

Honda ESG Data Book 2024

HONDA

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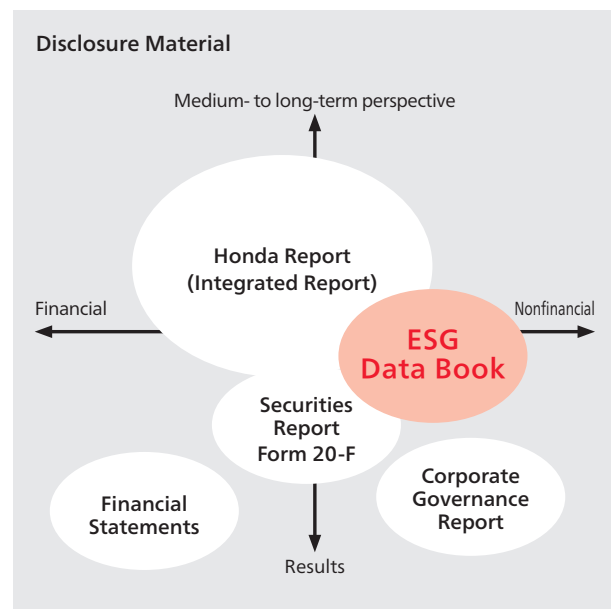
Organizations covered

This report covers the entire Honda Group, which consists of Honda Motor Co., Ltd. and its 360 group companies in and outside of Japan (comprising 289 consolidated subsidiaries and 71 affiliated companies accounted for by the equity method).

Sections that do not cover the entire Honda Group are indicated as such with a reference to the specific scope.

Period covered

Primarily, this report focuses on the activities undertaken during FY2024 (April 1, 2023 – March 31, 2024), including past background information and activities conducted up to the time of publication, as well as related matters, and future outlook and plans.



Standards

Honda ESG Databook has been compiled in accordance with GRI Standard 2021.

For details, please refer to the GRI Content Index page (→ p. 166).

The guidelines referenced in calculations and/or the basis for those calculations are shown in the corresponding sections.

Assurance

The environmental and social data indicated with ☒ for the year ended March 31, 2024, received the independent practitioner's assurance.

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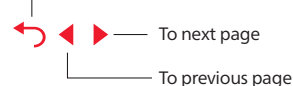
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Disclaimer

This databook contains past and current factual data of Honda Motor Co., Ltd. as well as plans and outlooks for future projections based on its management policies and strategies as of the date of publication. These future projections consist of assumptions or decisions derived from the information available at the time this report was produced. Please note that the results of future business activities and events may vary depending on changes in conditions and circumstances. This report may also contain corrections, restatements, or significant changes to the information provided in previous reports. We would like to kindly ask our readers to acknowledge the above.

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Basic Approach

The Honda Philosophy consists of Fundamental Beliefs (including "Respect for the Individual" and "The Three Joys"), the Company Principle, and Management Policies. It forms the values shared by all Honda Group companies and all of their associates and serves as the basis for corporate management and business activities as well as associates' behavior and decision-making.

Honda recognizes that the world is facing serious global concerns related to the environment, the depletion of non-renewable energy resources and food supplying shortages. The Company conducts its corporate management and business activities based on the idea of contributing to the challenge of solving these serious problems on a global scale through the continued development and evolution of our business activities.

Honda Global Brand Slogan – The Power of Dreams – expresses that the dreams of each and every one of us working together at Honda have always been the driving force of Honda. Our creative power fueled by our dreams will generate the value which we provide customers. Such value we offer will move people, inspire people and become the "power" to support people who take one step closer to their dreams. As the "power" of people who embarked on their dream-filled journeys gains momentum and spreads to the people around them, it will create new connections and realize an expanse of dreams throughout our society.

Honda always believes in the power of such infinite dreams that people pursue all around the world, and we want to be the "power" to help people realize their dreams. With these aspirations for the future, we have added a new tagline – How we move you. – which follows the "The Power of Dreams" in our Global Brand Slogan.

In specific corporate management and business activities, it is important to meet stakeholders' expectations and needs by providing value through its products and services. Equally important is to fulfill its corporate social responsibility, including consideration of the impact on the environment and society, and to contribute to social sustainability by solving social issues.

To put these ideas into practice, Honda must consciously sidestep any notion of trade-off with our pursuit of economic value. Instead, we are committed to intensifying our endeavors guided by the principle of trade-on, aiming to enhance economic value through the pursuit of social value. This strategy paves the way for a fresh path of growth for the Company.

Honda's corporate management and business activities that move people, inspire people, and spread dreams throughout the world contribute to sustainability, and the Company aims to continue to be a company people and society want to exist into the future.

HONDA
The Power of Dreams

How we move you.
CREATE ► TRANSCEND, AUGMENT

Honda Philosophy <https://global.honda/en/about/philosophy/>

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Sustainability Management Structure

Honda is promoting corporate activities grounded in the Honda Philosophy. The Honda Philosophy consists of three components: the Fundamental Beliefs, the Company Principle, and the Management Policies.

Honda's long-term management policies and medium-term management plan are approved and resolved by the Executive Council (chaired by the Director, President, and Representative Executive Officer, and Chief Executive Officer) and the Board of Directors. The Board of Directors is the final supervisory body, covering actions to address sustainability issues, including climate change issues. The Executive Council deliberates in advance on matters to be resolved by the Board of Directors and discusses important management matters within the scope of authority delegated to it by the Board of Directors.

In response to the need to address various risks associated with business activities and to oversee business operations for the sustainable development of society and Honda, Honda has designated knowledge in ESG and Sustainability, including ability in addressing climate change issues, as one of the necessary skills and appointed directors accordingly.

Each Operation and Supervisory Unit and subsidiary formulates and promotes action plans and measures based on the company-wide long-term management policies and medium-term management plan, and important matters are reported and approved at the Executive Council as appropriate. In each area of environment, safety, human resources, human rights, occupational safety and health, quality, and supply chain (purchasing and logistics), conference bodies have been established to promote global management through information sharing and discussions. For important cross-departmental issues such as addressing climate change issues, a cross-departmental task force is formed under the direct supervision of management members to consider and propose action plans and measures as appropriate, and important matters are reported and approved at the Executive Council. Compliance and risk management related to each area are operated by the Company's basic policies for the development of internal control systems. (➡ p. 123)

So far, policies and initiatives for sustainability issues have been discussed and examined at the Corporate Integration Strategy Meeting, which was set up for the purpose of building consensus on the company-wide direction based on internal and external environmental recognitions and material issues to be addressed as a corporate entity. In addition, the World Environment and Safety Strategy Committee was set up to promote and reinforce efforts in the environmental and safety-related areas.

In FY2024, Honda clarified KGIs (Key Goal Indicators overseen by the Board of Directors) and KPIs (Key Performance Indicators overseen by Executive Council), which are company-wide goals, and upgraded the management operation structure with the aim of achieving corporate operations that can be speedily linked to the value provided. Under the new structure, Operations and Supervisory Units and subsidiaries, as well as cross-departmental task force, consider and propose action plans and measures as appropriate, and important matters are reported and approved at the Executive Council. As a result of this upgrading, the Corporate Integration Strategy Meeting and the World Environment and Safety Strategy Committee, which had been held basically once a year, have been dissolved.

The Board of Directors and the Executive Council regularly monitor the progress of KGIs for which the Board of Directors is responsible for supervision and KPIs for which the Executive Council is responsible for execution, thereby reinforcing management governance. Please refer to Item 6 B. "Compensation." in the Form-20F for details of the executive remuneration system linked to financial and non-financial indicators.

Form-20F https://global.honda/en/investors/library/form20_f.html

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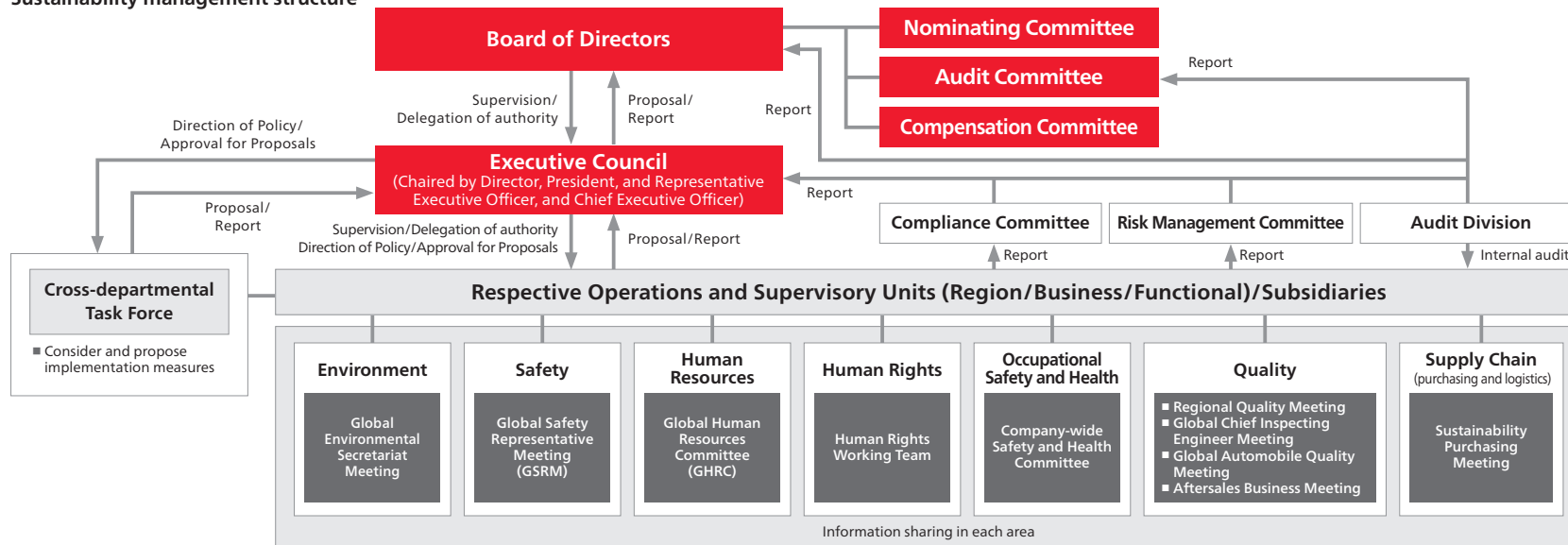
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Sustainability Management Structure

