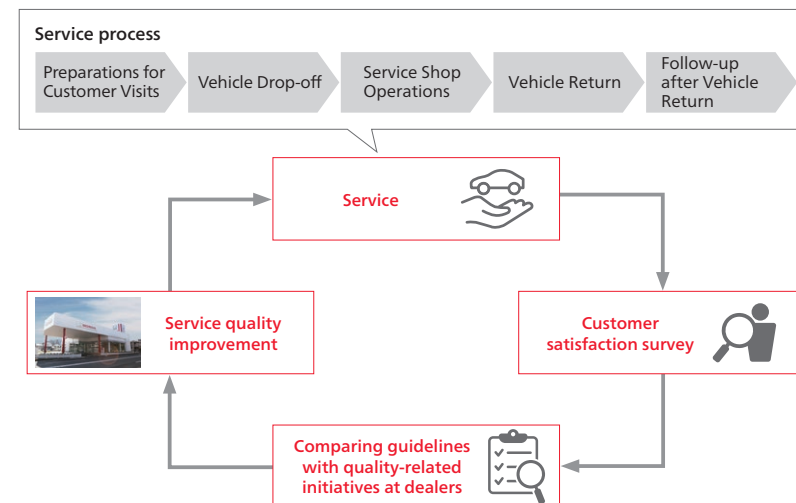


## Customer Satisfaction Survey

Honda conducts a global customer satisfaction survey in relation to service operations for customers who have received service from a dealer. In FY2024, the survey was conducted in 16 countries, including Japan and countries in North America, South America, Europe, Africa and the Middle East, Asia and Oceania, and China. The survey method enabled minute measurements of satisfaction for each part of the service process at a dealer, with the survey findings then used to provide guidelines for each dealer. By comparing these guidelines with other quality-related initiatives undertaken at dealers, activities are being undertaken toward better service quality at all points of customer contact by implementing a plan-do-check-act (PDCA) cycle.

In addition, once a year, Honda conducts a survey to make comparisons with manufacturers and brands considered as benchmarks in other countries. The results are then used as a reference to maintain and improve customer satisfaction at industry-leading levels. Consequently, in FY2024, Honda attained top-level customer satisfaction in 12 countries\*.

### Improving service operations through customer satisfaction survey



\* Survey by Honda as of March 2024

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# Quality Initiatives

## Honda Customer Relations Center

Honda Customer Relations Center, which is in direct communication with customers in Japan, has a very straightforward slogan: “For The Customers.” Its mission is to handle inquiries from Honda customers politely, clearly, and quickly, aiming for the highest quality of service. The center also responds to survey requests from government agencies and inquiries from consumer advocacy organizations.

The center accepts consultations from customers 365 days a year and received 117,088 inquiries in FY2024. Valuable feedback from customers, including questions, suggestions, requests, and opinions, is shared in a timely manner and utilized to improve quality awareness among the departments of R&D, manufacturing, service, sales, etc. in compliance with laws and regulations as well as the Company's own policies concerning the handling of personal information.



Sharing “Customer Voice” in a training

## Customer Car Life Support

Honda is providing services to support optimal car lifestyles for customers in global markets.

In Japan, for example, Honda is providing Honda Total Care as a membership service for Honda automobile users.

Members can access to the information that is useful for car maintenance and management, as well as make appointments for inspections via a dedicated Honda Total Care membership website and app. In addition, the Honda Total Care Emergency Support Center is accessible with the touch of a button in case of an emergency, as a part of the system that enhances customer convenience.

The Honda Total Care Emergency Support Center is a one-stop contact point for members facing problems, such as road collisions or vehicle breakdowns. In this manner, the service relieves members from the burden and confusion of having to undertake various correspondence with insurance companies, car dealers, and other parties. The Center is in service 24 hours a day, seven days a week, and makes smooth roadside assistance arrangements for members in need, as well as providing support for car operating instructions, among other services.

Honda has also entered into a business alliance with the Japan Automobile Federation (JAF) – a first in the automotive industry – to provide the industry's most expansive\* roadside service as an optional addition. In addition, Honda has rolled out the Honda Total Care Premium connected service, starting with the all-new Fit model released in February 2020. The service includes a function that allows for making an automatic call to an operator when an airbag is deployed, as well as providing an onboard emergency call button and trouble support button. By utilizing these features to eliminate the problems drivers face, Honda provides safer and more secure automobile lifestyles.

Honda aims to ensure the industry's highest level of customer support quality by strengthening relationships with customers through these services.

\* Survey by Honda as of March 2024



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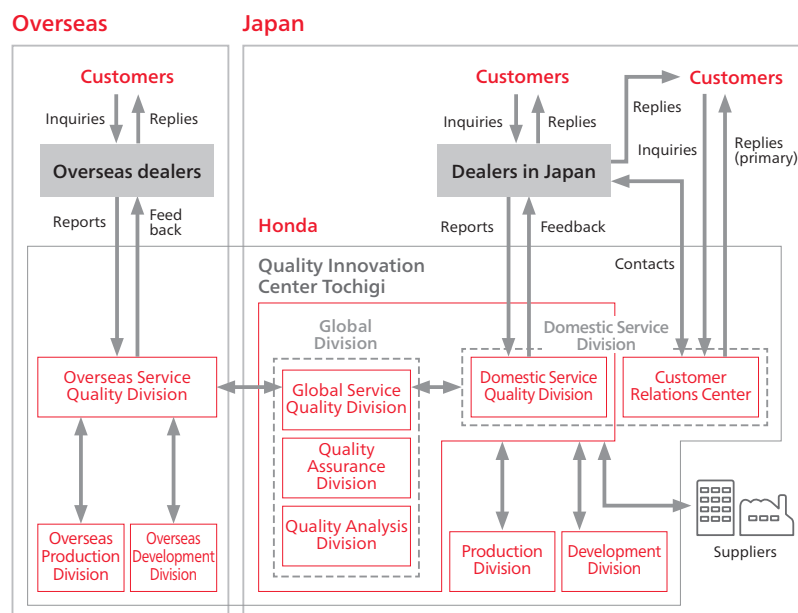
## Quality Initiatives

### V. Quality Information Collection/Analysis and Quality Improvement

To enhance the functions of “preventing quality issues” and “quickly detecting and resolving quality issues when they occur” on a global scale, Honda has established the Quality Innovation Center Tochigi to bring together the various organization components concerned with product market quality information. The facility gathers quality-related information from dealers in Japan and overseas via service departments and the Customer Relations Center. Measures and policies for preventing quality issues are developed based on the issues identified from this data, then provided as feedback to the development/production departments, including the design and production sections, and suppliers too.

Moreover, the Quality Innovation Center Tochigi operates a structure to increase collaboration between after-sales services and quality assurance activities and strengthen this feedback flow.

#### Market quality enhancement system (automobiles)



When a quality issue does occur, Honda moves quickly to resolve it, for example, by working closely with development and production departments to investigate and address the cause, by assisting affected customers, and by taking action to prevent a recurrence.

In addition to conventional quality issues related to automobiles, issues concerning connected services to onboard devices are also handled as quality issues under this market quality enhancement system.

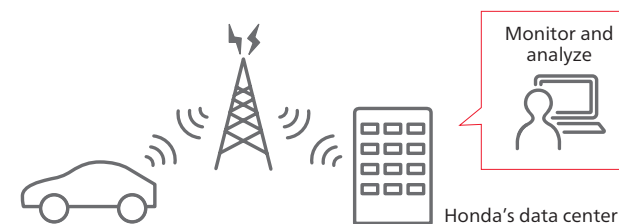
### Prediction System

Honda has recognized the necessity of a system that provides peace of mind to customers in preparation for new environmental vehicles, such as fuel cell vehicles and electric vehicles.

With this system, vehicle information is sent to Honda's data center using telematics technology and then analyzed. Potential warning signs are identified from results prior to any trouble occurring, as a precautionary measure to safeguard customers.

Honda is further utilizing this system to provide customers with as much peace of mind as possible.

#### Image of the prediction system



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# Quality Initiatives

## Quality Innovation Center Tochigi

Quality Innovation Center Tochigi brings together all the key organizational components into a single facility, from the collection and analysis of market quality data to the considering of countermeasures and providing of quick and precise feedback to development and production departments.

In particular, locating quality and service departments within a single facility allows for the effective analysis and development of countermeasures thanks to the ability to share information quickly.

## Quality Improvement Operation Process

Quality enhancement operations at the Quality Innovation Center Tochigi, Japan, consist of pulling together market quality data and sharing information about collected parts and market quality issues. The personnel of this facility analyze collected parts, investigate causes, and develop countermeasures and improvements in a timely manner.

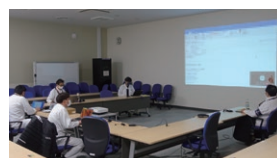
Specialized teams with extensive product knowledge are able to obtain detailed data using a range of analytical equipment. The operational process is configured to facilitate objective and appropriate decision-making based on gathered data.

## Quality improvement operation process



### Parts collection

Parts collected from the market are classified by category and managed to facilitate quick analysis.



### Sharing market quality information

Service, R&D and analysis departments gather and share information from the market.



### Analyzing materials

Issues caused by materials are analyzed using the latest scientific equipment, including composition analysis and X-ray diffraction analysis systems.



### Measuring part precision

Parts' dimensional precision is verified using 3D measurement and the latest roundness measurement equipment.



### Testing engine functionality and performance

The functionality and performance of assembled engines are verified on a bench.



### Bench environment test

Analyses are conducted in road environments found around the world, from low temperatures to under the scorching sun, to humid conditions, traffic jams and high speeds.



### Exhaust gas and mode driving verification

The compliance of exhaust gas components with emissions regulations and proper system operation during mode driving are verified.



### Bench vibration test

Actual vehicle vibrations are reproduced on a testing bench together with analyzing issues.

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# Quality Initiatives

## Critical Quality Issues Exhibition Hall Presents Examples of Key Quality Issues

A critical quality issues exhibition hall was established at the Quality Innovation Center Tochigi in 2009. The purpose of this exhibition is to convey perspectives and knowledge gained from past failures through the display of actual items, so that the experience of market quality issues will not be forgotten and will be passed on to the future.

The hall provides key examples of past market quality issues. Many people visit the hall annually for training or as part of a tour. In FY2024, training was mainly provided online to about 1,700 participants. The targets include not only Honda associates but also suppliers, overseas distributors, and service division personnel.

In particular, training for engineers involved in designing and developing products is not only limited to new recruits, newly promoted chiefs or managers but to young associates in their fifth year with the Company and associates from Honda's overseas businesses as well to prevent market quality issues from being forgotten.



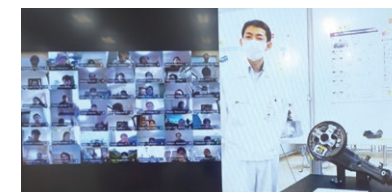
Rust on the body of a Honda Civic made in 1981



Cracked exhaust manifold of Honda Life mini vehicle made in 1999



In-person training



Online training

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# Quality Initiatives

## Analysis in Partnership with Overseas Entities

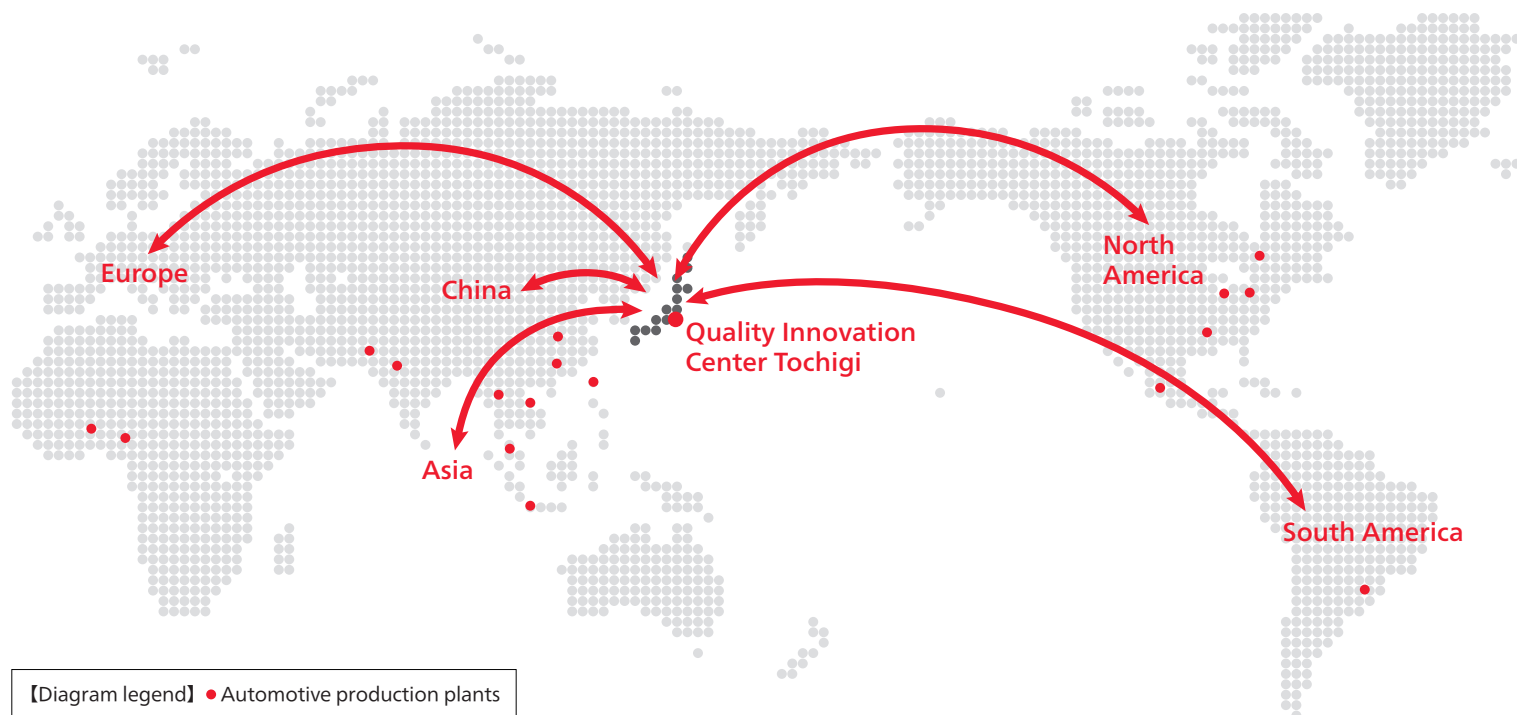
Overseas production plants play a central role in conducting the same type of quality enhancement activities as the Quality Innovation Center Tochigi.