Sustainability management structure



Overview of sustainability-related meetings

Area		Meeting structure	Details
Environment		Global Environmental Secretariat Meeting	Share the Group's latest policies on initiatives in light of international trends and management discussions, and discuss global issues to achieve medium- and long-term targets
Safety		Global Safety Representative Meeting (GSRM)	Discuss inter-regional safety issues, including sharing details of the promotion toward the new safety goals and discussing how to strengthen efforts to achieve zero traffic collision fatalities
Human Resources		Global Human Resources Committee (GHRC)	HR managers from around the world gather to discuss HR issues specific to each region, to develop global HR strategy and its deployment across the Company
Human Rights		Human Rights Working Team	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
Occupational Safety and Health		Company-wide Safety and Health Committee	Under the safety principle of "No safety, no production," direct the development and implementation of company-wide policies on safety and health, and strengthen governance in the area of safety and health
Quality	Quality related	Motorcycle/Power products	Regional Quality Meeting Global Chief Inspecting Engineer Meeting Global Automobile Quality Meeting
		Automobile	
		Automobile	
	Aftersales business	Motorcycle Automobile Power products	Aftersales Business Meeting
Supply Chain (purchasing and logistics)		Sustainability Purchasing Meeting	To strengthen low-carbon initiatives and human rights and compliance efforts throughout the global supply chain, discuss and coordinate policies and means of achieving globally unified measures among working-level staff from each region

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Stakeholder Engagement

Basic Approach

To be a company society wants to exist, Honda needs to put into practice the communication cycle. This means to: 1) appropriately and accurately convey to society the value that it seeks to provide; 2) grasp and understand the demands and expectations of diverse stakeholders toward Honda; 3) translate these into concrete measures and implement them; and 4) listen to stakeholders' evaluations of its activities.

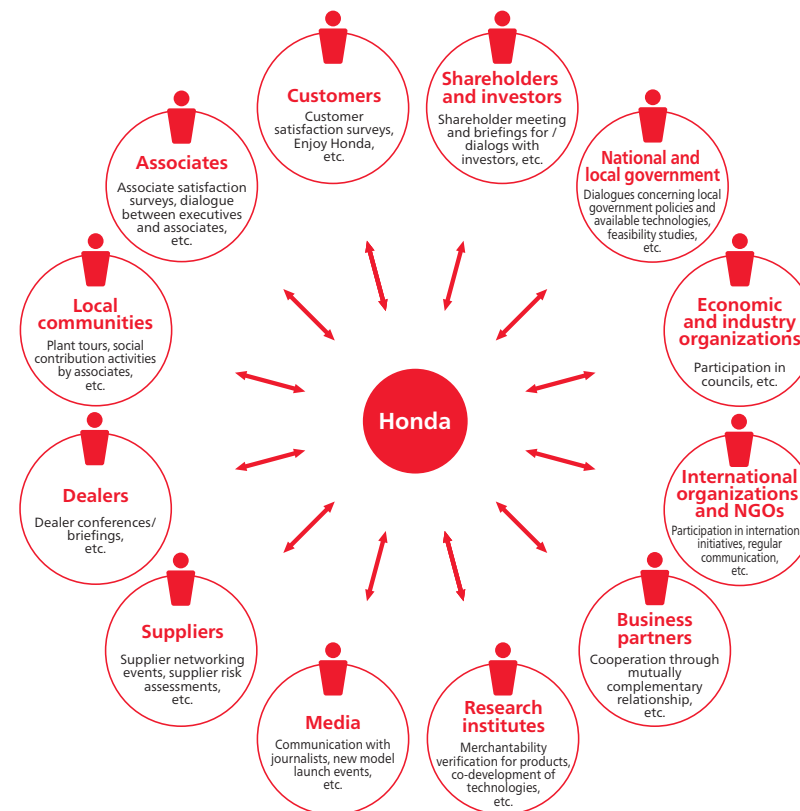
Especially in recent years, the growing scale and globalization of companies, along with the rapid proliferation of IT, have heightened the impact of companies on society, and vice-versa. As this process continues to accelerate, Honda considers that dialogue with stakeholders is a beneficial tool that leads to a proper understanding of stakeholders regarding the Company's initiatives while also giving the Company an understanding of changes and risks in the social environment.

Based on this understanding, Honda engages in dialogues globally through various opportunities. These dialogues are conducted between key stakeholders (who are either impacted by Honda's business activities or whose activities impact Honda's business activities) as shown in the diagram at the right and respective divisions within Honda.

For example, in engagements with shareholders and investors, Honda holds dialogues to help them better understand the Company through shareholder relations and investor relations.

In addition, opinions gained from dialogues with leading ESG rating organizations and NGOs are used to consider corporate activities that Honda should undertake.

Stakeholder engagement



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Stakeholder Engagement

Examples of initiatives in FY2024

Stakeholder	Key means of dialogue	Overview	Frequency	Point of contact	Reference
Customers	Customer satisfaction survey	To ensure customer satisfaction worldwide, we conduct a customer satisfaction survey for customers who have received service at a dealer around the world and engage in improvement activities to provide high-quality service operations.	Annually	Customer-related divisions	→ p.64
Shareholders and investors	Financial results meeting	We hold web conferences with simultaneous interpretation for investors and analysts in Japan and overseas on the overview of our financial results and various initiatives. For those unable to attend meetings due to time differences or other reasons, the minutes are posted on the website in both Japanese and English.	4 times/year	Finance Division	https://global.honda/en/investors/
	Dialogue through individual sessions and conferences	We hold sessions and opinion exchange meetings to explain our financial conditions as well as production, R&D, and business strategies. We use the valuable feedback we receive to further enhance our corporate value.	Year round		
Suppliers	Suppliers Conferences	We hold periodic conferences to share with suppliers the direction of our business and the substance of our initiatives and to communicate Honda's company-wide policies and purchasing policies. We also present Supplier Awards to recognize those suppliers who have achieved outstanding results in each aspect of QCDDÉ*. At the end of a conference, we conduct a questionnaire survey for participants to identify their level of satisfaction and what can be improved for the next event as an effort to further enhance this activity.	Annually	Purchasing Division	→ p.114
	Business plan networking events and meetings to share business status	We share our medium- to long-term management policies, business plans, and information on sustainability-related matters (ESG issues, compliance, corporate governance, and risk assessment).	Annually		
	ESG inspection of suppliers	We conduct an ESG inspection for key suppliers to confirm the status of their initiatives to prevent compliance violations and risks related to human rights, and to reduce our environmental impact in accordance with the Honda Supplier Sustainability Guidelines. (→ p. 101) If a problem is likely to occur or has occurred in this process, we communicate with suppliers and implement activities for improvement.	Annually		
Economic and industry organizations	Participation in activities of industry organizations	We participate in various councils to identify the expectations and demands of society through activities of industrial organizations, create a sustainable business environment and contribute to society.	Year round	Government and Industry Relations Division	
International organizations and NGOs	Participation in international initiatives	We participate in various councils to identify the expectations and demands of society and contribute to society, toward the realization of a sustainable society.	Year round	Sustainability Planning Division	
Local communities	Driving safety promotion activities	Honda adheres to the global safety slogan "Safety for Everyone" and takes an active role in promoting traffic safety for all members of society who participate in transportation, from children to the elderly. This is achieved through the principles of "safety handed down from person to person" and "participatory experiential education," as well as the use of safe driving support technology to prevent accidents. Honda is currently engaged in traffic safety promotion activities in 43 countries and regions worldwide.	Year round	Traffic Safety Promotion Operations	→ p.37
	Helping people with disabilities who want to resume driving	We aim to reduce the gap in social participation by expanding transportation options, and we support the establishment of a support system in the local community for people who wish to resume driving by providing welfare vehicles (driving support devices) and supporting occupational therapists and others.	Year round		
	Beach clean-up project	We undertake joint activities among members of the Honda Group and local residents to clean up the beaches using our originally developed equipment. Since the launch of the project in 2006, we have conducted the activities about 429 times on various beaches across Japan, and the cumulative total of beach trash collected by the project amounts to 542 tons.	Year round	Divisions in charge of promoting social contribution activities	https://global.honda/en/philanthropy/index.html
	Activities to conserve Satoyama landscapes	We have concluded an agreement with Hachioji City, Tokyo, in which Honda's associates and their families carry out Satoyama landscape conservation activities within the Kamikawa no Sato Special Green Space Conservation District.			
National and local governments	Support for disaster affected areas	Considering the current status of society-wide efforts toward recovery from the Noto Peninsula earthquake that occurred in January 2024, we have provided 35 million yen in relief funds. We have also offered to provide 15-million-yen worth of supplies, including generators and high-pressure cleaners.		Divisions in charge of promoting social contribution activities, others	
Associates	Measurement of associates' engagement	We measure the level of associates' engagement and take initiatives according to the results for creating a more comfortable and conducive work environment.	Annually	Human Resources Division	→ p.89

* Quality, cost, delivery, development, and environment

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Stakeholder Engagement

Cooperation with External Organizations

To carry out its responsibility as a global mobility company, Honda engages in dialogues with government, economic and industry organizations and also cooperates with external bodies. In Japan, Honda executives serve as vice chairman and committee head within the Japan Automobile Manufacturers Association (JAMA); committee head in the Japan Business Federation (Keidanren); and vice chairman and committee head in the Tokyo Chamber of Commerce and Industry.

In addition, Honda executives serve as committee and working group chairs in the international motorcycle industry body, the International Motorcycle Manufacturers Association (IMMA). Furthermore, Honda cooperates with initiatives related to sustainability through membership in the World Economic Forum (WEF) and the World Business Council for Sustainable Development (WBCSD).

Honda has delegated the authority to Regional Operations within a certain scope when executing business in respective regions in order to enhance local autonomy and enable speedy decision-making. Political contributions* can be made following required internal procedures based on the laws and regulations of respective countries.

* Political contributions were made to the People's Political Association in the amounts of ¥25 million in FY2021, ¥25 million in FY2022 and ¥25 million in FY2023. Honda has confirmed that these expenditures do not infringe on the Honda Guidelines for the Prevention of Bribery and Corruption.

Appropriate Advertising and Publicity

To continue to live up to the trust and expectations of customers and society, Honda engages in advertising, publicity, and sales promotion activities in good faith, avoiding misleading expressions and explanations about products and product characteristics, and refraining from exaggerated advertising.

When expressing or explaining the superiority of Honda products or services over those of other competitors, Honda will not make exaggerated advertising without rational and objective evidence, in accordance with applicable laws and regulations, when promoting Honda products and sales activities so as not to mislead our customers.

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Honda's Initiatives and the SDGs

Contribution to SDGs


















In order to share joys with stakeholders, Honda seeks to contribute to the advancement of a mobility society with its original and useful technologies that anticipate the needs of the times.

This approach aligns with the United Nations' SDGs, specifically, Goal 9 "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation," Goal 12 "Ensure sustainable consumption and production patterns" and Goal 17 "Strengthen the means of implementation and revitalize the

global partnership for sustainable development," and aligns with Honda's overall corporate activities.

Honda also believes that creating value for society while pursuing economic value will lead to sustainable corporate management and ultimately contribute to the sustainability of society. The Company will contribute to the achievement of the SDGs through its corporate activities.

Initiatives by priority issue

Priority issues	Honda's initiatives	SDGs Goals supported by Honda
Environment	<p>Initiatives for carbon neutrality (→ p. 19)</p> <p>Clean energy initiatives (→ p. 23)</p> <p>Logistics initiatives (→ p. 108)</p> <p>Initiatives to achieve carbon neutrality with suppliers (→ p. 103)</p>	  
	<p>Advancing powertrain electrification (→ p. 19)</p>	  
	<p>Preservation of clean air</p>	 
	<p>Utilizing resources efficiently and waste management</p>	  
	<p>Conserving water resources</p>	
	<p>Biodiversity conservation</p>	 
	<p>Managing chemical substances and preventing pollution</p>	  
	<p>With a view to leading the way in realizing a carbon-free society, Honda undertakes corporate activities while considering all processes from the procurement of raw materials to end use of its products. Honda believes its measures against climate change, including vehicle electrification and the use of portable batteries and hydrogen energy, will lead to stabilizing food production, ensuring energy supply and facilitating the creation of more comfortable communities.</p>	
	<p>Honda is pushing ahead with the preservation of clean air and water resources by developing technologies to clean exhaust emissions from product usage and reduce harmful substances contained in the exhaust air and wastewater from production processes.</p>	
	<p>Honda is cooperating and collaborating with both internal and external stakeholders to realize zero risk in relation to resources and waste generated during the stages from resource procurement to product disposal. From the standpoint of resource circulation, Honda will offer products with the utmost consideration for the environment and strives to reduce waste.</p>	
	<p>Honda contributes to the conservation of precious freshwater by thoroughly managing the amount of water intake and quality of wastewater at its plants and by installing equipment capable of 100% water recycling and reuse. Honda also manages a water conservation fund in North America, which supports the improvement and preservation of coastal areas for future generations.</p>	
	<p>Honda believes that minimizing the environmental impact of its products and corporate activities is its greatest contribution to biodiversity conservation. Accordingly, Honda has specified its priority areas in the Honda Biodiversity Guidelines, including the development of environmental technology, initiatives based on corporate activities and initiatives for living in harmony with local communities and has been proactively promoting them.</p>	
	<p>Honda manages and works to reduce chemical substances contained in automotive components from the product design and development stages. Relevant information is tabulated and managed throughout the supply chain via a system to collect information on materials and chemical substances contained in components. Honda is also making efforts to reduce heavy metals that are considered to have negative impacts on the environment, including water quality.</p>	

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Honda's Initiatives and the SDGs

Initiatives by priority issue

Priority issues			Honda's initiatives	SDGs Goals supported by Honda
Safety	Significantly reducing traffic fatalities	To realize a zero traffic collision society (→ p. 37)	Under its global safety slogan, "Safety for Everyone," Honda aims to realize a society with zero traffic accidents in terms of hardware and software through the development and spread of safety technologies for automobiles, such as the Honda SENSING advanced safety and driver-assistance system, while engaging in worldwide initiatives to provide education on traffic safety including motorcycles.	 
	Developing and securing excellent human resources, Expanding diversity	Promoting diversity to maximize corporate comprehensive strength (→ p. 76) Diversity-related initiatives (→ p. 79)	Honda respects individual differences and encourages the integration of these individualities. While positioning human resources diversification as a company-wide priority task, Honda is working to expand women's participation in the workplace, promote an understanding and acceptance of LGBTQ+ persons, increase opportunities for experienced associates and expand employment of people with disabilities. Also, Honda carries out personnel training based on on-the-job training (OJT) and ensures to assign associates to the most suitable positions by setting up the Global Job Grade System.	    
	Respecting human rights	Human rights (→ p. 66) Human rights policy (→ p. 67)	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. In its company-wide risk management activities, Honda regards human rights issues as an important risk and manages them accordingly.	  
Social	Ensuring occupational safety and health	Occupational safety and health (→ p. 90)	Under the safety principle of "No safety, no production," Honda seeks to realize a work environment which brings the joy that all people can work with a true sense of security. The Safety and Health Audit Committee performs safety and health audits throughout the Company by using an Occupational Safety and Health Management System (OSHMS).	
	Improving product quality	Aiming to bring reassurance and satisfaction to customers (→ p. 50)	"We have to aim for 120% product quality, since even a 1% rejection is unacceptable." The words of the founder represent the identity of Honda, which has always strived to create products that exceed the expectations of customers. 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, which works continuously on quality enhancement and improvement, encompassing every stage in the process – from planning, development, production, and sales to after-sales service.	  
	Eliminating the mobility divide	Honda's Sustainability (→ p. 04)	Honda seeks to provide more options of mobility to reduce the gap in social participation. As such, the Company is supporting the expansion of opportunities and venues for people with disabilities to be active by providing welfare vehicles. Looking ahead, Honda will provide a sustainable means of mobility through its technologies and services and help resolve social issues through business activities while leveraging its unique strengths in having a broad range of businesses and products, including motorcycles, automobiles, and power products.	

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Honda's Initiatives and the SDGs

Initiatives by priority issue

Priority issues		Honda's initiatives	SDGs Goals supported by Honda	
Governance and Economy	Deploying total supply chain sustainability initiatives	Strengthening supply chain sustainability (→ p. 99) Initiatives to achieve carbon neutrality with suppliers (→ p. 103)		
	Utilizing management resources efficiently	Honda's sustainability (→ p. 04)		
	Strengthening corporate governance	Corporate governance (→ p. 123)		
	Contributing to the economic development of developing countries	Honda's sustainability (→ p. 04)		

Honda's Initiatives and the SDGs <https://global.honda/en/sustainability/sdgs.html>

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External Evaluations

Selected as a Component of the Dow Jones Sustainability World Index

In December 2023, Honda was selected for the seventh consecutive year as a component of the Dow Jones Sustainability World Index after being ranked within the top four in the global automobile sector in the annual review of the Dow Jones Sustainability Indices (DJSI), a key benchmark for socially responsible investing. At the same time, the Company was selected for the ninth consecutive year as a component of the Dow Jones Sustainability Asia/Pacific Index.

The DJSI are investment indices run by U.S.-based S&P Dow Jones Indices LLC. The sustainability of the world's leading companies is evaluated according to economic, environmental, and social criteria, and companies that demonstrate overall excellence are selected for inclusion in the indices.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Selected as a "Top 10%" company in S&P Global's Sustainability Yearbook - 2024 Rankings

Honda has been recognized as a "Top 10%" company in the 2024 Sustainability Yearbook by S&P Global Inc. S&P Global evaluates companies on economic, environmental, and social aspects, and selects the most outstanding companies with advanced sustainability performance for inclusion in the Sustainability Yearbook.

In 2024, S&P Global evaluated over 9,400 companies across 62 sectors worldwide and selected 759 companies.

In the automobile sector, Honda was one of just two companies chosen as a "Top 10%" enterprise, with one company selected as "Top 1%" and two selected as "Top 5%."



Selected as a "A-List" company in the category of climate change, the highest rating in CDP's Environmental Information Disclosure

In February 2024, Honda was selected by CDP, an international non-profit environmental information disclosure organization, as a "A-List" company in the area of climate change for 2023, the highest rating in recognition of its efforts in the area of climate change and the transparency of its information disclosure.

Each company discloses environmental information in accordance with the CDP's questionnaire on the three categories of climate change, forests, and water security. CDP evaluates the information disclosed by companies on an eight-point scale from A to D-, and recognizes companies with particularly outstanding efforts as "A-list" companies.

Honda received B rating in the category of water security and C rating in the category of forestry (cattle products and timber), which were announced at the same time.



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Environment

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Basic Approach

Honda Environmental and Safety Vision/Honda's Environment Statement

Ever since the 1960s, Honda has actively endeavored to solve environmental issues. In the 1970s, Honda developed the low-pollution CVCC* engine, which successfully reduced carbon monoxide, hydrocarbon and nitrogen oxide (NOx) emissions, making Honda the world's first automaker to comply with the U.S. Clean Air Act – a regulation considered to be the most stringent in the world at the time.

In 1992, Honda established the Honda Environment Statement, serving as the Company's guideline for all environmental initiatives. The statement articulates the basic stance towards reducing the environmental impact at every stage in the life cycle of its products, from product procurement to the design, development, production, transportation, sale, use and disposal stages.

In addition, for Honda to further promote the above-mentioned environmental initiatives and continue to be a company society wants to exist, the Honda Environmental and Safety Vision was established in 2011. Aimed at the realization of “the Joy and Freedom of Mobility” and “a Sustainable Society Where People Can Enjoy Life”, as is declared in this vision, each of Honda's global business sites is engaging in the reduction of an array of environmental impacts. Such initiatives include the reduction of greenhouse gas (GHG) emissions, which are considered to be a cause of climate change, as well as energy use; the efficient use of resources, including water and minerals; and the appropriate treatment and reduction of waste, with the aim of conserving the global environment and biodiversity.