When plants encounter a particularly difficult market quality issue and request assistance, the Center investigates and analyzes the issue before reporting the results back to the overseas facility.



Quality Innovation Center Tochigi, Japan

## Working with automotive production plants



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## Quality Initiatives

### Handling Major Quality Issues When They Occur

When Honda determines that an issue occurs with a product requiring a recall, it quickly notifies government authorities in accordance with individual countries' regulations and contacts the product owners by means of direct mail or telephone from dealers to provide information about how repairs can be received free of charge. In addition to Honda's website, recall information is provided through news media where possible.

As for recalls, a Global Quality Committee is quickly convened in accordance with G-HQS, and decisions concerning recalls are made in consultation with members of the relevant sales area, including experts from departments involved with quality issues who are capable of making objective decisions.

#### Annual recalls (FY2024)

Segment	Times	Total units
Automobiles	29	9,814,483
Motorcycles	14	253,479
Power products	5	390,737

\* These figures are sourced from internal data and, therefore, may differ from those publicly announced by authorities.

#### Airbag recalls

The repeated recalls for airbags have caused Honda customers great inconvenience and concern.

Honda has always placed top priority on customer safety and peace of mind and responded to its customers with this in mind.

In accordance with the agreed-upon revisions to the consent order between the National Highway Traffic Safety Administration (NHTSA) and Takata in May 2016, Honda has been gradually replacing all Takata ammonium-nitrate-based driver and passenger front airbag inflators that do not contain a desiccant.

Honda will continue to undertake its most extensive efforts to ensure a sufficient supply of replacement inflators to customers and take other necessary measures as quickly as possible.

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## Third-Party Evaluation

As an indicator of customer satisfaction, which is an outcome of the Honda Quality Cycle, Honda analyzes J.D. Power initial Quality Study<sup>SM</sup> (IQS), an external evaluation, and other data to ensure the provision of high-quality products.

Honda's planning and development, production, and sales and service departments are working together to achieve the highest level of customer satisfaction.

**Social**

**Human Rights**



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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

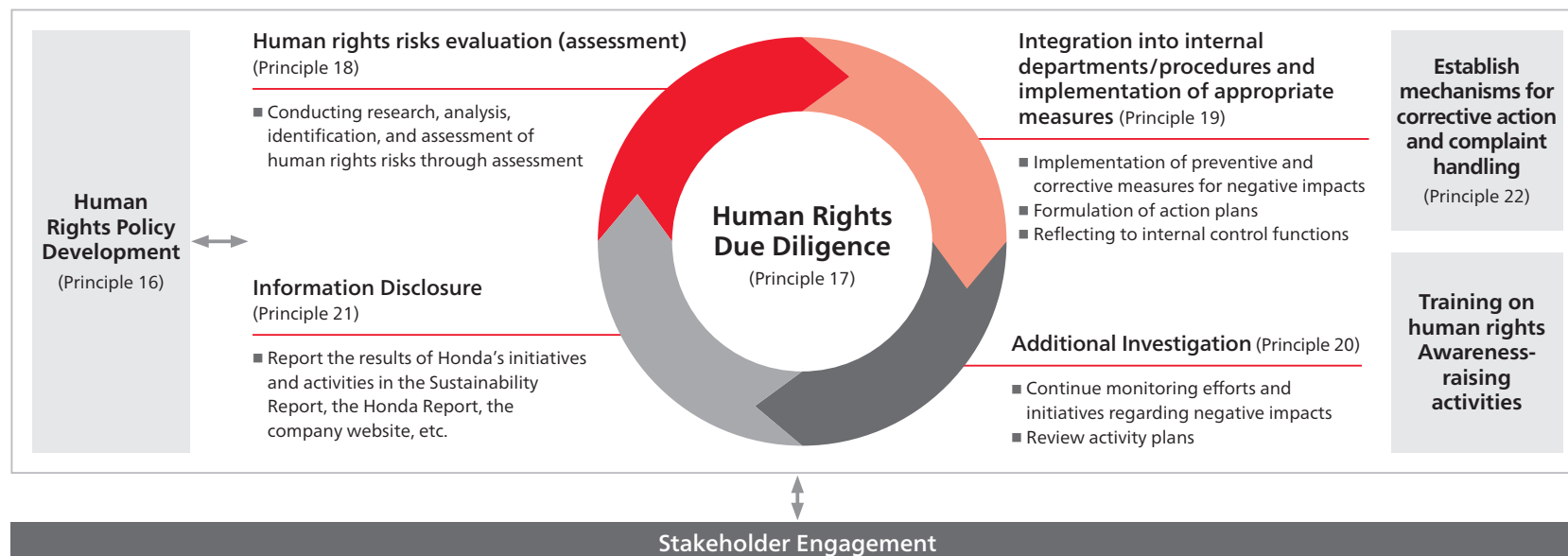
■ [https://global.honda/sustainability/cq\\_img/report/pdf/supply-chain/supplier-sustainability-guidelines.pdf](https://global.honda/sustainability/cq_img/report/pdf/supply-chain/supplier-sustainability-guidelines.pdf)

Human Rights Policy → p. 67

Associate Relations Policies → p. 73

Rules on Conflict Minerals → p. 139

### 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

*Tadatoshi Miki*

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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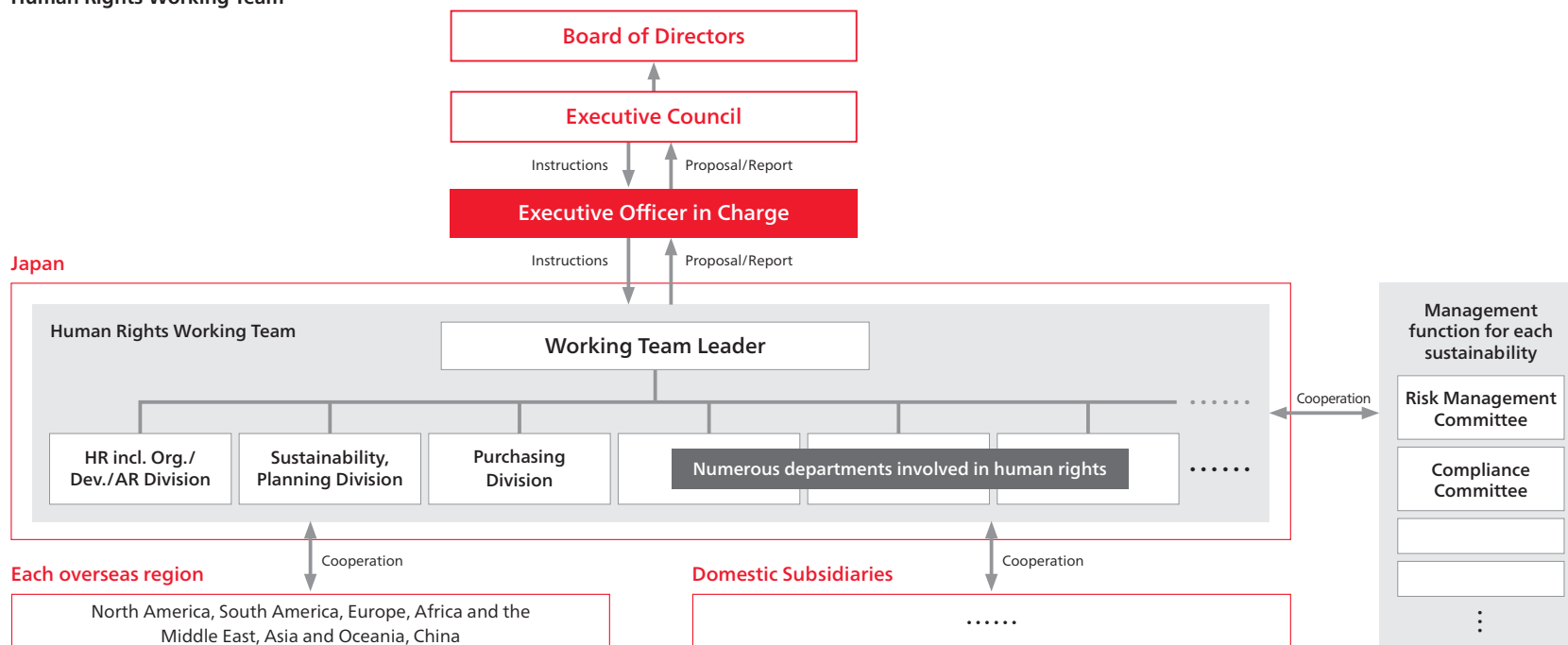
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## Promotion Structure

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.

### Honda's Human Rights Initiatives Human Rights Working Team



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.

Sustainability Management Structure → p. 06

Cooperate Governance Structure → p. 123

Risk Management Structure → p. 140

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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.

Diversity-related Initiatives ➡ p. 79

Building Motivating Work Environments ➡ p. 87

Establishing a Good Relationship with Associates ➡ p. 89

Indicators of Health Management Initiatives ➡ p. 96

### 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"> <li>■ Confirmation of the status of efforts to address each human rights issue</li> <li>■ Confirmation of the occurrence or non-occurrence of violation cases related to each human rights issue</li> </ul>
Items of questions	<ul style="list-style-type: none"> <li>■ Prohibition of forced labor (no trafficking in any form, including human trafficking, etc.)</li> <li>■ Prohibition of child labor (e.g., confirmation of age for employment)</li> <li>■ Elimination of discrimination and harassment</li> <li>■ Dialogue with associates</li> <li>■ Respect and acceptance of diversity (promoting women's participation in the workplace, employment of people with disabilities, etc.)</li> <li>■ Wages (compliance with minimum wage standards, efforts to realize equal pay for equal work, etc.)</li> <li>■ Working hours (limiting overtime work, encouraging the use of paid leave, etc.)</li> <li>■ Safe and healthy working environment (consideration for childbirth, childcare, and nursing care, support for balancing work and childcare, etc.)</li> </ul>

## 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.

Engagement with Suppliers ➡ p. 101

Measures to Counter Procurement Risk ➡ p. 105

Responsible Mineral Sourcing ➡ p. 105

ESG Surveys for Suppliers ➡ p. 106

## 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.

Stakeholder Engagement ➡ p. 07

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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.

Counseling Hotlines for Associates → p. 88  
Establishing a Hotline to Receive Suggestions and Consultation Requests from Suppliers → p. 101  
Business Ethics Kaizen Proposal Line → p. 138

## 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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# Human Resources

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# Basic Approach

## Basic Policy for Personnel Management

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. The Company's wish is to be a company where people with dreams of "I want to be this way" or "I want to do this" gather together, respect individual differences, trust each other as equal partners, exercise abilities to the fullest and share joy together.

From this standpoint, Honda adopts Respect for the Individual, consisting of the three elements of Initiative, Equality, and Trust, as one of the Company's Fundamental Beliefs. Honda believes this spirit should permeate all its relationships, not only with those in the Honda Group but with everyone in all companies with which Honda does business. The Company follows the Three Principles of Personnel Management, specifically "Respecting Initiative", "Ensuring Fairness" and "Encouraging Mutual Trust", when managing its human resources in areas such as recruitment, training, assignment and utilization, evaluation and treatment. Honda endeavors to build an environment in which all associates are self-motivated and can fully demonstrate their abilities, individuality, and creativity, thereby supporting each individual's willingness to take on new challenges.

As Honda's business activities expand into various parts of the world, it established Associate Relations Policies in March 2012 that are applied to Honda's daily corporate actions, putting the Three Principles of Personnel Management into practice while taking into account "the Universal Declaration of Human Rights" as well as "the ILO Declaration on Fundamental Principles and Rights at Work."

### Our Fundamental Beliefs Respect for the Individual

Initiative	Equality	Trust
Three Principles of Personnel Management		
<b>Respecting Initiative</b>	Honda respects the individuality, creative thinking and judgment of each associate.	
<b>Ensuring Fairness</b>	At Honda, every person should have equal employment opportunities. An individual's race, gender, age, religion, national origin and social or economic status have no impact on the individual's opportunities.	
<b>Encouraging Mutual Trust</b>	Honda and its associates should respect, trust and recognize each other as individuals and make sincere efforts to fulfill our responsibilities.	

### Associate Relations Policies

To put these Three Principles into practice, Honda has established the following Associate Relations Policies:

- 1. Respecting individual human rights**
  - We accept the individual characteristics and differences of our associates and respect their willingness and initiative.
  - We will always respect each individual's basic human rights and will not allow forced labor or child labor.
- 2. No discrimination**
  - Based on the principle that all human beings should have equal employment opportunities, we will strive to create opportunities for free and fair competition.
  - We will not tolerate discrimination or harassment of any form in the workplace on the basis of an individual's race, ethnicity, national origin, religion, gender or age, among other characteristics.
- 3. Complying with laws and ordinances**
  - We will respect the social norms, customs and culture of each country.
  - We will comply with the laws, regulations and ordinances enacted in each country and region.
- 4. Creating an environment of free, open-minded dialogue**
  - The associates and the Company will respect each other's views and endeavor to promote mutual understanding. Maintaining a relationship of mutual trust, the associates and the Company will 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 will attempt to resolve any and all issues in line with the laws, conventions and usages of each respective country and region.
- 5. Maintaining a working environment where each associate can work with a sense of security**
  - The Company will provide a safe and healthy workplace where all associates can concentrate on work with a sense of security.