Honda will realize this vision by conducting these activities while sharing Honda's Environment Statement with everyone associated with Honda, including suppliers and distributors in addition to Honda Group companies.

Honda Environmental and Safety Vision

Realizing “the Joy and Freedom of Mobility” and “a Sustainable Society Where People Can Enjoy Life”

Established in 2011

Honda's Environment Statement

As a responsible member of society whose task lies in the preservation of the global environment, the Company will make every effort to contribute to human health and the preservation of the global environment in each phase of its corporate activities. Only in this way will we be able to count on a successful future, not only for our company, but also for the world. We should pursue our daily business under the following principles:

1. We will make efforts to recycle materials and conserve resources and energy at every stage of our products' life cycle—from research, design, production and sales to service and disposal.
2. We will make every effort to minimize and properly dispose of the waste and contaminants generated at every stage of a product's life cycle.
3. As a member of both the company and society, each associate will focus on the importance of making efforts to preserve human health and the global environment, and will do his or her part to ensure that the company as a whole acts responsibly.
4. We will consider the influence that our corporate activities have on the local people's health, environment and society, and endeavor to improve the social standing of the company.

Established and announced in June 1992

* CVCC: Compound Vortex Controlled Combustion

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Global Management

Environmental Management Structure

Honda is promoting Group-wide efforts to realize a society with zero environmental impact throughout its life cycle.

Honda's long-term management policies and medium-term management plan are approved and resolved by the Executive Council (chaired by the Director, President, and Representative Executive Officer, and Chief Executive Officer) and the Board of Directors. The Board of Directors is the final supervisory body, covering actions to address climate change issues. The Executive Council deliberates in advance on matters to be resolved by the Board of Directors and discusses important management matters within the scope of authority delegated to it by the Board of Directors.

In response to the need to address various risks associated with business activities and to oversee business operations for the sustainable development of society and Honda, Honda has designated knowledge in ESG and Sustainability, including ability in addressing climate change issues, as one of the necessary skills and appointed directors accordingly.

Each Operation and Supervisory Unit and subsidiary formulates and promotes action plans and measures based on the company-wide long-term management policies and medium-term management plan, and important matters are reported and approved at the Executive Council as appropriate. Respective Business Operations and Regional Operations formulate action plans and promote measures based on the global medium- to long-term environmental policies, based on information shared at the Global Environmental Secretariat Meeting (Secretariat: Corporate Strategy Operations).

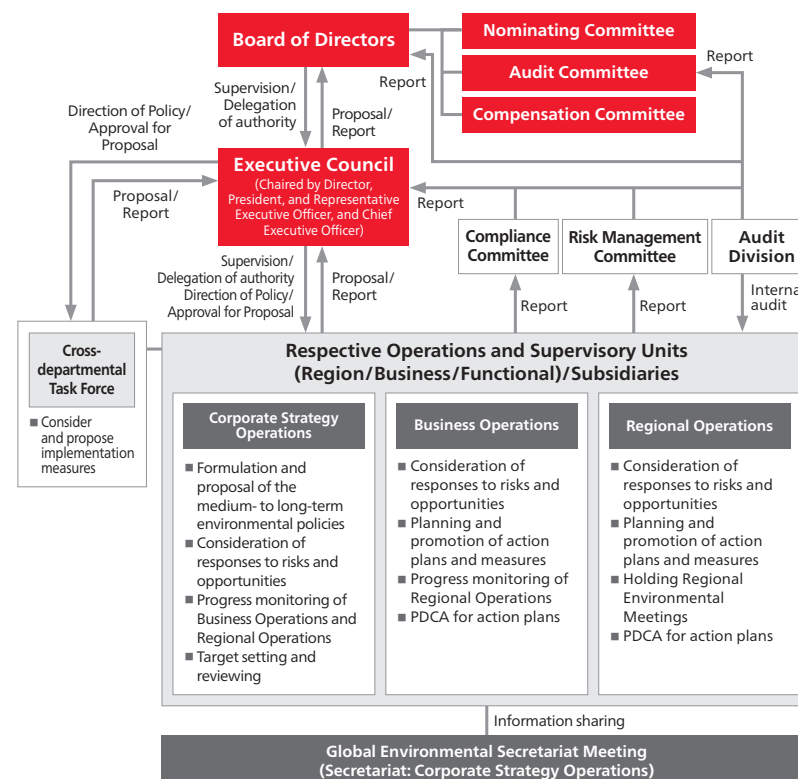
Each of Regional Operations holds a Regional Environmental Meeting to promote the PDCA (Plan-Do-Check-Act) cycle within Regional Operations. Each of Business Operations monitors regional progress and promotes the PDCA cycle within Business Operations. The Corporate Strategy Operations monitors the progress at Business Operations and Regional Operations and considers revisions to the medium- to long-term environmental policies and targets as necessary. Important matters are reported and approved at the Executive Council and reported and resolved at the Board of Directors. For important cross-departmental issues such as addressing climate change issues, a cross-departmental task force is formed to consider and propose action plans and measures as appropriate, and important matters are reported and approved at the Executive Council.

Compliance and risk management related to the environment, including climate change, are operated by the Company's basic policies for the development of internal control systems. (➡ p. 123)

Toward the realization of a society with zero environmental impact, Honda's Board of Directors and Executive Council regularly monitor the progress of KGIs for which the Board of Directors is responsible for supervision and KPIs for which the Executive Council is responsible for execution, thereby reinforcing management governance. Please refer to Item 6 B. "Compensation." in the Form-20F for details of the executive remuneration system linked to financial and non-financial indicators.

Form-20F https://global.honda/en/investors/library/form20_f.html

Environmental Management Structure



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Global Management

Environmental Management System

Honda's existing global vehicle assembly and product assembly plants have acquired ISO 14001, an international certification for environmental management systems (as of March 2024). Therefore, the coverage of environmental management systems is virtually 100%.

Honda will continue to promote activities to acquire this certification.

Current Status of Compliance with Environmental Regulations

In accordance with Honda's Environment Statement, the Company has introduced environmental management systems at all business sites and in each division. Along with promoting continuous efforts to improve environmental performance, it strives to comply with its own voluntary environmental standards, which are more stringent from an environmental perspective than any national or local regulations.

In the last five years, Honda has not committed any serious noncompliance with environmental laws and regulations, paid substantial fines/sanctions in breach thereof, or recorded any major chemical releases.

In addition, no environment-related complaints were received through the official complaint resolution program.

Environmental Accounting

Environmental Accounting in Japan

To facilitate efficient environmental management, Honda tabulates environmental conservation costs and the real effects in profit and cost reduction, thus working to keep abreast of their economic impact.

Going forward, Honda will continue to improve the accuracy of this data, considering it as an indicator of corporate value and as a tool for making environment-related management decisions.

Cost of environmental conservation activities and investments → p.154

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

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Initiatives to Achieve Zero Environmental Impact

For people to live on Earth in a sustainable manner, Honda seeks to realize a society with zero environmental impact.

Efforts will be centered around the Triple Action to ZERO program, which integrates three elements — carbon neutrality, clean energy and resource circulation — within a single initiative.

The three elements are closely related. As such, rather than promoting them

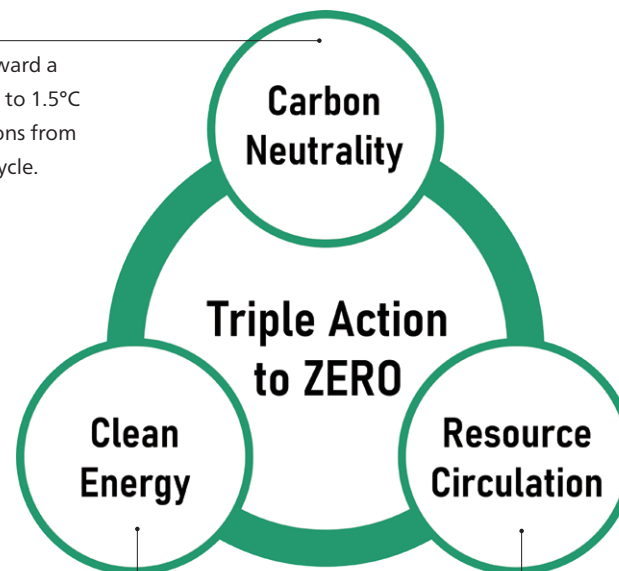
independently, we aim to maximize synergistic benefits by considering their linkages.

We recognize that the promotion of Triple Action to ZERO will also lead to the acceleration of initiatives in international frameworks and a stronger focus on the Nature-based Solutions (NbS) that are attracting increasing interest from stakeholders.

Triple Action to ZERO

Net zero CO₂ emissions

To address climate change issues, Honda will work toward a target of limiting the average global temperature rise to 1.5°C above pre-industrial levels by reducing carbon emissions from corporate activities and throughout the product life cycle.



100% utilization of carbon-free energy

To address energy issues, Honda will aim to use clean energy both in corporate activities and during product use.

100% use of sustainable materials

To address the effective utilization of resources, Honda will take on challenge of developing products and creating systems that use sustainable materials having zero environmental impact. In the area of corporate activities, Honda aims to achieve “zero” industrial water intake and industrial waste by 2050.

* NbS: Initiatives to address social issues while preserving and regenerating natural ecosystems

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Initiatives for Carbon Neutrality

Honda's Approach

In promoting initiatives for carbon neutrality, Honda has set "addressing climate change issues" as a materiality.

The Company is actively working to reduce CO₂ emissions and environmental impact through its corporate activities and initiatives in product areas, mainly by promoting the introduction of environmentally innovative technologies towards carbon neutrality, including the electrification of its products.

Advancing Powertrain Electrification

Honda views changes in social needs and the social structure induced by climate change and energy diversification as key challenges and actively promotes its product electrification efforts.




Increasing the lineup and use of electrified products will reduce CO₂ emissions when in use and contribute to lowering climate change risks.

In addition, the battery mounted on electrified vehicles can be used as a power source for leisure activities or during an emergency, thereby improving the quality of customers' lives.

Honda has set the target of electrifying 15% of motorcycles, 30% of automobiles and 36% of power products, respectively, as a ratio of global sales* in 2030.

Furthermore, the Company has set the reduction rate of product CO₂ intensity by 34.0% for motorcycles, 27.2% for automobiles and 28.2% for power products (compared to FY2020) and is promoting efforts toward carbon neutrality.

Ratio of electrified products (actual) → p. 146

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

* Sales ratio of battery-powered electric motorcycles and electric bicycles for motorcycle products; battery-powered electric vehicles and fuel cell vehicles for automobile products; and electrified products for power products.

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Initiatives for Carbon Neutrality

Initiatives in Product Areas

Three Initiatives to Reduce CO₂ Emissions

Emissions from the “use of products” account for approximately 80% of CO₂ emissions in Honda’s entire product life cycle.

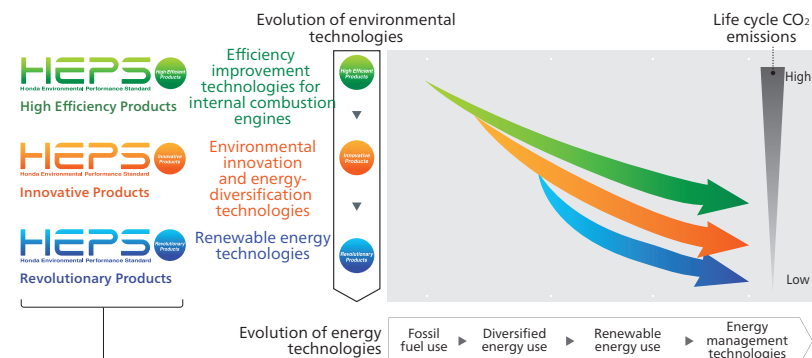
In light of this, Honda works to reduce CO₂ emissions during the usage of all of its products and manufactures and sells environmentally friendly products. Honda will promote the following three initiatives in phases to reduce CO₂ emissions, while expanding production and sales globally.

- (1) Reducing CO₂ emissions by improving the efficiency of internal combustion engines
- (2) Reducing CO₂ emissions by applying environmentally innovative technologies and diversifying energy sources
- (3) Eliminating CO₂ emissions through the use of renewable energy and total energy management

Honda established the Honda Environmental Performance Standard (HEPS) in 2011 and promotes them with operational guidelines.

As a result of the certification of products that were launched in FY2024, 18 motorcycle models, 36 automobile models and 3 power products models — a total of 57 models — were HEPS-certified. In addition, there were no violations in product and service information or labeling in general.

Global Number of HEPS-compliant models → p. 153



● High-Efficiency Products

Products that emit less CO₂ thanks to improved internal combustion engine efficiency. This category includes products that incorporate technologies for improving fuel combustion and transmission efficiency and reducing friction between engine parts. Compliance is determined based on how well a product reduces or helps reduce CO₂ emissions during use compared to preceding models.

● Innovative Products

Products that emit less CO₂ by using an environmentally innovative technology or an alternative energy source. This category includes motorcycles that incorporate Honda’s patented Idling Stop System, automobiles that incorporate hybrid technologies or direct injection engine technologies, and power products with fuel injection (FI). Alternative energy technologies include motorcycles and automobiles that can run on ethanol and power products that can run on gaseous fuels. Compliance is determined based on how well a product reduces or helps reduce CO₂ emissions during use compared to preceding models.

● Revolutionary Products

Products that reduce or eliminate CO₂ emissions by harnessing renewable energy or facilitating total energy management. This category includes products that incorporate electromotive technologies or technologies for using renewable energy.

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Initiatives for Carbon Neutrality

Initiatives in Product Areas

Promoting Life Cycle Assessment (LCA)

Honda recognizes that the promotion of LCA is an important initiative not just in reducing CO₂ emissions across product life cycles, from raw material procurement to product disposal, but also in implementing efforts for Triple Action to ZERO.

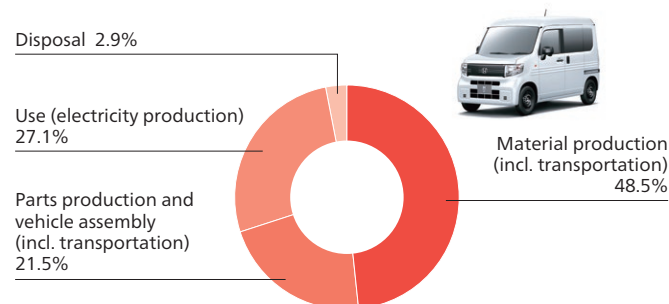
Honda has been quantitatively calculating and assessing CO₂ emissions from all business activities by using its original LCA system. Accordingly, the production, purchasing, sales and service, administration and transportation departments have been carrying out activities geared toward lower carbon emissions.

Honda has established procedures for calculating the environmental impact of its products over their life cycles based on the ISO 14040 and 14044 standards and conducts assessments accordingly.

The calculation procedures have been certified by TÜV Rheinland in Germany in April 2023.

In the future, Honda will utilize the procedures more extensively to propose low-carbon solutions in the development stage and to reduce environmental impact in the resource areas.

Total CO₂ emissions calculated by N-VAN e: LCA system (Calculated in April 2024)



Initiatives for Internal Carbon Pricing (ICP)

Honda has started operating ICP system from 2023 to further accelerate the reduction of CO₂ emissions at its Japanese business sites. (Carbon price: 15,000 yen per metric ton of CO₂)

The amount of carbon reduction is converted into a monetary value that can be used as one of the factors when making capital investment decisions.

Going forward, to expand the operation to overseas sites, Honda will select representative sites and begin trials mainly in the area of production.

The Company will continue to revise the system and apply it to its global sites in light of social conditions and internal performance.

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Initiatives for Carbon Neutrality

Collaboration with External Organizations on Climate Change

The Paris Agreement sets forth the concept of reducing CO₂ emissions with the aim of achieving the goal of limiting the increase in average global temperature to 1.5°C compared to pre-industrial levels.

Honda supports the Paris Agreement and is implementing corporate activities, including lobbying for public policy. In line with the Paris Agreement, in April 2021, the Company announced its vision to “realize carbon neutrality for all products and corporate activities Honda is involved in by 2050” in order to achieve a circular society with zero environmental impact.

As the world's largest manufacturer of power units, with a combined annual production volume of 30 million units of motorcycles, automobiles, power products, outboard motors, and aircraft, Honda is committed to

carbon neutrality for the power sources of its wide range of products.

Honda has set and is promoting targets in each of its product areas and corporate activities to steadily achieve carbon neutrality by 2050.

The Company also promotes dialogue with government and other economic and industry groups, as well as collaborating with external organizations.

We have reviewed the stances on climate change of the external organizations to which we belong and confirmed that they are consistent with Honda's approach.

It was confirmed that each organization is in agreement with the direction that Honda is aiming for, and the Company will continue to work together to take on the challenge of achieving carbon neutrality.

Review results of each organization's stance

Organization	Stance on the Paris Agreement and carbon neutrality	Results of consistency review
Japan Automobile Manufacturers Association, Inc. (JAMA)	<ul style="list-style-type: none"> ■ JAMA will do its utmost to achieve carbon neutrality by 2050. ■ Achieving carbon neutrality by 2050 is an extremely difficult challenge that cannot be expected without groundbreaking technological breakthroughs. A stable supply of inexpensive, carbon-neutral electricity is a prerequisite, and strong support in the form of policy and financial measures is necessary. *1 	<ul style="list-style-type: none"> ■ JAMA's goal of carbon neutrality by 2050 is consistent with Honda's goals. ■ CEO Toshihiro Mibe is the Vice Chairman of JAMA and our board member is the chairman of the Environmental Technology Policy Committee. ■ Honda will continue to work with JAMA to achieve carbon neutrality by 2050.
European Automobile Manufacturers' Association (ACEA)	<ul style="list-style-type: none"> ■ The automobile industry embraces the Paris Agreement and its goals. ■ EU vehicle manufacturers, united in the European Automobile Manufacturers' Association (ACEA), are fully committed to bringing CO₂ emissions down to zero, supporting Europe's goal of reaching climate neutrality by 2050. *2 	<ul style="list-style-type: none"> ■ ACEA embraces the Paris Agreement and its goals, which are consistent with Honda's goals. ■ Honda's European subsidiary members participate in ACEA activities. ■ Honda will continue to work with ACEA to achieve carbon neutrality by 2050.
World Business Council for Sustainable Development (WBCSD)	<ul style="list-style-type: none"> ■ The vision and transformation pathways are aligned with the Sustainable Development Goals (SDGs) and the targets of the Paris Agreement. ■ BY 2050, WE ENVISION A WORLD IN WHICH: Global anthropogenic greenhouse gas emissions have reached net zero, allowing global warming to stabilize at 1.5°C above pre-industrial levels. *3 	<ul style="list-style-type: none"> ■ WBCSD's activities in line with the goals of the Paris Agreement are consistent with Honda's goals. ■ Honda will continue to work with WBCSD to achieve carbon neutrality by 2050.

The source

* 1 https://www.jama.or.jp/operation/ecology/carbon_neutral_data/pdf/CNMaterial_01.pdf (Japanese only. Text is translated by Honda.)

* 2 https://www.acea.auto/files/ACEA_10-point_plan_European_Green_Deal.pdf
https://www.acea.auto/files/ACEA_Position_Paper-Revision_CO2_targets_cars_vans.pdf

* 3 <https://www.wbcsd.org/Overview/About-us/Vision-2050-Time-to-Transform/Resources/Time-to-Transform>
<https://www.wbcsd.org/contentwbc/download/11765/177145/1>

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Clean Energy Initiatives

Honda's Approach

In promoting clean energy initiatives, Honda has set “addressing energy issues” as a materiality. The Company is actively working to reduce the amount of CO₂ emissions and environmental impact through its corporate activities and initiatives in product areas, by improving production efficiency, introducing energy-saving measures, switching to low-carbon energy, and promoting the use of renewable energy.