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# Global Management

## Human Resources Vision and Strategies

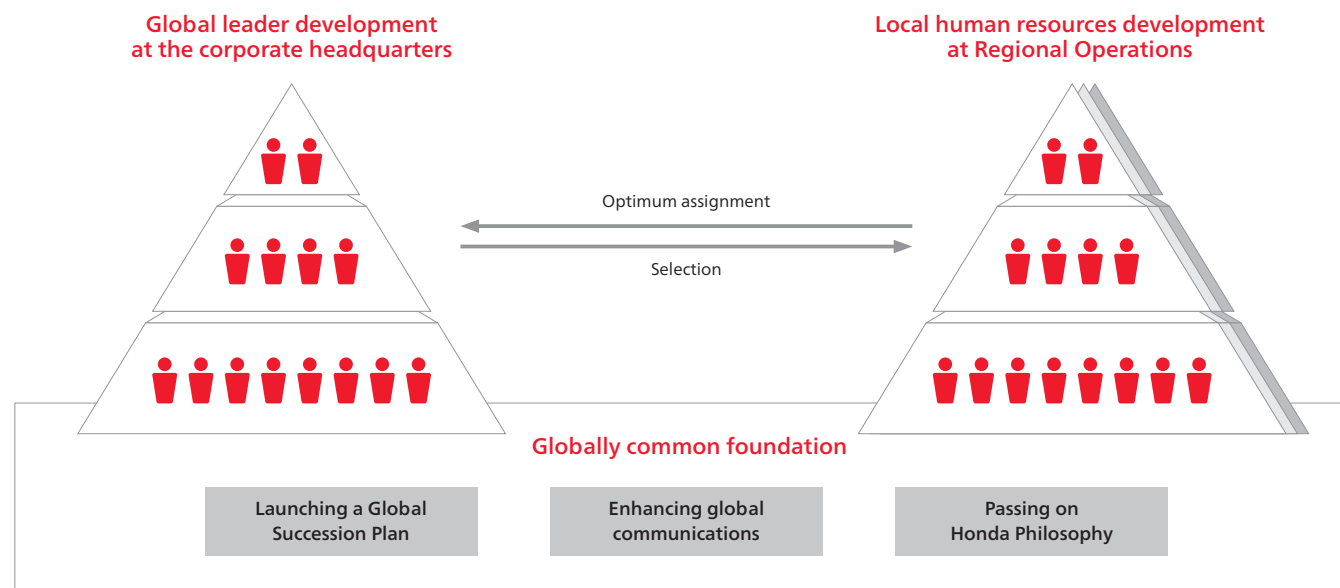
In accordance with its Company Principle, “maintaining a global viewpoint, Honda is dedicated to supplying products of the highest quality yet at a reasonable price for worldwide customer satisfaction,” Honda has been proactively developing business with a view to entering the global markets since its foundation. In regard to its expansion overseas, Honda’s business model has evolved from exporting to local production and then to local development. In recent years, in order to respond flexibly to changes in the business environment, including the acceleration of electrification, the Company has been promoting the global expansion of its businesses in cooperation with each region of the world.

In order to achieve this goal, Honda is pushing ahead with Global Human Resources Management Approaches. This initiative facilitates developing and

assigning global personnel who plan, design, and develop products that reflect market demand and who deliver quality products in a stable manner.

To be more precise, Regional Operation bases used to be managed mainly by Japanese expatriates; however, this style of management is being replaced by an approach where management is run by local associates, who are most familiar with the region. By assigning associates with experience in working for local and global operations to global functions, Honda continues to diversify and localize its workforce with multinational people and is working also to utilize local associates in Japan. This allows Honda to address market changes promptly and flexibly. Honda aims for the establishment of an organization in which it can demonstrate Honda’s total strength by coordinating its operations globally.

### Global human resources management approaches





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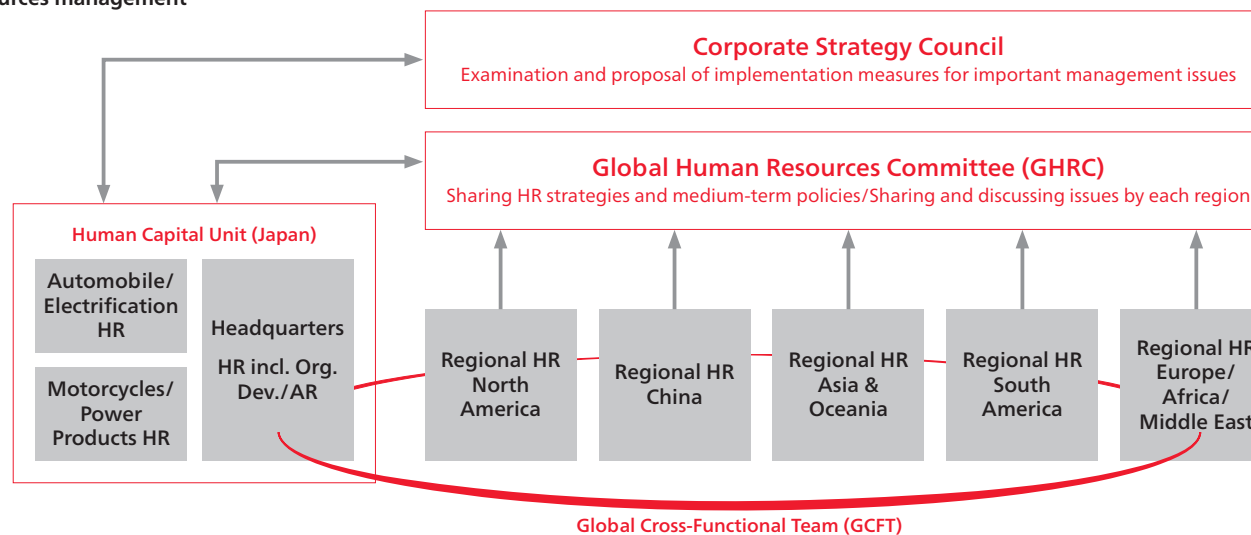
# Global Management

## Human Resources Management Structure

At Honda, in collaboration with the Human Resources divisions of each business operation and region, global human resources strategies are formulated from a medium- to long-term perspective and discussed at the Corporate Strategy Council attended by the top management members.

The HR strategies deliberated in the Council are broken down into actionable themes for further discussion in the Global Human Resources Committee (GHRC) meeting in which associates responsible for human resources from each business operation and region attend. In line with the directions, company-wide and regional plans including targets become concrete, and activities are launched throughout the Company.

### Global human resources management



Furthermore, the Global Cross-Functional Team (GCFT), consisting of HR members selected from each region, discusses how to implement effective and comprehensive global HR measures from more diverse perspectives and strengthens the development of company-wide activities. The GCFT also visits each region (Regional Visits) to gather information on the current status of the region and the voices of local associates in order to strengthen global collaboration.

Through these efforts, the Company aims to strengthen its global HR function as “One Strong HR Team” and contribute to improving Honda’s competitiveness.

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## Human Resources Initiatives

### Promoting Diversity to Maximize Corporate Comprehensive Strength

Individual differences that are demonstrated by its workforce represent a strength of a company in flexibly responding to the ever-changing business environment. Honda pursues workforce diversification in accordance with the conditions and issues in each region of the world, believing that the integration of these individualities will evolve into innovation.

For Honda, diversification of the workforce means to enhance its total strength by providing equal opportunities to people regardless of their personal attributes, such as race, nationality, cultural background, age, gender, gender identity, sexual orientation, gender expression, past career, educational background and having disabilities or not. Honda also encourages them to respect each other's individual differences and talents while exerting their own abilities to the fullest, based on Honda's philosophy of Respect for the Individual.

Specifically, each of Honda's core regions is hiring and developing personnel by setting a target for increasing the proportion of women and minority groups (in terms of race and nationality, etc.) in management and job assignments in accordance with the conditions of each region. In addition, Honda has been implementing a variety of initiatives for all associates such as facilitating the understanding of the importance of diversity and continually carrying out enlightenment activities.

### Reinforcement of Career-Centered Capability Development to Encourage Self-Improvement

Honda's approach to personnel education is built around on-the-job training (OJT), specifically, building specialized skills and professional capabilities through direct experience while placing considerable emphasis on the independence of each associate and his or her eagerness to take on a challenge.

At the same time, Honda has been implementing the following specific measures to enable associates to pursue self-improvement toward the realization of careers they have autonomously envisioned, and supervisors to further support the development of each individual's abilities.

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# Human Resources Initiatives

## Initiatives in Japan

1. Career training
2. Career counseling (opportunity for dialogue with internal/external advisors about careers)
3. Skill assessment
4. Selected management skills improvement training
5. Self-selective learning programs (on-line training/e-learning)

Through the implementation of the above measures, Honda will further strengthen efforts encouraging associates to continue taking up a challenge while fully understanding their individual responsibilities and the significance of their work, as well as urging the management to maintain their active engagement with and provide support to associates.

Annual training hours and cost per associate → p. 155

### FY2024 Results

	Content and results	Number of participants per year (participation rate)
1. Career training	<ul style="list-style-type: none"> <li>Promoting associates to deepen their self-understanding based on their own values and thoughts through dialogue with their peers, foster an awareness of career autonomy, and change their behavior</li> <li>Participants became able to set career goals and break them down into concrete plans. They are inspired by their peers and motivated to take new actions.</li> </ul>	4,557 (17.5%)
2. Career counseling	<ul style="list-style-type: none"> <li>Supporting associates to deepen their self-understanding based on their own values and thoughts, resolve their worries and anxieties, and achieve career autonomy through one-on-one dialogues with career consultants</li> <li>Participants gained a deeper understanding of themselves and a clearer picture of the career that will make the most of themselves. They had a better understanding of their work and increased motivation. Communication between superiors and subordinates became smoother.</li> </ul>	1,600 (4.4%)
3. Skill assessment	<ul style="list-style-type: none"> <li>Online assessment to measure the skills and competencies commonly required of associates so that they can identify their own strengths and weaknesses and utilize opportunities for skill development</li> <li>Participants became able to visually recognize the level of their general skills, both internally and externally, and this information helps them choose their next step (learning opportunity).</li> </ul>	1,927 (5.6%)
4. Selected management skills improvement training	<ul style="list-style-type: none"> <li>Enhancing the will and ability of associates responsible for management tasks to lead change through continuous self-reflection and practice in each workplace through a six-day training program</li> <li>Participants evoke their own intrinsic motivation as leaders, improve their management skills in both strategic planning and human organization, and contribute to the practice of actions in the workplace based on their learning.</li> </ul>	Management: 368, Management candidates: 340
5. Self-selective learning programs (on-line training/e-learning)	<ul style="list-style-type: none"> <li>Selective online training to enhance the skills and competencies commonly required of associates, and e-learning programs that allow them to freely select from a large number of courses in general-purpose business skills</li> <li>Each individual chooses to learn based on their own strengths and weaknesses, thereby contributing to the autonomous acquisition of general-purpose skills.</li> </ul>	Cumulative total: 21,904

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## Human Resources Initiatives

### Developing a Global Succession Plan

Honda has been developing a Global Succession Plan to systematically develop and appoint competent and motivated talents regardless of an individual's attributes (such as nationality and gender). More specifically, Honda has developed a Global Competency Model (GCM), which represents behavioral traits required of a global leader. The Company has implemented a GCM-based talent assessment in the Global Leadership Programs as part of its efforts to promote the development of successor candidates on a global basis. At the same time, Honda has defined the preconditions and capabilities required of major global positions and facilitates matching with talent information.

The above-mentioned talent and position information is shared and discussed with management at the Global Talent Board (GTB). In addition, with the establishment of the GTB Working Group to discuss talents with a wider range of target groups and the Talent Board for each business operation and function, Honda is promoting company-wide strategic personnel education.

### Development of Leaders on a Global Basis and in Each Region

Along with the launch of the Global Succession Plan, Honda has implemented the Global Leadership Program in accordance with the GCM.

#### ■ Global Leadership Program (GLP) -Transformation

Program for department heads to complete their foundation as global executives

#### ■ GLP-Exploration

Program for section managers to form the core competencies as the next generation of global leaders

#### ■ GLP-Discovery

Program for younger associates to create grounds for becoming global leaders

In each region, Honda is also promoting the personnel education based on GCM. Going forward, the Company will continue to develop further measures in cooperation with the HR members of each business operation and region, while holding GCM as a common indicator for ALL Honda.

### Passing on the Honda Philosophy

To maintain a corporate culture unique to Honda, it is important to share with associates around the world the standard of business judgment and codes of practice, that is, a set of values such as the Honda Philosophy.

To this end, Honda provides training and other opportunities to confirm and pass on the Honda Philosophy when associates join the Company or are promoted.

Also, to make the content of such training, etc. more practical, case studies are utilized to illustrate how management members or regional top management thought and decided based on the Honda Philosophy when making decisions and management judgments.

Furthermore, in April 2023, the Company redefined its global brand slogan, "The Power of Dreams," by adding the statement "How we move you." as a sub-sentence. This is a clear statement of Honda's raison d'être and the value it provides in view of the circumstances surrounding the present age.

To ensure that all associates have a deep understanding of the ideas contained in the Company's slogan and act on their own dreams, Honda is developing various initiatives, including direct messages from management. In December 2023, a new committee consisting of the headquarters and each region was established to formulate an action plan for each region, thereby accelerating efforts to ensure consistency not only in Japan but also on a global basis.

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# Human Resources Initiatives

## Diversity-related Initiatives

As Honda's diversity initiatives are relevant to all associates, the Company has positioned the three years since 2015 as a phase to build awareness and has first strongly promoted the expansion of women's participation in the workplace, which is a challenge in Japan. In the phase of evolution and expansion starting in 2018, the scope of the Initiatives has been expanded from female associates. The initiatives are being promoted to all associates, including superiors responsible for managing diverse human resources, experienced associates, people with disabilities and the LGBTQ+ people.

In work style reforms, Honda respects the wishes of individual associates and

will promote reforms that make them feel fulfilled in their work.

At the same time, the Company is proactively developing measures to enable individuals to career development autonomously and realize their dreams and goals.

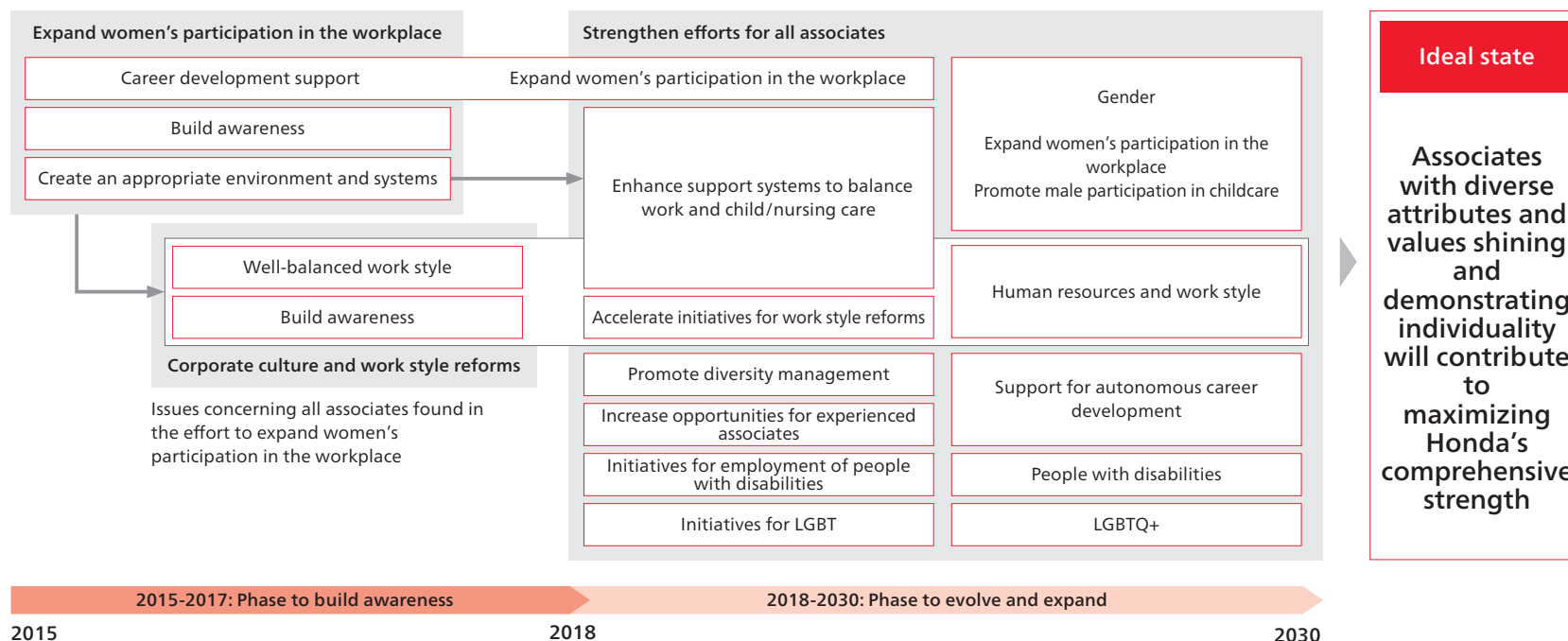
Honda hopes to build a organizational culture that inspires innovation by bringing together, accepting, and integrating diverse individuals, and to be a company that sincerely addresses social issues involving people.