Corporate Activities Initiatives

Honda plans to realize its first carbon-neutral plant in FY2026 at the Saitama Factory's assembly plant to achieve the 2050 carbon neutrality target and is studying and promoting the introduction of equipment to maximize the use of renewable energy.

In deploying the technology built at the plant globally, the Company has built a mechanism for promoting information sharing among business sites and regions while at the same time enhancing technical support from Japan.

Honda is also actively promoting the use of renewable energy sources such as solar and wind power generation on a global basis.

■ Use of renewable energy power (global)

1,927 GWh (increase of 28.6% from the previous year)

Renewable Energy Initiatives

Honda preferentially adopts a method that can directly contribute to the reduction of CO₂ emissions in local communities.

More specifically, the Company focuses on installing new power generation facilities, first examining the installation within its premises, and then gradually expanding the scope to outside the premises for greater use of the facilities.

The Kumamoto Factory plans to expand solar power generation system capacity to 20 MW by 2030 and has installed carport solar panels on the parking lots, and solar panels on the roofs of its factory and regulating reservoir.

The Hosoe Outboard Engine Plant has also begun to utilize renewable energy by installing carport solar panels and solar panels.

Going forward, to further facilitate and expand the use of renewable energy, the Company is promoting the introduction of lithium-ion storage batteries and will continue to use renewable energy matched to the conditions of each region on a global basis.



Kumamoto Factory (5.7 MW)



Saitama Factory Automobile Plant (2.0 MW)



Hosoe Outboard Engine Plant (1.7 MW)



Boiling Springs Wind Farm (120 MW)

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Resource Circulation Initiatives

Honda's Approach

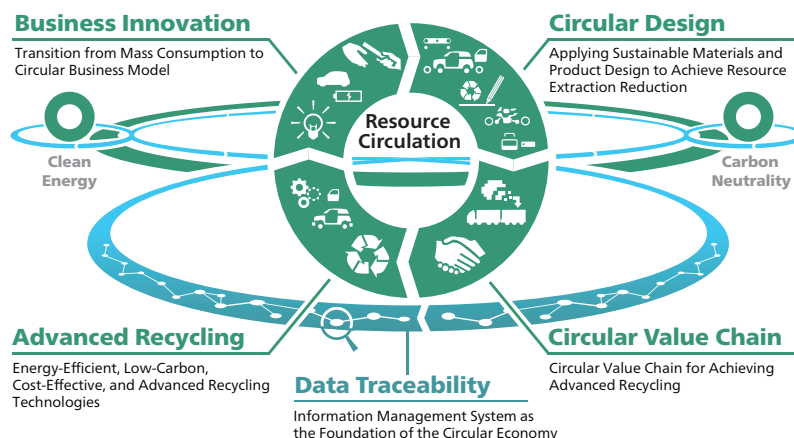
Honda is taking on the challenge of realizing a society with zero environmental impact so that we can permanently provide “the Joy and Freedom of Mobility” through mobility.

Honda believes that resource procurement and price hikes pose a major risk to the continuation of its business and has set efficient use of resources as a materiality to accelerate its resource circulation efforts.

The Company aims to coexist in harmony with the Earth and is taking on the challenge of shifting to a recycling-oriented business that creates economic value while reducing consumption (mining and disposal) of the Earth's limited resources.

Honda has established the five essentials of resource circulation and will work together with internal and external stakeholders in conjunction with conventional 3R (reduce/reuse/recycle) activities.

Resource circulation concept diagram



Five Essentials of Resource Circulation

Business Innovation

Honda is committed to shifting to a recycling-oriented business that uses up products and parts throughout their entire life cycle and recycles them with high efficiency.

Circular Design

Honda is committed to creating a system premised on recycling, which includes the selection of materials suitable for recycling, easy disassembly and separation design that enables the removal of high-quality scrap, and stable procurement of recycled materials.

Circular Value Chain

Honda will work to build a recycling-oriented value chain that maximizes economic rationality by optimizing specifications throughout the entire supply chain involved in resource circulation, including material manufacturers and the dismantling and crushing industry.

Advanced Recycling

Honda is committed to the research and development of advanced technologies that enable energy-saving, low-carbon, and low-cost recycling.

Data Traceability

Honda will work on visualization of social values such as lifecycle CO₂ emissions and recycling rate to prove compliance with laws and regulations and to promote appropriate trade and use of recycled materials. The Company is committed to proving maintenance history and improving resource recovery rates using a wide range of digital technologies.

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Resource Circulation Initiatives

Corporate Activities Initiatives

Waste Management Initiatives

Honda is making efforts to reduce the volume of waste generated through its business activities. The Company is stepping up its 3Rs (reduce/reuse/recycle) efforts, which include resource reduction initiatives, such as the reduction of by-products through an increase in throughput yields.

Honda properly manages the import and export of waste deemed hazardous under the terms of Annexes I, II, III, or VII of the Basel Convention.

In addition, the Company is striving to eliminate all use of ozone-depleting substances (ODS) at business sites in accordance with the Montreal Protocol and local laws and regulations in the countries in which it operates.

Recycling-related Initiatives

Honda is continuously working to collect, recover, recycle, and properly dispose of used automobiles, motorcycles, and fluorocarbons in order to reduce their environmental impact.

Recycling at the disposal stage (Japanese only) <https://www.honda.co.jp/auto-recycle/>

Water Resources Initiatives

Honda seeks out communities where harmonious coexistence with nearby water sources is viable as potential plant locations, and conducts its corporate activities in compliance with host countries' environmental assessment laws and regulations.

To minimize water intake, various business sites are implementing initiatives based on regional circumstances, such as the utilization of recycled water and water conservation.

Honda has prioritized the introduction of a water recycling system at the Celaya Auto Plant of Honda de Mexico S.A. de C.V. in Mexico, the Tapukara Plant of Honda Cars India Ltd. in India, and the No. 2 Plant of GAC Honda Automobile Co., Ltd. in China, where the water risk is particularly high.

Honda will continue to introduce its water recycling system around the world and strive to reduce the environmental impact.

■ Recycled water consumption (global manufacturing sites)

350 million m³/year (approximately 15% of the total amount used)

Initiatives Related to Product Areas

Initiatives for Automobiles

For its automobiles, Honda has been promoting conventional 3R (reduce/reuse/recycle) activities as well as ensuring proper processing when disposing of end-of-life products.

The Company will engage in new businesses and services such as horizontal recycling*¹, repurposing*², and refurbishing*³ as part of its shift to a recycling-oriented business. This section describes the resource circulation efforts related to new and used car sales.

Initiatives for Battery Lifetime Management Commercialization (Business Innovation)

For batteries to be installed in light EVs scheduled for launch in 2024, Honda is promoting an initiative to maximize battery value by upgrading battery monitoring functions and conducting lifetime management through conversion from on-board use to stationary use.

The battery monitoring function, which determines the state of deterioration of components and other factors, enables efficient use of resources and reduces the economic burden on automobile users.

Link to the news release <https://global.honda/en/newsroom/news/2023/c231012eng.html>

*1 Horizontal recycling: Recycling used products back into resources and using them again for the same purpose.

*2 Repurposing: Utilizing one's own products (e.g., primary use) for various secondary purposes.

*3 Refurbishing: Adding new value to used vehicles by improving performance and service through the latest updates.

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Resource Circulation Initiatives

Expanded Use of Recycled Materials from Automobile Bumpers for Parts of New Vehicles (Circular Design)

For the "N-VAN e:" light EV scheduled for release in 2024, Honda collected and crushed discarded bumpers from Honda vehicles, revitalized them as sustainable materials, and reused them as accessories for vehicle exteriors and other parts.

For the front grille parts, a technology was applied to randomly mix the bumper paint of past Honda models, leaving a rough finish, so that the pattern is unique and attractive.

Honda | Preliminary public showing of the "N-VAN e:" scheduled for release in the spring of 2024 on the website (global.honda) (Japanese only)
<https://global.honda/jp/news/2023/4230928.html>



Front grille parts made of "recycled bumper material"

Use of Sustainable Materials for Floor Carpet Mats (Circular Design, Circular Value Chain)

Starting in April 2024, Honda has adopted a sustainable material, recycled PET material, for the floor carpet mats, a Honda genuine accessory for the N-VAN light vehicle. It is significantly lighter than conventional mats.

The use of sustainable materials is an effort to consider recyclability after use and to contribute to a recycling-oriented society in the future. Going forward, the Company will gradually expand the number of vehicle models to which sustainable materials can be applied.

Launch of Services Related to Refurbishing Used Cars (Business Innovation)

In September 2023, Honda's Japanese used car business launched "Imakore+ (Plus)," a program to install new Honda genuine accessories to used cars.

In January 2024, Honda launched a new upgrade service for the ACCORD model in its North American used car business, a dealer-installed service that enables the wireless functionality of Apple CarPlay and Android Auto.

Such refurbishing programs for recovering and improving product value, adding new product value, and providing utilization services will lead customers to use up the products to the end, and increase opportunities to collect end-of-life vehicle products, thereby making more efficient use of resources.

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Resource Circulation Initiatives

Initiatives for Motorcycles

For motorcycles, Honda is working to reduce the volume of materials used through weight reduction, the application of recycled materials, and structural design that takes recyclability into consideration from the perspective of reducing environmental impact.

This section describes new initiatives that include the following: application of recycled materials such as iron and aluminum, which can reduce the impact on the land when mining and the CO₂ emissions generated during the material production process, as well as bio-derived materials and recycled resin materials, which can lead to reduction of fossil resource extraction.

Application of Bioengineering Plastics to Products (Circular Design)

As a new initiative in the resin field, Honda has adopted DURABIO™*1, an environmentally friendly bio-based engineering plastic, for the first time in the world*2 for the transparent windscreen of the CRF1100L Africa Twin released in March 2024.

The Company plans to expand the application of this plastic to other models and parts in the future.