To foster awareness and publicize its corporate stance, the Company strives to communicate internally and externally through its website and internal portal site, and actively interacts with experts in the diversity field and other companies.

Honda Diversity (Japanese only) <https://global.honda.jp/diversity/>

Major diversity-related initiatives in Japan → p. 80

### Roadmap for Honda's diversity in Japan



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# Human Resources Initiatives

## Major internal and external initiatives for diversity in Japan

Initiative	Diversity initiatives event	Awareness-raising seminar on disabilities	LGBTQ+ ally seminar	Childcare support seminars	
				Pre-childcare period seminar	Seminar for balancing work and childcare
Aim	Promote engagement of male associates in childcare/ understand the need to support women's health and help create an organizational culture that makes the most of diverse individuals.	Understand the current situation regarding the employment of people with disabilities and the environment surrounding companies as the first step in fostering awareness of people with disabilities.	Provide an opportunity to acquire knowledge as an ally (supporter) and to act voluntarily.	For associates before childbirth to eliminate concerns and resolve uncertainties during the childcare period, establish a vision for balancing work and childcare, and prepare to realize career development during the childcare period.	For associates after childbirth to address the challenges of balancing work and childcare during the child-rearing period and reconstruct career development from a medium-to long-term perspective.
Target	Associates in management positions/general associates	Associates in management positions	Associates in management positions/general associates	All associates	All associates
Period/Number of participants	December 2022 329	December 2023 Approx. 150	Conducted annually from 2021 Total of about 600 (4 times in total)	Trial implementation in FY2024 (Full-scale implementation starting in FY2025)	Conducted annually from FY2018 Total of 1,474
Duration	2 hours	2 hours	1.5 hours	3.5 hours	3 hours
External activities			External communications		
Interaction with experts in the diversity field and other companies			Communication on the company website on diversity-related social issues		
<ul style="list-style-type: none"> <li>■ Participation in the Work-Life Balance and Diversity Promotion and Research Project sponsored by the Chuo Graduate School of Strategic Management, Chuo University (from 2015)</li> <li>■ Presentation at the above project debriefing (2023)</li> <li>■ Presentation at the Diversity &amp; Career Forum (2023) hosted by Mitsui Fudosan Co., Ltd.</li> </ul>			<ul style="list-style-type: none"> <li>■ Message from top management (2022)</li> <li>■ Diversity initiatives event (male childcare participation/women's health issues for 2023)</li> <li>■ Awareness-raising seminar on disabilities (2024)</li> <li>■ Good examples of male childcare participation (from 2022)</li> <li>■ Health issues in the workplace (2023)</li> </ul>		



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# Human Resources Initiatives

## Efforts to Expand Women's Participation in the Workplace

Recognizing the expansion of women's participation in the workplace as a priority issue in Japan, Honda has goals since 2015 to realize equal career development regardless of gender and has been working on "awareness and culture reform," "career development support," and "system and environment development" as key pillars of its promotion efforts.

In 2021, Honda renewed the goals to "triple the number of women in management positions by 2025 and quadruple it by 2030 respectively, compared with FY2021," and to "increase the percentage of newly hired female graduates to at least 20% by 2025" and supports the Keidanren's initiative to have 30% female executives by 2030. From 2022, the Company is also working to address women-specific health issues and is strengthening and accelerating its promotion efforts to achieve its goals.

As a result of such efforts, the number of female executives is 1.4 times higher than in FY2021, and the percentage of newly hired female graduates is approaching 20%.

Taking the changing business environment as a chance to expand opportunities for women to play an active role, the Company will continue its approach to this issue.

## Efforts to Promote Male Childcare Participation

Honda will further promote work styles that allow men to participate in childcare, along with efforts to expand women's participation in the workplace. The Company aims to have 100% of male associates take 5 days of leave for childcare purposes (postpartum partner leave + childcare leave) by 2025. To create a corporate culture and organization in which both men and women can balance their work and private lives and develop their own personal careers, the Company is fostering awareness in a step-by-step manner by formulating policies, disseminating good examples, and holding seminars. In FY2024, the percentage of male associates taking leave for childcare purposes reached 88.9 % for one or more days, and 74.0 % for five or more days.

Ratio of women in management positions in the Honda workplace in Japan → p. 156

## Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

### 1. Period of plan

Five years from April 1, 2021 to March 31, 2026

### 2. Issues at Honda

- (1) Low percentage of women in management
- (2) Although the rate of competition for employment is equal among men and women, there are fewer female associates.
- (3) Not many male associates take part in child care.

### 3. Targets

- (1) Triple and quadruple the number of women holding management positions by 2025 and 2030, respectively, compared with FY2021
- (2) Increase the ratio of new recruits who are women to at least 20% by 2025
- (3) Achieve the percentage of men taking child care leave to 100% by 2025

### 4. Details of initiatives and period of implementation

<Initiative 1> Continue to foster awareness of the need to embrace diversity  
■ Continuously disseminate information from top management (January 2015-)

<Initiative 2> Nurture female associates and accelerate their utilization  
■ Enhance career development support by supervisors based on a career development plan (April 2015-)  
■ Continue to conduct interviews regarding career path through career advisors (October 2015-)  
■ Continue to provide seminars on work-life balance during child-rearing years (August 2017-)  
■ Increase company nurseries; establish an environment to support associates undergoing fertility treatment, including special leave systems (April 2017-)

<Initiative 3> Continue to strengthen the employment of women  
■ Continue to conduct focused publicity for female science and engineering students (March 2015-)  
■ Continue to participate in events promoting selection in science and engineering for high school students (March 2015-)  
■ Secure and increase points of contact with and webinars for female associates (March 2016-)

<Initiative 4> Promote engagement of male associates in childcare  
■ Revise Honda's systems related to child care (April 2022-)  
■ Initiatives to communicate and instill the idea of men taking part in child care and increase the use of relevant systems (October 2021-)

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## Initiatives for LGBTQ+

Honda respects the diversity of gender identity, sexual orientation, and gender expression, and is working to create a corporate culture and environment that naturally accepts LGBTQ+\*1 individuals. Honda held a seminar for members of company management in 2019 and provided an e-learning program to associates in management positions in 2020. In 2021, Honda extended the target of the program to general associates as well as held an “ally”\*2 seminar for associates to gain basic knowledge required as a supporter and show voluntary and proactive action.

In the area of personnel and welfare systems, Honda is treating associates’ same-sex partners as spouses and allows the use of working names according to the transgender person’s self-identified gender. Honda has also set up a consultation service, which is available at any time. By doing so, the Company has created appropriate systems and work environment where everyone accepts diverse individuals and feels comfortable and fulfilled in their work. Additionally, as part of promotion of corporate activities to facilitate society’s understanding of LGBTQ+, Honda is supporting LGBTQ+-related and other events. The Company has supported Business for Marriage Equality, a campaign to make visible companies that support marriage equality (legalization of same-sex marriage), since September 2021.

As a result of these efforts, Honda has received the highest Gold rating in the PRIDE Index, which was created by work with Pride Association to evaluate companies’ efforts to create an LGBTQ+-friendly workplace in Japan, for four consecutive years since 2020.

Overview of LGBTQ+ ally seminar ➡ p. 80

## Increasing Opportunities for Experienced Associates to Expand Their Roles

In order for Honda to maximize its comprehensive corporate strength toward the realization of the 2030 Vision, each associate needs to adapt to a change in his or her work resulting from the changes in company operations. Honda has prepared a training program of autonomous career development measures starting from FY2022. The program offers an opportunity for experienced associates who have supported Honda’s growth to date to consider autonomous career development focused on individuals.

In terms of the creation of necessary systems, Honda introduced a flexible retirement system in April 2017 to allow associates to choose when to retire (up to the age of 65) according to their plan in order to provide a more suitable working environment for people aged 60 and over.

With the aim of responding to changes in the working environment and more diverse senses of value, Honda has implemented a system of shorter working days and shorter working hours for full-time associates aged 55 and older. In step with the times, the Company thereby supports associates’ new challenges for demonstrating their strengths in new fields and for following their own lifestyles.

### Overview of career training for experienced associates

Initiative	Career training (Meister Class)
Aim	Explore future possibilities and plan specific future initiatives to find a career direction that makes sense for individuals
Target	Associates in management positions/ general associates aged 50 to 64
Number of participants	Total of about 2,033 from Aug. 2022
Duration	7.5 hours for associates in management positions, 7 hours for general associates

\*1 There are several generic terms for sexuality, including LGBT and LGBTQIA; Honda recognizes diversity of all genders, and therefore has adopted the term LGBTQ+ since 2023.

\*2 Associates who have basic knowledge of LGBTQ+, consider LGBTQ+ issues as their own and voluntarily think and act as supporters

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# Human Resources Initiatives

## Employment of People with Disabilities

Honda actively provides jobs to people with disabilities at its business sites in compliance with laws in each country where it does business.

In Japan, based on the idea of normalization, Honda has been a pioneer in society's efforts in promoting the employment of people with disabilities.

Honda seeks to enable individual associates, regardless of their disability, to make the most of their talents and contribute to society through their work. To this end, the Company is improving the workplace environment so that people with disabilities can work alongside able-bodied people, while taking into consideration each person's disability status.

Honda also established its special subsidies to empower and provide employment opportunities to people with disabilities: Honda Sun Co., Ltd. in 1981, and Kibounosato Honda Co., Ltd. in 1985.

Employment of individuals with disabilities at Honda Group companies in Japan in FY2024 stands at 2.35%, or 994 individuals, which is above the legally mandated level of 2.3%.

Number of associates with disabilities and percentage of employment of individuals with disabilities in Japan ➡ p. 156

## Helping Associates Balance the Demands of Work, Parenting, Nursing Care and Medical Treatment

In Japan's increasingly aging society with a declining birthrate, establishing an environment where people can balance work, parenting, nursing care and medical treatment is a social issue. Under such circumstances, Honda works actively to provide programs that help associates balance the demands of work, parenting, nursing care and disease or fertility treatment, and to gain an understanding of these programs by sending information by means of guidebooks and the in-house portal site. To support the challenges of balancing those demands and career development during the child-rearing period, seminars are also held before and after childbirth.

In April 2014, Honda introduced a Selection-based Welfare Program (Cafeteria Plan) giving associates the options of support for nursing care, as well as life events such as childbirth and childcare, including babysitter agent services and child-care items rental.

As a result of these initiatives, Honda has been certified as a company that supports child-rearing by the Japanese Minister of Health, Labour and Welfare. Honda has been implementing other initiatives as well to meet diverse needs of individual associates. Specifically, the Company introduced a system of transfer and a system of leave in April 2018 for associates to accompany their spouses being transferred. In April 2019, the Company also extended the scope of its existing system of short working hours, remote work system and half-day paid leave system. Beginning from April 2020, Honda introduced a system of short-term leave for disease and fertility treatment and a system of long-term leave for fertility treatment. In addition, the Company has introduced postpartum partner leave starting in April 2022 and childbirth leave starting in October 2022 to encourage associates to participate in childcare as partners.

Honda will continue to establish systems and an environment to accelerate initiatives related to diversity (➡ p. 79) and enable both varied lifestyles and careers desired by individual associates.

Number of associates who utilize child/nursing care support in Japan ➡ p. 156

Reinstatement rate after taking child care leave in Japan (%) ➡ p. 156

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# Human Resources Initiatives

## Overseas Diversity Initiatives

Honda's diversity-related initiatives are also being implemented in overseas regions in line with the characteristics of each region based on the Honda Philosophy.

### North America

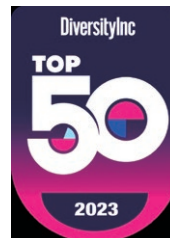
In North America, Honda has been committed to practicing Honda's philosophy of "Respect for the Individual" through enhanced diversity, equity, and inclusion activities. Honda believes that activities to promote an inclusive environment that embraces people of different backgrounds, genders, races, ethnicities, sexual orientations, and abilities can create value for its customers and communities.

In one of the symbolic efforts, Honda and the Historically Black Colleges and Universities (HBCUs) began with the creation of the Honda Campus All-Star Challenge (HCASC) in 1989 and expanded with the creation of the Honda Battle of the Bands (HBOB) in 2003. Honda supports the mission of HBCUs to provide higher education and career opportunities for their communities and has been a long-time supporter of HBCUs for more than 35 years. This support includes scholarships and a variety of other initiatives to support the dreams and potential of students at HBCUs and develop future leaders. Through HBOB and HCASC, Honda has engaged more than 200,000 students and provided more than 14 million dollars in support for educational programs and facility improvements at HBCUs.

In 2023, Honda was named one of the Top 50 Diversity Companies by DiversityInc in recognition of its voluntary efforts to work with associates, suppliers, dealers, and community partners.



Honda Battle of the Bands



Diversity TOP50

### South America

In Brazil, South America, Honda is providing Diversity/Inclusion and Unconscious Bias training to the leaders of its Brazilian companies with the aim of strengthening their understanding and deepening their knowledge of diversity. This training started in 2022 and is based on the Honda Philosophy. It focuses on ensuring that participants correctly acquire and implement knowledge, including what actions can be taken in the workplace to expand awareness in diversity, deepen understanding minority groups, and strengthen respect for the individual. In 2023, the training was conducted at all management levels, with a total of 524 participants.



Training in Sao Paulo



Training in Manaus

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# Human Resources Initiatives

## Europe

In Europe, Honda is working on various initiatives to achieve more diverse work environments.

In human resource management, we constantly monitor and report the percentage of women in management and the percentage of foreign nationals in management within the headquarters.

In recruiting, Honda ensures that its activities are unbiased and carries an Inclusion and Diversity Statement. It publicizes its respect for diversity in all job advertisements and is also used in communications with associates.

Diversity and inclusion have been included in training for managers throughout Europe and are scheduled to be included also in training for all associates in FY2025.

In human resource allocation, the handling of transfers and recruitment methods have been revised to allow for flexible transfers. This allows associates to be transferred throughout the European region according to their individual circumstances.

Additionally, Honda has implemented a number of other local initiatives, including an outreach program to increase understanding of people with disabilities.

## Asia and Oceania

In Asia and Oceania, there are 41 Honda locations in 13 countries, employing more than 110,000 associates of different nationalities, races, cultures, and languages. Since 2018, Honda has been working to promote the exchange of human resources within the region to maximize the power of its diverse workforce and help them find the right place in the right job for them.

Honda aims to increase the mobility of human resources by creating a common HR platform. First, Honda has defined common competencies based on the Honda Philosophy, adding regional characteristics, and has instilled a common set of values for the region. Then, based on these common competencies, the Company is reviewing its personnel system, salary structure, and other systems. Through these efforts, Honda has gradually reduced barriers to cross-border personnel exchanges.

As a result, the number of non-Japanese associates stationed in other country locations, which was small until a few years ago, increased to 41 in FY2024. Currently, most of these stationing is through personnel exchanges with Asia Honda Motor, the regional headquarters company, but in the future, Honda aims to accelerate personnel exchanges among all locations.



Stationed associates in the region



Workplace



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## Human Resources Initiatives

### China

In China, Honda is committed to providing workplaces free of any gender and ethnic discrimination, based on the social principles of gender and ethnic equality in hiring, promotion, granting opportunities, and compensation.

Female associates are active in all areas of Honda and actively contribute to the Company's development. China has 55 ethnic minorities in addition to the Han Chinese, but Honda employs and utilizes excellent human resources regardless of ethnicity. Honda's China headquarters employs workers from many ethnic minorities, including Manchu, Tujia, and Hui.



Women's Day event



Dancing in ethnic costumes

## External Evaluations of Honda's Initiatives for Promoting Diversity

### "L-boshi" Certification

In August 2018, Honda received the "L-boshi" certification from the Japanese Minister of Health, Labour and Welfare, which recognizes the company as promoting female participation.



### "Kurumin" Certification

In July 2012, Honda received the "Kurumin" certification from the Japanese Minister of Health, Labour and Welfare, which recognizes the company as supporting child-rearing.



### PRIDE Index 2023

In November 2023, Honda received the highest Gold rating in the PRIDE Index – an index that evaluates companies' efforts to create workplaces that are friendly to sexual minority groups, including LGBTQ+, for the fourth consecutive year.



### Selected for the New Diversity Management Selection 100

In March 2019, Honda was commended by the Minister of Economy, Trade and Industry for its diversity management which leads to value creation by leveraging the abilities of diverse human resources.





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# Human Resources Initiatives

## Direction of Future Initiatives

In addition to recruiting diverse human resources, Honda views the acceptance of diverse human resources as an integral element of its philosophy on diversity. Honda believes that respect of the individual will help foster individuality and draw out each person's unique abilities, and this will lead to an increase in job satisfaction.

As the world enters an era of great uncertainty and an era of the 100-year life, Honda is reaching the second foundation phase and it is becoming more important that each associate will autonomously career development his or her own career, exercise independence and achieve personal growth. By going ahead with the establishment of a system to support associates' voluntary career development, Honda will strive to provide greater motivation at work for associates and strengthen both individual and organizational competitiveness.

## Building Motivating Work Environments

### Realizing Work Styles That Pursue the Quality of Output and More Effective Use of Time

As expressed in the saying "Work hard and play hard," Honda has been striving to increase the density of working hours through new ideas and ingenuity and generate more time to enjoy life. Toward this goal, proactive efforts have been made to build work environments that enhance associates' motivation at work. These efforts date back more than 50 years to the 1970s and include the introduction of shorter work hours and implementation of an initiative jointly promoted by labor and management to encourage associates to use their allotted vacation time in full\*.

From the viewpoint of work style reform, Honda is further evolving its initiatives to create a culture and environment that enables diverse human resources to demonstrate their abilities to the fullest in order to pursue the quality of output and make the most effective use of limited time. While implementing appropriate time management, Honda has been making efforts to encourage flexible work styles for increasing output within a limited amount of time and to raise awareness of both management and associates for streamlining work and

promoting the delegation of authority. Honda has also been engaging in additional year-round activities geared toward improving productivity.

In addition, Honda has eliminated core hours at the time of arrival at work, allowing for a more flexible work style regardless of where associates work.

In pursuit of maximum efficiency and results for both the individual and the organization, the Company's basic policy is to have associates come to the office and work face-to-face. At the same time, however, the Company allows for the effective use of remote work system based on management judgment, taking into account the job description, experience, and work flow of individual associates. In particular, regarding remote work for reasons such as childcare or nursing care, the Company gives consideration to the extent possible and operates in a flexible manner.

As a result, total annual working hours averaged 2,023 per associate in FY2024, and associates averaged 17.9 paid vacation days.

Furthermore, with the aim of accelerating inter-organizational cooperation and individual independence, the rules of the flextime system have been standardized throughout the Company since April 2023. Honda is creating an environment that encourages collaboration across organizational boundaries and helps associates with a strong will to demonstrate their abilities through more flexible work styles, so that each and every associate can feel job satisfaction.

Total working hours per associate and average paid vacation days taken in Japan → p. 159

\* An initiative to prevent vacation days from being lost when the number of annual paid vacation days that can be carried over to the next year is exceeded

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# Human Resources Initiatives

## Counseling Hotlines for Associates

Honda supports associates by operating a variety of counseling hotlines as a way to building healthy work environments.

### Examples of counseling hotlines in Japan

Hotlines	Description
Counseling hotlines dedicated to balancing work, parenting, family life responsibilities and medical treatment	Honda operates a counseling hotline at each worksite's human resources and general affairs department to accommodate counseling requests from associates striving to balance work and family responsibilities, and to promote awareness and utilization of the Company's support programs. Each hotline is staffed by counselors, who field counseling requests from associates themselves and from their supervisors.
Harassment counseling hotline	Honda operates a harassment counseling hotline for all associates in order to prevent any harassment in the workplace and to facilitate the rapid and appropriate resolution of incidents. In cooperation with the personnel in charge of human resources and general affairs department at each office, contact and responses will be made with the person asking for counseling service.
LGBTQ+ counseling hotline	Honda operates a hotline for LGBTQ+ associates to accommodate requests for advice on their worries and problems and inquiries about support programs. The hotline also provides advice to other parties concerned, who are unsure of how to respond to LGBTQ+ associates, and works to prevent negative consequences of unintended outing.
Life planning seminar hotline	Honda offers life planning seminars for associates to consider their purpose in life, health, and financial planning so that they can retire at the optimum timing for themselves. Seminars are also open to associates' spouses, and individual consultations with a financial planner are also available after the seminar.
Counseling hotline for people with disabilities	Honda operates a counseling hotline for all associates to resolve work and daily life problems related to disabilities. The person in charge will coordinate with the appropriate consulting parties to contact and respond to the person asking for counseling service.

## Initiatives to Prevent Harassment

Honda's Fundamental Beliefs include "Respect for the Individual," which means respecting individual differences, trusting each other as equal partners, exercising abilities to the fullest and sharing joy. The Associate Relations Policies (➡ p. 73), which are based on the Beliefs, clearly states that "we will not tolerate discrimination or harassment of any form in the workplace," and Honda is committed to creating a workplace environment and corporate management that prevents harassment from occurring.

### Examples of specific initiatives

- The employment regulations clearly state harassment of third parties or associates as a reason for disciplinary action.
- The Honda Code of Conduct clearly states that the Company will not tolerate any form of harassment in the workplace.
- Leaflets for properly understanding harassment are distributed to all associates at the time they join the Company.
- Educational activities to prevent harassment are conducted at all offices and affiliated companies.

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# Human Resources Initiatives

## Evaluation and Treatment

### Personnel Evaluation System

In accordance with Respecting Initiative, Ensuring Fairness and Encouraging Mutual Trust based on the Three Principles of Personnel Management, Honda has introduced human resource evaluation programs that are tailored to the specific regional characteristics in each region of the world.

For example, in Japan, Honda places emphasis on two-way communication with supervisors in associate development and evaluation, and all associates have at least five interviews with their supervisors each year. During the first interview in April, which is the beginning of the fiscal year, associates come out with their desired career and future vision, and how to realize that aspiration through their supervisor's advice. They then work out their individual role and action targets based on the organization's business goals for the fiscal year in question.

At biannual interviews, associates themselves look back on their performance during the preceding six months and report to supervisors. Feedback interviews are then conducted, in which supervisors evaluate associate performance and initiatives and feed back each associate's strengths and weaknesses. Additionally, by facilitating a discussion of subjects such as future objectives and career directions, the interviews pave the way for associates' skill development and raising motivation.

Percentage of associates going through the evaluation programs → p. 159

### Compensation and Incentives

Based on the Three Principles of Personnel Management, Honda gives its associates equal opportunities to make the most of their individual potential and carefully evaluate their abilities and accomplishments at business sites regardless of personal factors. Honda's compensation and evaluation system is built in line with the above approach in consideration of the needs and conditions of each region.

Honda in Japan has adopted a compensation and evaluation system in which performance of general associates is evaluated in two stages: development of abilities and demonstration of abilities. In the former stage, Honda places emphasis more on how associates' abilities evolve, whereas associates' demonstration of abilities and achievement are focused on in the latter stage. An annual salary system is applied to compensation for associates in management positions or

higher. The higher their positions are, the more their accomplishments and company performance are taken into consideration.

Percentage of performance-based remuneration in Japan → p. 159

Starting salary in Japan → p. 159

## Establishing a Good Relationship with Associates

### Creating an Environment of a free, open-minded Dialogue

In accordance with Encouraging Mutual Trust based on the Three Principles of Personnel Management, Honda declares in the Associate Relations Policies that associates and the Company will respect each other's views and endeavor to promote mutual understanding. Maintaining a relationship of mutual trust, associates and the Company will make every effort to engage in sincere discussions about any issues that might arise or exist. In line with the policies, Honda strives to maintain a good relationship and resolve issues that arise through dialogues with its associates.

In addition, an appropriate notification period is set in advance in case of the implementation of important corporate measures that have a marked impact on associates.

### Measurement of Associate Engagement

Honda measures associate engagement in all regions to obtain associate feedback for building a healthier and more comfortable work environment.

The measurement is conducted based on the common criteria within each region, with the target of achieving a "very good" engagement level of associates working at Honda in each region.

The measurement results are fed back to associates and used for activities to create a better work environment.

In Japan, managers at the section manager level and above at each workplace analyze the results for their own department and link them to workplace-based improvement activities through understanding the actual conditions in the workplace, providing feedback to members, and free and vigorous dialogue for workplace development.

Associate engagement in Japan → p. 159

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# Human Resources Initiatives

## Occupational Safety and Health

Honda's efforts to build a safe and secure work environment have their origin in the Company Principle formulated in 1956.

They are also based on the Fundamental Beliefs of "Respect for the Individual" and "The Three Joys."

Under the safety principle of "No safety, no production," which has been passed on since its founding, Honda seeks to realize a work environment that brings the joy that all people can work with a true sense of security.

Based on this principle, Group companies in all parts of the world have established basic policies for occupational safety and health based on respective regional needs and conditions. To eliminate serious industrial accidents in Japan and overseas, Group companies also promote activities aimed at preventing industrial accidents and their recurrence, as well as ensuring the health of everyone who works for Honda.

In December 2022, the Company also created a medium- to long-term "Safety and Health Policy," which outlines the safety and health activities to be practiced by associates around the world. Based on this policy, Honda strives to create a safe and healthy workplace, while each associate works to maintain such a workplace and to prevent and minimize accidents.

## Safety and Health Policy

### Safety and Health Principles

Honda's safety principle of "No safety, no production," is based on the concept of how important and precious it is for each and every associate to be able to work safely and to the best of their ability in both physical and mental health, and the Company will strive to be progressive in its actions to achieve a safe workplace.

### Safety and Health Policy

Aiming for a safe, healthy, and lively workplace, we will conduct safety and health management activities listed below, based on the company-wide safety policy with the aim of fostering and spreading a culture of safety among all associates: from "safety that is given to us" to "safety that we protect ourselves and safety that we create for ourselves."

1. We will perform the risk evaluation of work related business operations, and invest resources as much as necessary to prevent occupational accidents.
2. We will disseminate the Safety and Health Policy, and all associates will perform safe and secure workplace by implementing safety training and safety activities.
3. We will observe the related regulations and internal standards and work on all aspects of accident prevention and health maintenance promotion.
4. We will implement and operate this policy and the safety and health management manual accordingly and perform the improvement of safety awareness for all associates.
5. We will support mental and physical health maintenance and promotion positively and practice health management (wellbeing).
6. We will have the awareness and responsibilities as associates of Honda and eradicate four pernicious traffic violations and positively act on "Zero traffic accidents".

Establishment: December 8, 2022

Honda Motor Co., Ltd.