Newly launched CRF1100L Africa Twin series, a large-size adventure model, with partially revised specifications and exterior appearance (Japanese only)
<https://global.honda/jp/news/2024/2240229-crf1100l.html>



CRF1100L Africa Twin <s> (Grand prix red)



Transparent front screen for motorcycles

Application of Recycled Materials from Automobile Bumpers to Motorcycles (Circular Design, Circular Value Chain)

So far, recycled materials made from waste bumpers of Honda vehicles collected from dealers have been used for under covers of automobiles and other products.

By optimizing the specifications, Honda will apply recycled bumper material, which has been difficult to apply to motorcycles, to the large models manufactured at the Kumamoto Factory, which are scheduled to go on sale in 2024.

This initiative will take advantage of the diversity of products sold and the parts collection scheme that characterizes Honda.

Application of Recycled Aluminum (Circular Design)

Honda have applied small-diameter wheels, which are made from commercial scraps by the high-pressure die casting (HPDC) method, to small models such as scooters and Cubs in Vietnam, Thailand, Brazil, and China.

The Company will apply large-diameter wheels, which have been difficult to apply due to technical challenges and other reasons, to the large models manufactured at the Kumamoto Factory, which are scheduled to go on sale in 2024.

With the application to the large models, wheels made of recycled materials will be applied to a wide range of products from small to large models.

*1 DURABIO™ is a registered trademark of Mitsubishi Chemical Corporation.

*2 According to Honda research (as of October 2023)

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Biodiversity Conservation Initiatives

Honda's Approach

In promoting nature symbiosis initiatives toward Nature Positive, Honda has set “biodiversity conservation” as a materiality.

Honda operates its business with the benefit of natural and mineral resources. Honda recognizes that it depends on and affects a great deal of natural capital not only in the procurement of raw materials, but also in the entire value chain from R&D, manufacturing, use, and disposal after use. Based on the basic concept of harmonizing natural capital and corporate activities, the Company is promoting initiatives to achieve this objective.

In line with the Honda Biodiversity Guidelines established in 2011, Honda is working to avoid or minimize impacts on nature, including air, water, and biodiversity, as well as to conserve and restore them.

Biodiversity Conservation

https://global.honda/en/environment/biodiversity_conservation/

Priority Analysis for Biodiversity Conservation

Honda utilizes the methodology recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) for analyzing the potential impacts of its business activities on biodiversity and its priorities.

Honda assesses its production sites using the Integrated Biodiversity Assessment Tool (IBAT), a biodiversity assessment tool. In order to conduct specific biodiversity efforts at its 86 production sites around the world, Honda uses indicators in IBAT to conduct integrated assessments of the biodiversity risk of the sites. Based on the results, Honda identifies priority sites and considers specific efforts to conserve biodiversity.

Products are made from a variety of materials, some of which may have an impact on biodiversity. Honda is therefore engaged in the primary assessment of the impact of materials used in its products on biodiversity. Based on the assessment results, the Company will conduct a more detailed analysis of materials that have a large potential impact, and consider ways to reduce the impact of its products on biodiversity.

Integrated Report “Honda Report 2023” p. 31

https://global.honda/en/sustainability/integratedreport/pdf/Honda_Report_2023-en-all.pdf#page=33

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Biodiversity Conservation Initiatives

Specific Initiatives for Biodiversity Conservation

Collaboration with External Initiatives

In April 2022, Honda joined the 30by30 Roadmap, led by the Ministry of the Environment in Japan, and is promoting its efforts to obtain certification as a nature symbiosis site, which is an area where biodiversity is being conserved.

In addition, Honda has been participating in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum since December 2022.



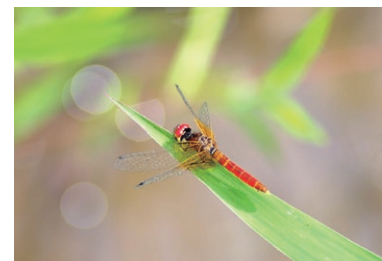
Activities to Protect and Restore Biodiversity

Mobility Resort Motegi in Tochigi Prefecture, Japan, which is 100% owned by Honda, covers an area of approximately 640 hectares, and is engaged in nature conservation activities in approximately 70% of its forests. There are approximately 5,800 confirmed species, including many rare species, among the inhabitants.

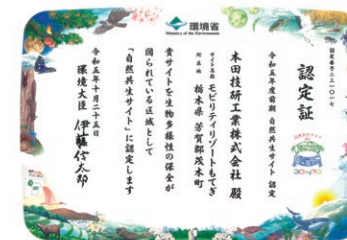
The area was unmanaged wooded areas and rice paddies, but Honda has improved the environment by cutting trees to let light into the forest, restoring terraced rice paddies and other riparian areas, and protecting and relocating endangered Haccho dragonfly (*Nannophya pygmaea*). Based on the idea that "improving the environment is not only about managing it, but also about creating it*," Honda is also working to create a diverse environment for living creatures at Mobility Resort Motegi. To create a sustainable forest, Honda conducts forest surveys (tree surveys, etc.) and monitoring surveys (registered as one of the Monitoring Sites 1000 by the Ministry of the Environment), and holds forest development workshops to nurture the people involved in forest development.

* Improving the forest environment is not only about reducing the density of the forest by logging to let in light and wind, but also about creating habitats for living creatures.

In recognition of the achievements of these efforts, 415.1 hectares of forest in Mobility Resort Motegi was certified as a nature symbiosis site in October 2023.



Haccho dragonfly confirmed at Mobility Resort Motegi



Certificate of nature symbiosis site

Japan: Biotope at an Automobile Assembly Plant

A biotope located at the Saitama Factory Automobile Plant, which started operation in 2013. The biotope is home to endangered species such as *Hynobius tokyoensis* and *Lefua echigonia*, and along with monitoring and conservation activities, Honda is exterminating non-native species such as the red swamp crayfish and American bullfrog.



Biotope at the Saitama Factory Automobile Plant

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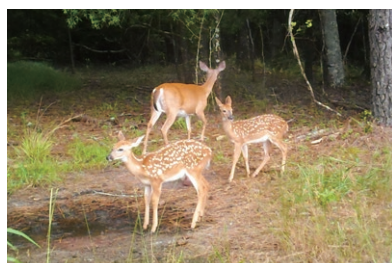
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Biodiversity Conservation Initiatives

U.S.A.: Creating Wildlife Habitats

At the production site for All-terrain vehicle/Side-by-Sides in South Carolina (American Honda Motor Co., Inc.), many wildlife habitat improvements have been implemented. 243 acres of lush greenery on the property led to proper forest management, establishing duck breeding ponds, wildlife food plots, bird houses, and a garden for honeybees with a hive box. These efforts have attracted more deer, wild turkeys, and bobcats to visit and inhabit the land. Some waterfowl also migrate yearly to raise their young onsite.



Wild deer

Belgium: Conserving Biodiversity at a Logistics Base

At Honda Motor Europe Logistics NV's logistics base in Aalst, the Company has expanded its greenbelt by planting black poplars, which are threatened due to habitat degradation and a lack of genetic diversity. The Company is also contributing to the maintenance of biodiversity by creating habitats such as ponds, insect hotels, and feeding stations for living creatures.



Insect hotel

* Sanjivani van: A Hindi term referring to a mythical forest associated with the herb "Sanjivani", which has healing properties and significant meaning in Hindu mythology

Brazil: Nature Conservation at a Test Course

Moto Honda da Amazonia Ltda's motorcycle test course in Rio Preto da Eva is in the Amazon rainforest. In harmony with the environment, approximately 80% (802 hectares) of the site is maintained as a legally protected area. Agricultural projects here include the planting of fruits and vegetables as well as the restoration of endangered species such as mahogany, rosewood, and Brazil nuts.



Test course

India: Plant Greening in Consideration of Biodiversity

The Company created a 0.4 hectare mini-forest on the premises of Honda Motorcycle & Scooter India Pvt. Ltd.'s motorcycle plant in the state of Gujarat with the aim of creating a rich natural environment to protect the ecosystem. This forest, named "Sanjivani van*," is planted with more than 16,000 trees in 24 different categories. In addition, food residues are converted into compost and used for gardening in the forest.



Mini-forest

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Biodiversity Conservation Initiatives

Conserving Water Resources

Recognizing the potential for its business activities to impact biodiversity and water resources, Honda is also committed to the conservation of water resources.

Since Honda seeks out communities where harmonious coexistence with nearby water sources is viable as potential plant locations and builds plants in compliance with host countries' environmental assessment laws and regulations, no water sources are significantly impacted by the Company's water use.

In addition, no water sources are affected by wastewater from Honda facilities since it treats wastewater and discharges treated water in accordance with applicable laws and regulations of each country and region-specific rules, etc.

Honda appropriately manages the amount of water used and works to manage and provide information on wastewater, which includes thorough quality control and the disclosure of water quality test findings.

Honda has also continuously undertaken conservation activities for forest watersheds since 1999 as part of its social contribution program. Production sites protect and manage the forest watersheds that they benefit from and strive to keep them optimized for each region.

Aware of the fact that water is an indispensable resource supporting its business, Honda will continue implementing this activity.

The Company's lineup of engines for outboard motors consists solely of four-stroke engines, with the aim of reducing water contamination by outboard motors around the world. Honda is also conducting demonstration tests of electric propulsion systems to reduce the environmental impact during product usage.

Forest Conservation Activities (Japanese only)
<https://global.honda/jp/philanthropy/forest/>

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Other Important Initiatives

Preservation of Clean Air

Honda recognizes that efforts for preservation of clean air have been a critical issue since the 1960s when the pollution problem became serious. The Company, therefore, has been working to protect the clean air through the development of technologies that reduce the gases emitted from its products.

Honda has reduced exhaust emissions from motorcycles by switching the engines of all its motorcycles on the market to four strokes, with the Honda Programmed Fuel Injection (PGM-FI) system being applied to more than 88% of models sold worldwide for better combustion efficiency.

With regard to automobiles, the Accord Plug-in Hybrid has become the first in the world to certify to SULEV*1 20 of California's LEV*2 III emissions regulations, deemed to be the toughest in the world. In addition, Honda has introduced technologies to reduce emissions in advance of other advanced emission regulations, such as Euro 6 in Europe and Stage 6 of particulate matter (PM) emissions in China.