Director, President and Representative Executive Officer, Chief Executive Officer

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## Achievements in Safety and Health Activities as Set Forth in the Safety and Health Policy

Safety and Health Activities		Main Activities	
1	We will perform the risk evaluation of work-related business operations, and invest resources as much as necessary to prevent occupational accidents.	<ul style="list-style-type: none"> <li>Regular on-site inspections by the Equipment Safety Committee</li> <li>Guidance sharing meetings at overseas sites</li> </ul>	 <p>Efforts to eliminate accidents caused by equipment</p>
2	We will disseminate the Safety and Health Policy, and all associates will perform safe and secure workplace by implementing safety training and safety activities.	<ul style="list-style-type: none"> <li>Safety communication by management with on-site managers</li> <li>Basic safety training for machinery and equipment (actual equipment)</li> </ul>	 <p>Lively exchange of views and opinions in line with the workplace</p>   <p>Practical extraction of sources of danger</p>
3	We will observe the related regulations and internal standards and work on all aspects of accident prevention and health maintenance promotion.	<ul style="list-style-type: none"> <li>Internal safety audits of all workplaces</li> <li>Compliance with laws and regulations</li> </ul>	 <p>Workplace audits by the Audit Committee</p>  <p>Mask fitting test</p> 
4	We will implement and operate this policy and the safety and health management manual accordingly and perform the improvement of safety awareness for all associates.	<ul style="list-style-type: none"> <li>OSHMS Training</li> <li>Training using company-wide standardized training textbooks</li> </ul>	 <p>Identification of risk assessment hazards</p>  <p>Example of educational materials</p>
5	We will support mental and physical health maintenance promotion positively and practice health management. <b>Health Management Initiatives</b> → p. 95	<ul style="list-style-type: none"> <li>Support tailored to individual associates</li> <li>Support that connects with the organization</li> </ul>	 <p>Personal support</p>  <p>Group training</p>
6	We will have the awareness and responsibilities as associates of Honda and eradicate four pernicious traffic violations and positively act on "Zero traffic accidents".	<ul style="list-style-type: none"> <li>Poster declaring the four pernicious traffic violations</li> <li>Instructor training</li> <li>Traffic safety instructor training</li> </ul>	 <p>Short declaration</p>  <p>Traffic safety promotion activities</p>  <p>Activities to prevent accidents involving young associates</p>

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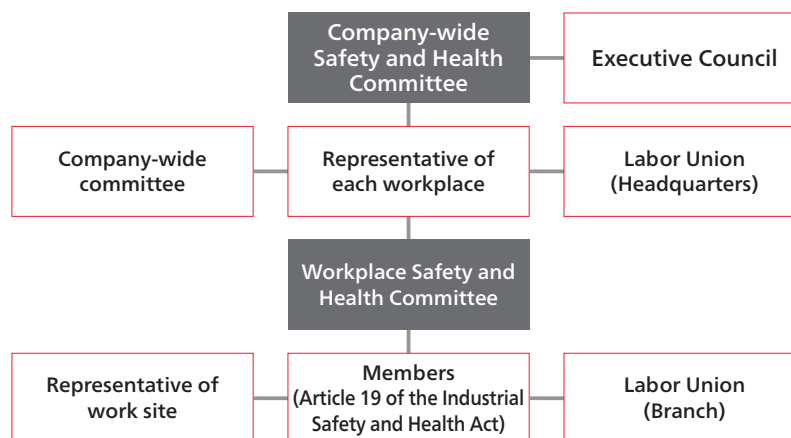
# Human Resources Initiatives

## Safety and Health Governance Structure

Honda has established a Company-wide Safety and Health Committee chaired by the vice president in 2022 to strengthen safety and health within the Honda Group by providing company-wide policies and implementation instructions for horizontal deployment regarding the occurrence of serious accidents, etc.

As for a workplace\*1 safety and health governance structure, Honda has established a Safety and Health Committee, led by the Safety and Health Management Division, to enforce safety and health governance. Issues are shared and discussed jointly among labor and management for establishing a system to realize safe and comfortable work environment.

### Committee system diagram



Additionally, the Company-wide Safety and Health Audit Committee, chaired by the vice-chairman of the Company-wide Safety and Health Committee, conducts occupational safety and health audits to check on the operation of an Occupational Safety and Health Management System (OSHMS) and progress in implementing compliance-related matters, thereby ensuring a high level of safety and health standards throughout the Company.

## Safety Initiatives

### Domestic and Overseas Workplaces

To increase the effectiveness of safety management at each workplace in Japan and in each overseas region, the Regional Operations take the lead in carrying out proactive activities by focusing on the implementation of an Occupational Safety and Health Management System, diffusion and execution of risk assessment and the establishment of explosion and fire prevention measures.

Honda also conducts occupational safety and health audits and reviews based on a plan to share recognition of safety and health management. At the same time, the Company strives to improve the management system as well as personnel training for safety control at each domestic workplace and in each overseas region.

### Collaboration with Domestic Related Group Companies

The Company has established a safety hotline between Honda and related group companies and is working to prevent the recurrence and prevention of accidents through speedy development in cooperation with each company and the exchange of information that contributes to the improvement of safety and health activities.

### Creating Working Environment Criteria

Honda stipulates workshop environmental criteria in its Comfortable Workplace Guidelines and Hazardous Operations Management Regulations. In accordance with the three basic items of work and health management\*2, the Company performs periodic inspections and improvements to appropriately maintain and manage its working environments.

\*1 In accordance with the Industrial Safety and Health Act, each organization is described as a "workplace" in this part.

\*2 Refers to working environment management, work management and health management and constitutes the fundamental approach to work and health management.



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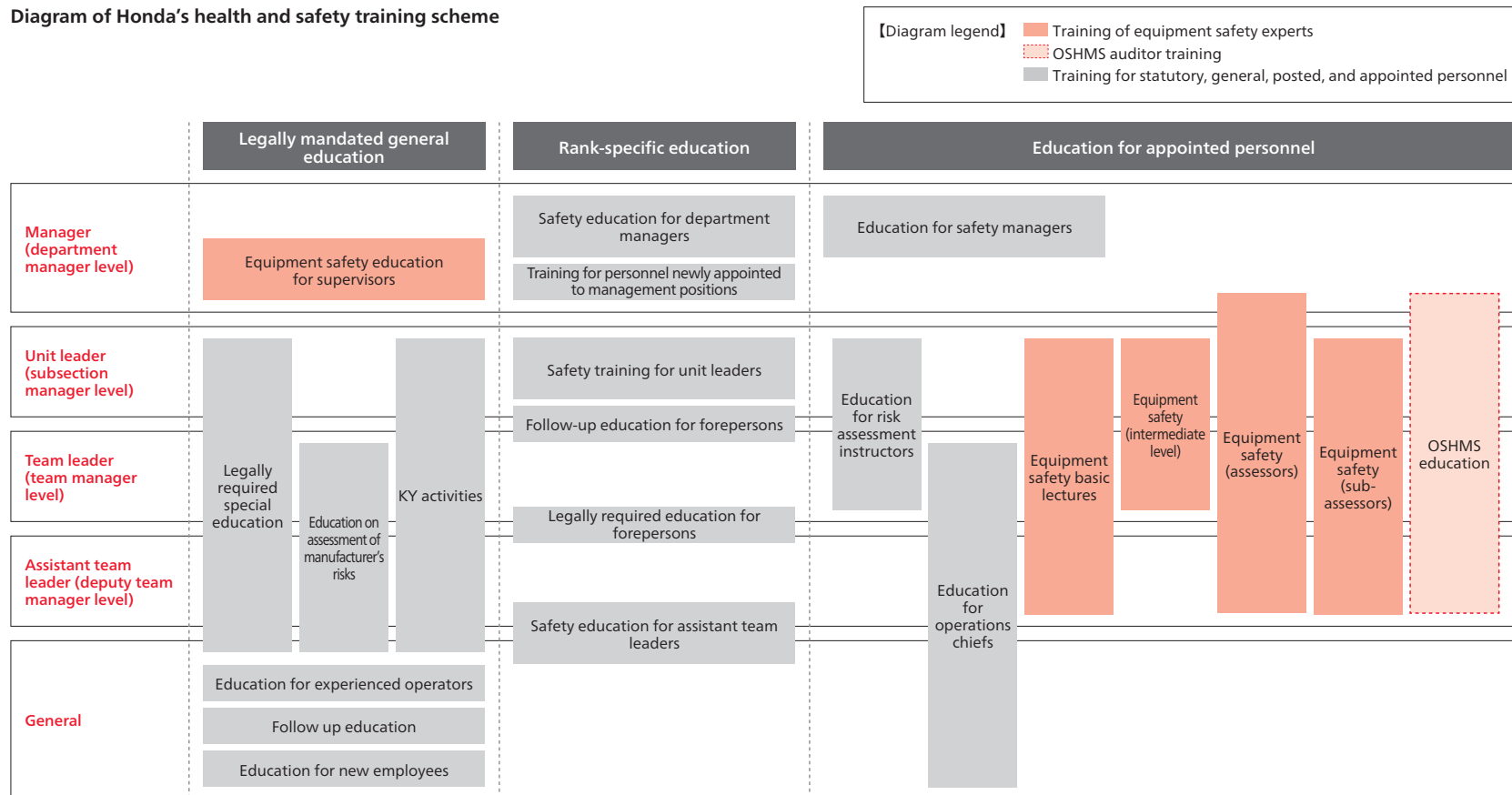
# Human Resources Initiatives

## Safety and health education and training

The company-wide safety and health training system has established training and education programs that enable all associates to understand how to create a safe workplace, and every year, they receive safety and health education tailored to their individual roles.

In recent years, the Company has focused on equipment safety training that is deeply related to serious accidents and provides training that enables risk assessment management.

### Diagram of Honda's health and safety training scheme



Lost time injury frequency rate (LTIFR) → p. 159

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# Human Resources Initiatives

## Safety and health education and training

The department responsible for supervising company-wide safety plays a key role in providing training for safety engineers in machinery and equipment (Safety Assessor training\*) and other training programs aimed at developing safety and health experts, thereby steadily reducing the number of accidents and fires caused by

machinery and equipment.

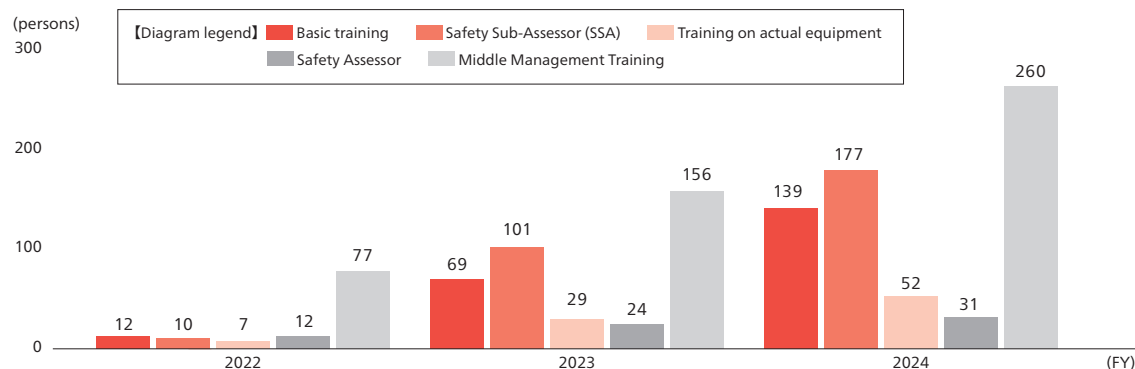
In addition, Honda develops managers and auditors at all levels through Occupational Safety and Health Management System training.

Each workplace also provides various training programs for its associates.

## Training situation for safety and health

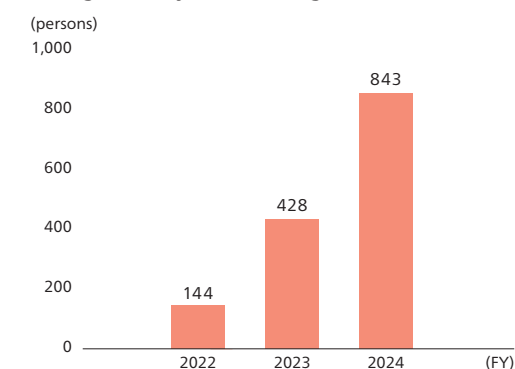
Training title	Trainees	Number of training days	Number of participants	Purpose of training	Outline of training
Basic training	Persons who have been engaged in the installation and maintenance of equipment for several years	3 days	70	Acquire skills to correctly identify hazardous sources	Basic machine safety knowledge (standards, laws, risk assessment, etc.)
Safety Sub-Assessor (SSA)	Engineers mainly involved in safety verification of installed equipment	6 days	76	Learn in-depth expertise on machinery safety Obtain SSA qualification certification	Acquire theoretical knowledge of machine safety principles, essential safety design measures, and proper estimation of risks
Training on actual equipment	Persons in charge of leading safety verifications on equipment	5 days	23	Acquire risk assessment skills based on ISO through group exercises	Develop an advanced ability to assess safety and verify machine safety while using actual equipment for training purposes
Safety Assessor (SA)	Persons seeking an advanced level of in-depth expertise in machinery safety	8 days	7	Obtain SA qualification certification	Acquire knowledge of safety certification, a wide range of risk reduction measure techniques, and verification knowledge at the performance level, including validation knowledge and verification capability of machine safety
Middle Management Training	Newly certified management level persons and equipment related department leaders	1 day	104	Learn an overview of the concept of risk assessment and other related topics	To improve understanding of workplace safety, learn international standards and concepts related to machinery safety, the need for engineer ethics, and the concept of risk assessment
Occupational Safety and Health Management System (OSHMS)	Newly appointed supervisors Newly appointed health and safety promoter Newly appointed internal audit committee member Others as needed	1 day	131	Understand the Occupational Health and Safety Management System and actively promote health and safety activities to prevent accidents	Status of occupational accidents Basics of Occupational Safety and Health Management System Safety and health regulations and company rules Risk assessment exercise

## Status of equipment training related to safety and health



\* Assessor: A person who makes a judgement or evaluation

## Status of Occupational Safety and Health Management System Training



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## Human Resources Initiatives

### Achievement of Class 5 Accident-free Record of 15.7 Million Hours

As a result of continued safety and health activities, Honda achieved a Class 5 accident-free record of 15.7 million hours in the Tochigi area in 2023 and was honored by the Director of the Labour Standards Bureau of the Ministry of Health, Labour and Welfare with a commemorative ceremony.



Class 5 accident-free record certificate



Safety speech by President Mibe

### Health Management Initiatives

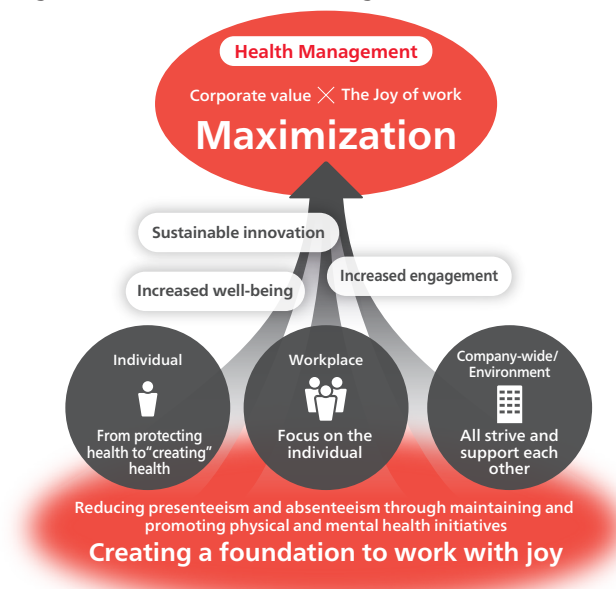
Honda hopes that all associates remain healthy in the same way it strives for safety. Under the top management message, “the basis of a strong individual is to be healthy, and each one of us should take on the challenge of maintaining and promoting good health,” Honda is promoting health management activities with the practice of wellbeing included in its Safety and Health Policy. Honda aims to become a company with a comfortable work environment where associates “can work safely and energetically while remaining healthy both physically and mentally” as they make their own efforts to maintain and promote their health for their own future. Toward achieving this goal, Honda has set three pillars\*1 and five matters for better health management \*2, as its health management policy.

- \*1 Three pillars:
- (1) Raise awareness of health promotion to individuals, visualize health-related data, and provide enhanced feedback
  - (2) Conduct activities involving the whole workplace for promoting more health awareness
  - (3) Promote activities for continuously improving the workplace environment
- \*2 Five items for better health management:
- (1) Enough good quality sleep
  - (2) Nutritionally well-balanced meals
  - (3) Habit of regular physical exercise
  - (4) No smoking
  - (5) Moderate drinking

### Three Pillars and Five Management Items

The Ministry of Health, Labour and Welfare lists “nutrition and diet,” “physical activity and exercise,” “rest,” “alcohol consumption,” “smoking,” and “dental and oral health” as lifestyle habits that need to be considered in order to maintain and promote the health of the Japanese people. Honda has established five items for better health management ((1) rest, (2) nutrition, (3) exercise, (4) smoking cessation, and (5) alcohol consumption) as items closely related to the results of health checkups for associates.

#### Grand design for realization of health management (Three Pillars)



Items	(1) Rest	(2) Nutrition	(3) Exercise	(4) Smoking cessation	(5) Alcohol consumption*
Management items	Enough good quality sleep	Nutritionally well-balanced meals	Habit of regular physical exercise	No smoking	Moderate drinking
Targets	Get at least 6 hours of sleep	Eat breakfast (first meal after waking up) every day	Have an exercise routine at least twice a week for at least 30 minutes each time	Do not smoke (including electronic cigarettes) each time	Drink in moderation (no more than 1 unit)

\*Not intended to encourage those who do not have a drinking habit to drink

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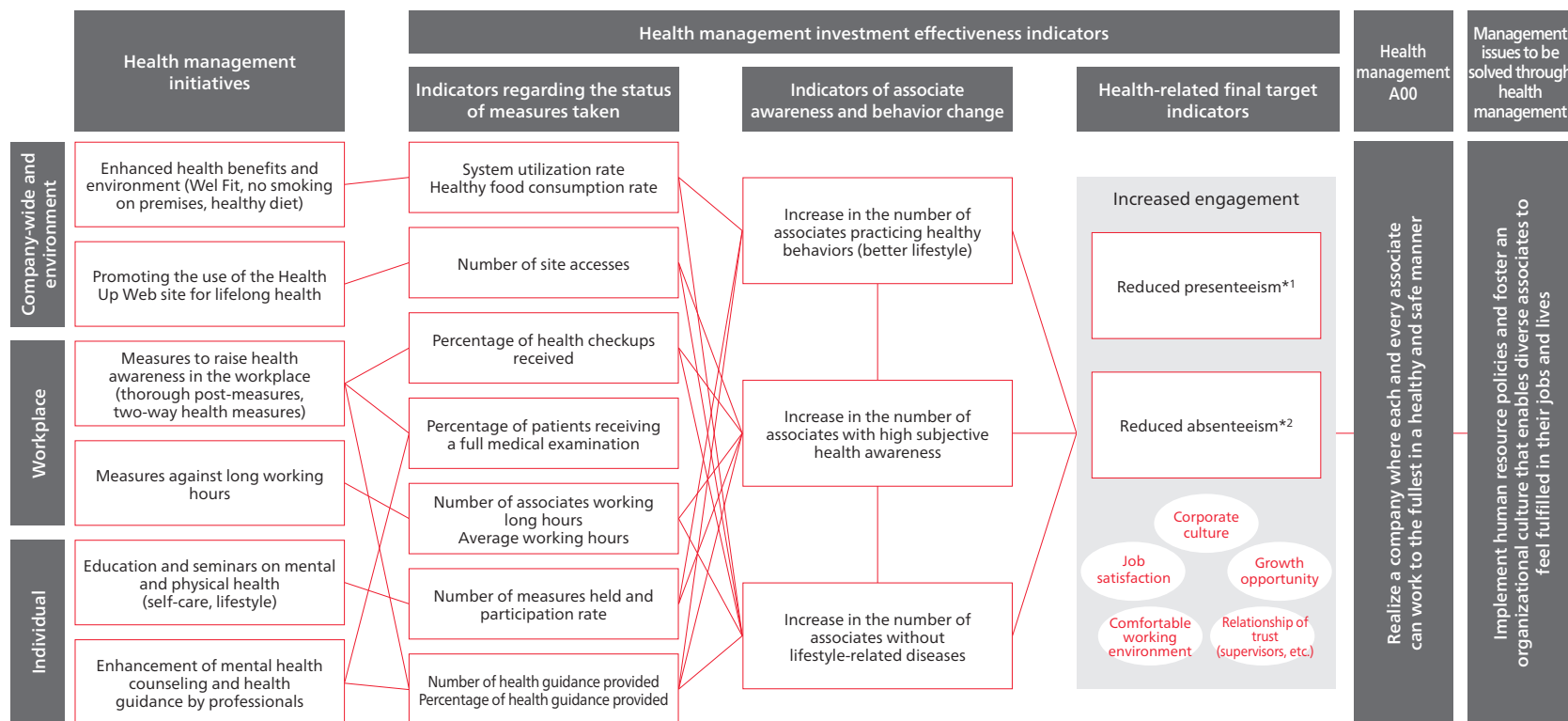
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# Human Resources Initiatives

Honda Health Management Strategy Map



## Indicators of Health Management Initiatives

\*1 Presenteeism: condition in which the employee is attending work, but productivity is declining due to health issues

\*2 Absenteeism: absence from work (sick leave) due to health problems

As an indicator of associates' health, the Company surveys associates annually by scoring their "subjective view of health" and "commitment to health" in the measurement of associate engagement. In addition, the status of efforts in each of the five items for better health management is checked at the time of health checkups, leading to the reinforcement of the measures.

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# Human Resources Initiatives

## Major Activities under the Three Pillars

### (1) Raise awareness of health promotion to individuals, visualize health-related data, and provide enhanced feedback

For realizing lifelong health, Honda strives to create an appropriate environment for carrying out enlightenment activities and making health promotion efforts. Such efforts include providing monthly newsletters on topics concerning the five items for better health management and operating a specialized website on health-related information. As another example, Honda promotes the establishment of a more favorable lifestyle by educating people on how to get a good quality sleep and how to deal with the effects of alcohol.

### (2) Conduct activities involving the whole workplace for promoting more health awareness

Honda encourages more proactive health promotion efforts at the workplace by aggregating and sharing information on the status of initiatives related to the five items for better health management by workplace or department.

### (3) Promote activities for continuously improving the workplace environment

To encourage its associates to take well-balanced meals, Honda offers daily healthy menus that consider the caloric intake, salt content and vegetable intake at its company cafeterias. On the monthly "Health Day," Honda provides health-themed dishes by making full use of the characteristics of the ingredients in all menus.

As for improvements to the internal environment to promote a no smoking policy and prevent unwanted passive smoking, Honda is continuing to reinforce the no smoking rule during working hours.

As part of other welfare programs, the Company provides an application for health consultation and medical care support, offers a full range of health-related seminars, grants points based on the number of daily steps taken by the health insurance association, and subsidizes the cost of using fitness and exercise facilities, participating in sporting events, and purchasing sporting equipment, etc. Honda is promoting the development of an environment in which associates can proactively engage in health promotion.

## Measures to Promote Mental Health

In 2009, Honda announced a Mental Health Policy and has since been working on both creating vitality in associates and in the workplace and providing problem-solving support in an organized, systematic and ongoing manner.

### Honda-Wide Mental Health Policy

#### Basic approach

Based on its fundamental belief of Respect for the Individual, Honda embraces individual diversity and values communication, and by doing so, will make its utmost efforts to maintain well-being so that all associates dedicate themselves to their jobs with enthusiasm while drawing energy from and taking pride in their work.

### Activity structure

To implement mental health activities, Honda has established a company-wide mental health promotion team specialized in activity planning and management. Each of Honda's business sites has also established its own workplace mental health promotion team.

The Company also promote activities in cooperation with the Company-wide Safety and Health Committee. Honda's major initiatives to promote the mental wellbeing of its associates include "preventative education," "improving working environments," "checking stress levels," "enhancing counseling programs" and "support for those returning to work after taking time off." The Company also distributes leaflets and pamphlets to associates aimed at facilitating an understanding of mental health care.

## External Evaluations

### Recognized under the 2024 Certified Health & Productivity Management Organizations Recognition Program

Following the previous year, Honda was again recognized in the large enterprise category of the 2024 Certified Health & Productivity Management Organization Recognition Program. Jointly promoted by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, the program recognizes companies that consider health management of employees from a corporate management viewpoint and strategically promote related efforts.



**Social**

**Supply Chain**



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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.

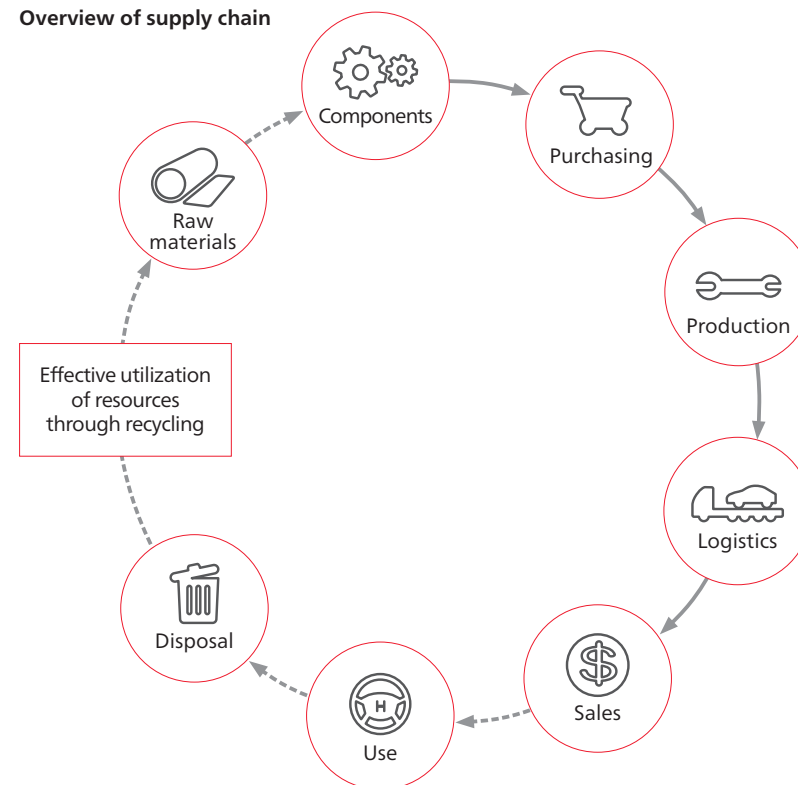
Honda is striving to strengthen supply chain sustainability, mainly in the areas of purchasing and logistics.

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.

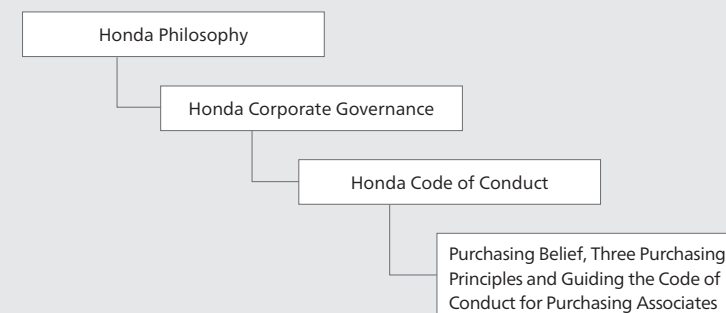
##### Equal partnership

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 (➡ p. 138) 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](https://global.honda/sustainability/cq_img/report/pdf/supply-chain/supplier-sustainability-guidelines.pdf)

### Changes in purchasing operations

	Strengthened QCDD	Launched full-scale environmental initiatives	Strengthened overall sustainability
	1960s	2000s	2010
Belief/Three Principles	■ Established Purchasing Belief and Three Purchasing Principles		■ Revised the Purchasing Belief and the Three Purchasing Principles ('15)
Guidelines		■ Issued Honda Supplier CSR Guidelines ('10)	■ Issued the Honda Supplier Sustainability Guidelines ('18) Integrated CSR into Sustainability Guidelines and publicized the guidelines globally
		· Revised ('13) Added content on handling of conflict minerals	· Revised ('22) Integrated into Honda Green Purchasing Guidelines
Sustainability			■ Issued Automotive Industry Guidelines to Enhance Sustainability Performance in the Supply Chain (North America, '14) · Issued in other regions ('15)
Environment		■ Issued Honda Green Purchasing Guidelines ('01)	· Revised ('18) Added environmental initiatives as an evaluation category

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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.

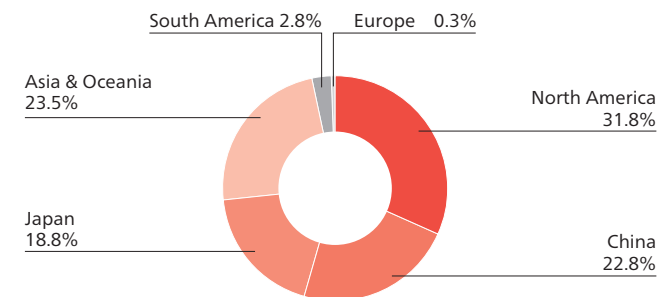
In addition, to discuss and examine the direction Honda should take globally over the medium- to long-term, Honda holds periodic meetings with the management teams of respective companies operating in each region and facilitates collaboration with them.

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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions at suppliers, including their efforts to achieve total emissions control targets.

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# Purchasing Initiatives

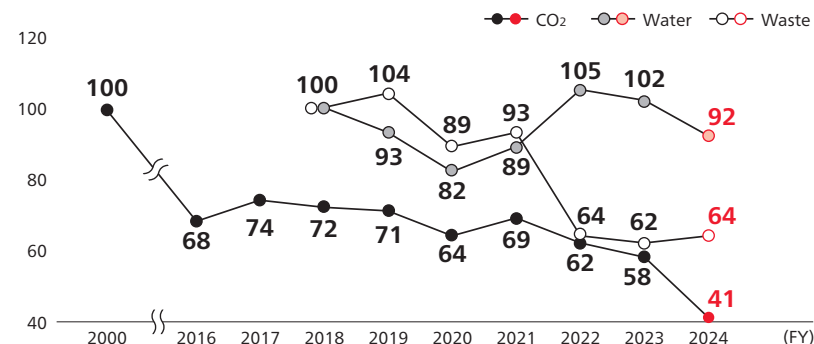
## Initiatives to Reduce the Environmental Impact in the Supply Chain

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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 <sub>2</sub> (t/millions of yen)	1.07	0.95	1.03	0.93	0.86	0.62
Water (m <sup>3</sup> /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 (QCDE).

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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\*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.

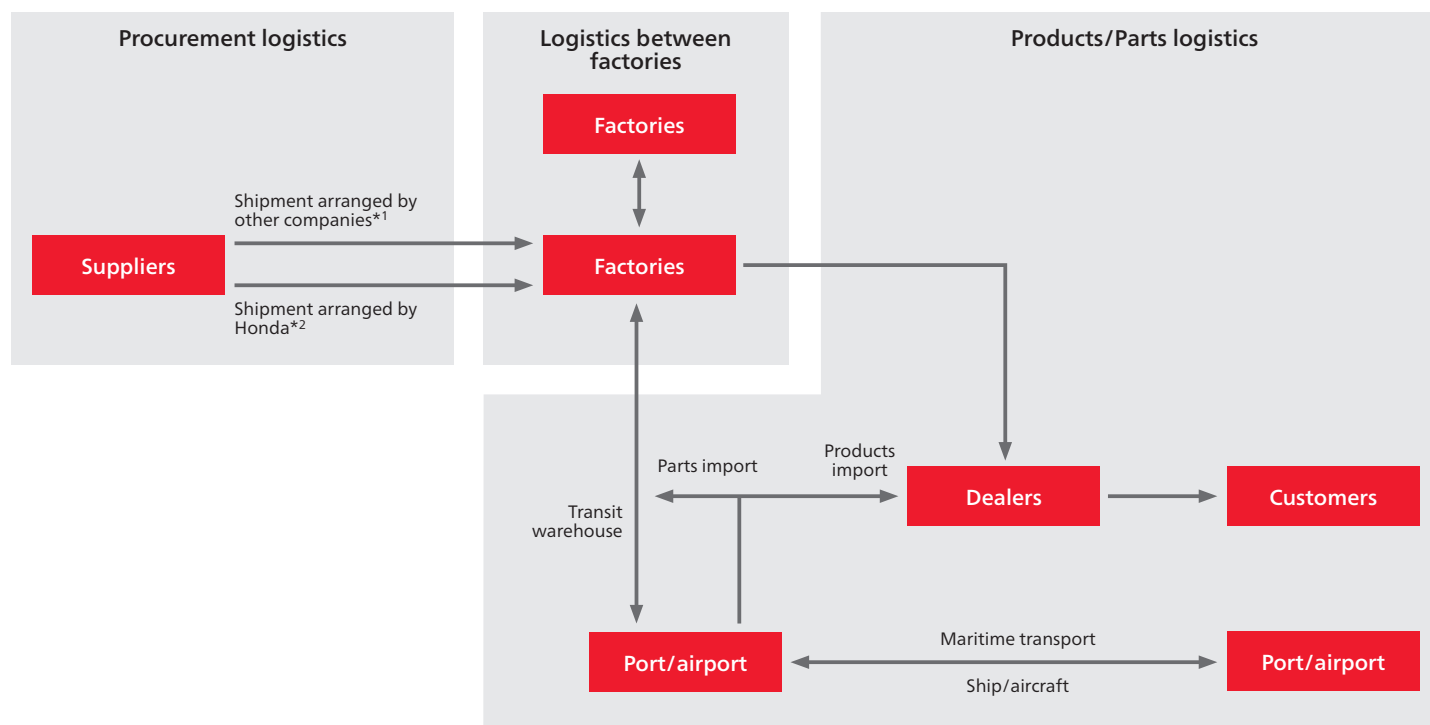
## Basic Approach to Logistics

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



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# Global Management of Logistics

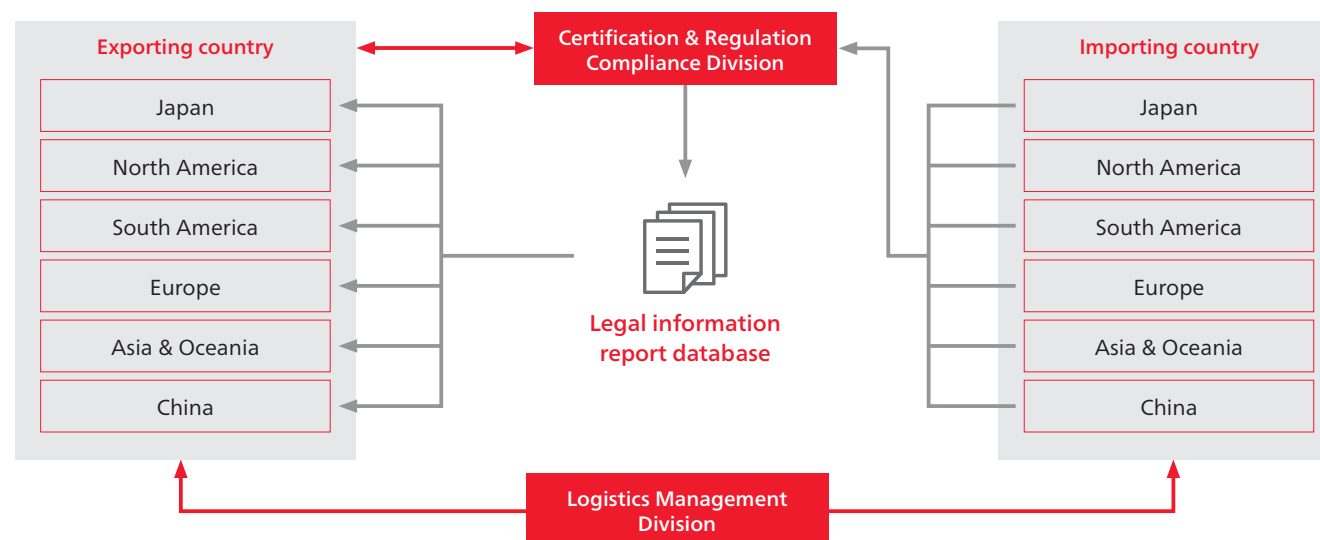
## Integrated Management of Legal Information Concerning Logistics

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:

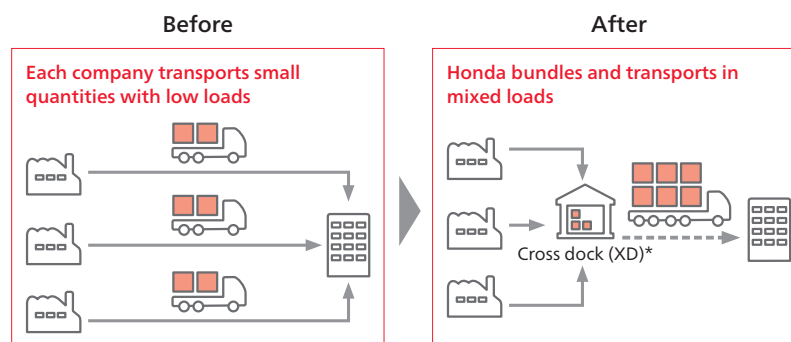
- 1) Highly efficient transportation
- 2) Low carbon transportation.

#### 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 CO<sub>2</sub> emissions.

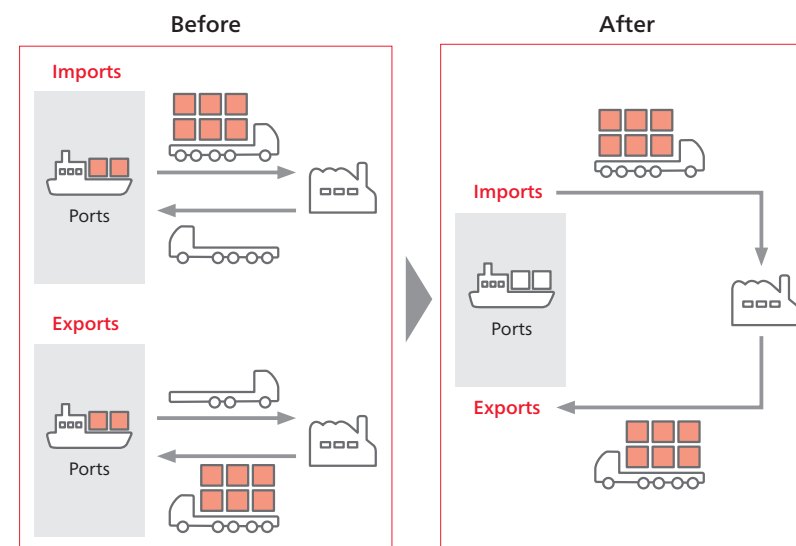


\* Cross dock (XD): Warehouse with functions centered on the transshipment of parts

### 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 CO<sub>2</sub> 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

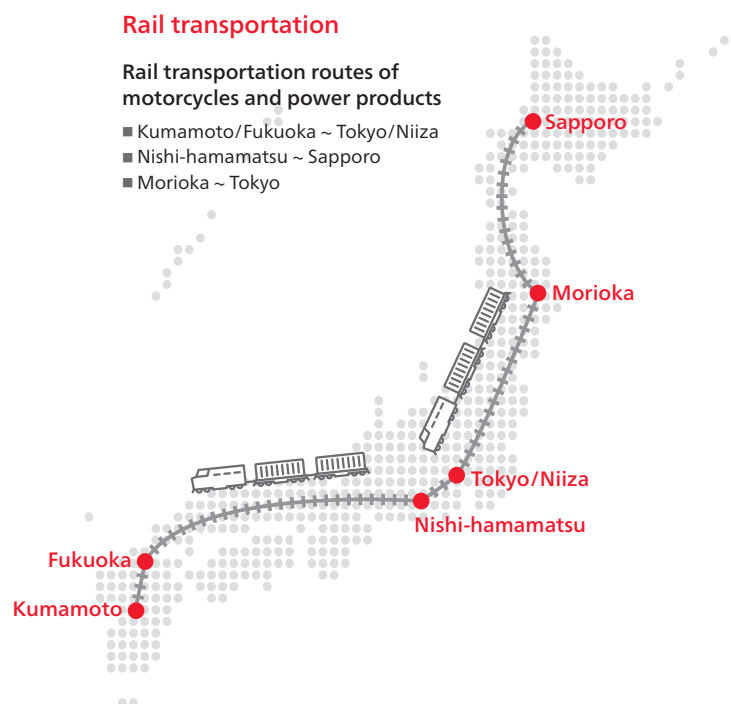
rail and ship transportation.

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.

### Rail transportation

Rail transportation routes of motorcycles and power products

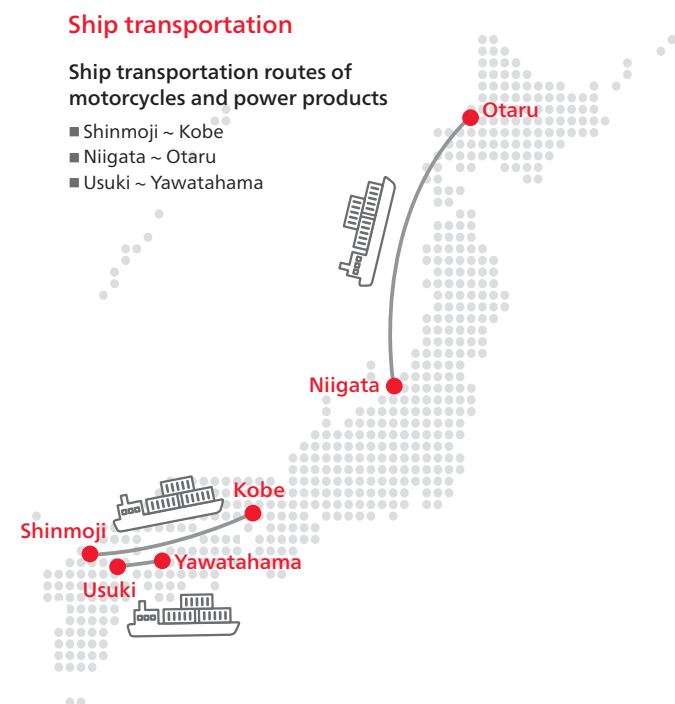
- Kumamoto/Fukuoka ~ Tokyo/Niiza
- Nishi-hamamatsu ~ Sapporo
- Morioka ~ Tokyo



### Ship transportation

Ship transportation routes of motorcycles and power products

- Shinmoji ~ Kobe
- Niigata ~ Otaru
- Usuki ~ Yawatahama



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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 QCDDE.

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

**Social**

# **Social Contribution Activities**

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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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# Global Management

## 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

### North America [Addressing Local Community Needs: Disaster Relief]

#### Honda Group in North America Assisted Wildfire Victims

In FY2024, there were 6,500 wildfires in Canada, burning more than 45 million acres, nearly nine times the average area burned each year.

In the summer of the same year, a wildfire on the Island of Maui, Hawaii in the U.S. claimed the lives of nearly 100 people and damaged more than 2,000 homes and other structures.

The Honda Group in the U.S. and the Honda Canada Foundation are longtime partners of the Red Cross and donors to the Disaster Response Alliance of the Canadian Red Cross. These donations allow for pre-arrangement of supplies and ensures a rapid response system and response teams in the event of a disaster. Through this initiative, the Honda Canada Foundation assisted wildfire victims across Canada.

The Honda Group in the U.S. donated USD 500,000 to the American Red Cross for humanitarian assistance in the areas affected by the wildfire in Maui.

In addition, together with its associates, the Group implemented a one-on-one matching gift program to organizations that helped many people affected by the wildfires last year.



Red Cross volunteer supports evacuees from the Northwest Territories

### South America [Supporting Our Youth for the Future]

#### Sponsorship of the Bachiana Music Project in Brazil

Honda Serviços Financeiros (HSF) sponsors the Bachiana Musicalization Project. The project held activities twice a week during FY2024 to promote cultural and social inclusion, music education, and environmental awareness through music for 90 socially disadvantaged children in the city of São Paulo.

In October, the symphony orchestra, conducted by João Carlos Martins, promoted a concert that was attended by 1,255 people and watched by over 5,400 additional people on social media. The HSF is actively engaged in this type of social contribution activities through music.



Children being taught how to play a musical instrument



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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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## Initiatives for Social Contribution Activities

### 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