As for power products, Honda has cleared compliance with United States Environmental Protection Agency Phase 3 regulations, the most stringent in the world, through engine enhancement technology without using a catalyst.

The solvents found in paint and thinner used mainly in paint processes can generate Volatile Organic Compounds (VOC), the cause of photochemical oxidants. Accordingly, Honda is working to reduce VOC emissions such as through the improvement of painting efficiency and the installation of equipment to remove VOC.

In the production of automobiles, the Company is promoting the global introduction of Honda Smart Ecological Paint*3, a highly functional painting technology that shortens the automobile painting process, from the Saitama Factory Automobile Plant.

Honda will continue to reduce emissions and set milestone sales ratios for electrified products in an effort to preserve clean air.

Carbon-free products*4



EM1 e:



CR-V e:FCEV



EU3200i

*1 Super Ultra Low Emission Vehicle

*2 Low Emission Vehicle

*3 A technology that eliminates a middle coating process from the commonly used 4-coat/3-bake auto body painting process, thereby realizing a 3-coat/2-bake water-based painting process

*4 Carbon-free products: Products that do not emit CO₂ when being used

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Management and Reduction of Chemical Substances

Honda works to ensure the appropriate management and reduction of the chemical substances contained in automotive components from the product design and development stages in order to reduce those materials that impact the environment.

Laws and regulations have been introduced in each country to ensure the appropriate management of chemical substances and the reduction of harmful substances contained in automotive components. These legislations are based on the goal set by the United Nations in 2002 of minimizing the impact of chemical substances on people and the environment by 2020.

The International Material Data System (IMDS), a mechanism for collecting information throughout the supply chain on the materials and chemical substances contained in components making up a vehicle, was developed in response to this trend largely by the German Association of the Automotive Industry. Honda is also tabulating and managing chemical substances via its independently developed global management system, called the Management System of Chemical Substances(MoCS), which collects information based on IMDS.

Honda promotes the management of chemical substances via MoCS to comply with the Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and other regulations on the use of substances of concern in each country. In addition, Honda is moving ahead with the reduction of four types of heavy metals (lead, mercury, hexavalent chromium and cadmium), in accordance with the European Directive on End-of-Life Vehicles (ELV Directive).

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Target List

List of Targets

Target Items		Targets for 2030	Targets for 2050
Reduction rate of total CO ₂ emissions from corporate activities (compared to FY2020)		46%	CO ₂ emissions, net zero
	Motorcycles	15%	
Sales ratio of electrified products	Automobiles	30%	
	Power products	36%	
Reduction rate of CO ₂ emissions intensity of product use (compared to FY2020)	Motorcycles	34.0%	
	Automobiles	27.2%	
	Power products	28.2%	
Reduction rate of total water intake in corporate activities (compared to BAU*)		14.5%	Zero industrial water intake and industrial waste
Reduction rate of total waste generation in corporate activities (compared to BAU*)		14.5%	
Product resource circulation		(Set internal milestones)	100% use of sustainable materials

* Business As Usual: Estimated values based on the 2030 production plan, assuming that no measures or policies for reduction are implemented

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Social

4

 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*¹ 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*² 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

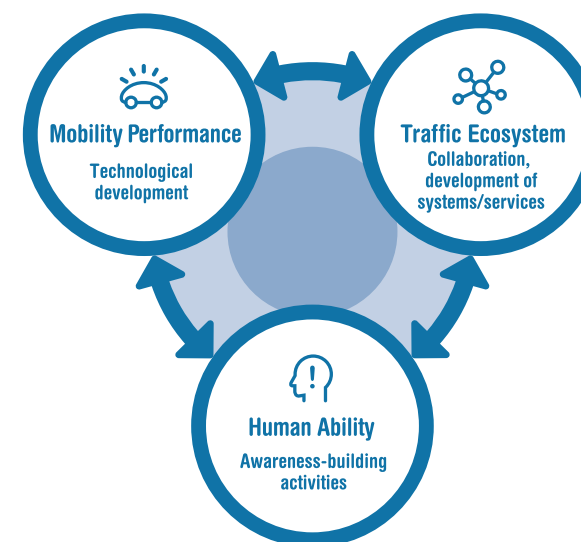
Safety for Everyone

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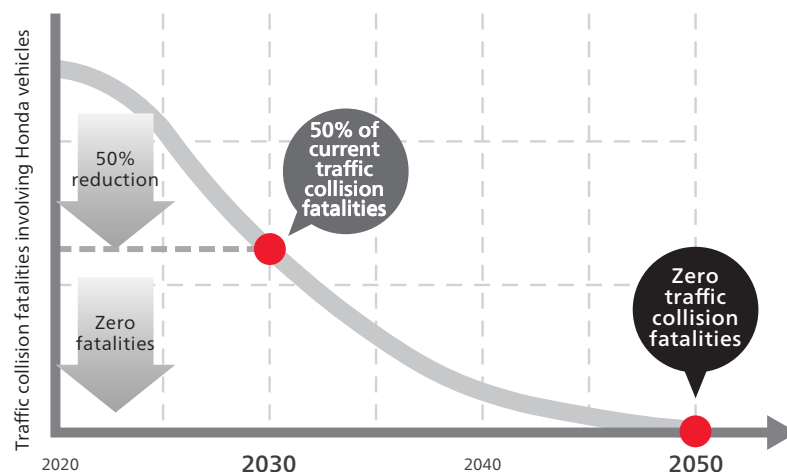
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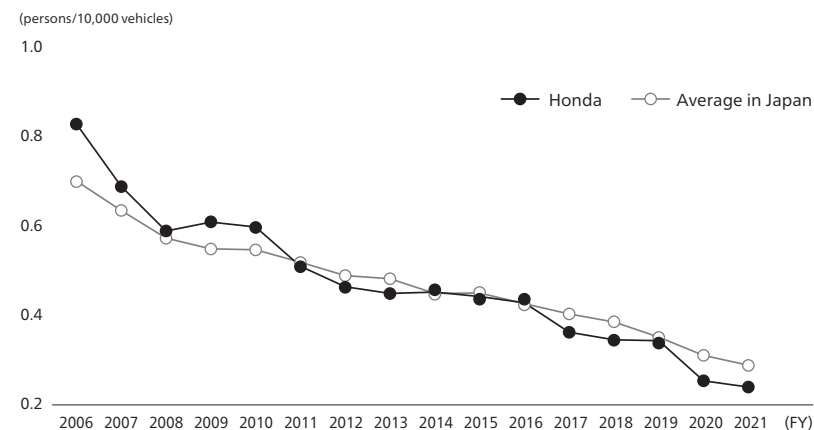
For automobiles, Honda is actively promoting the functional evolution and widespread use of Advanced Driver Assistance Systems (ADAS), which are effective in reducing traffic accidents in both emerging and developed countries.

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

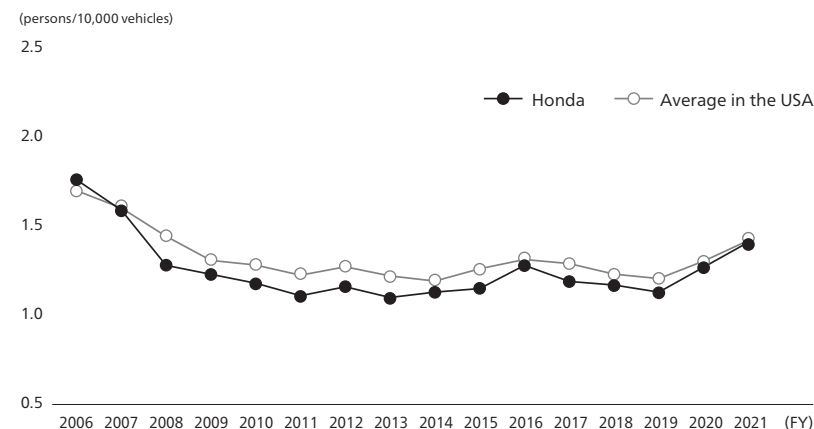


Fatalities involving automobiles per 10,000 vehicles in Japan



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*¹ 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*², 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*³ 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.

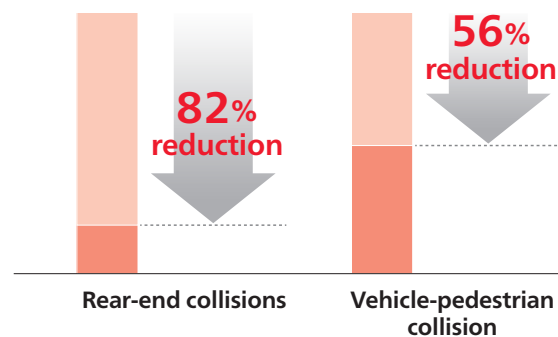
Honda SENSING, one of Honda's ADAS, has been available since 2014. In Japan, the N-BOX minicar equipped with this system has been shown to reduce rear-end collisions by 82% and pedestrian accidents by 56%*1, confirming its effectiveness in reducing accidents.

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 60% 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.

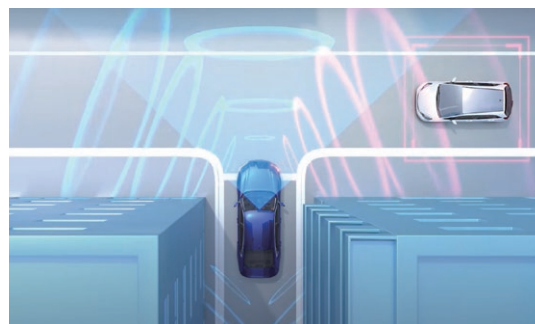
Main features of Honda SENSING 360

■ 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

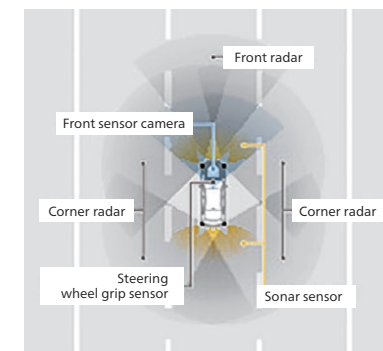
■ Lane Change Collision Mitigation

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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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.

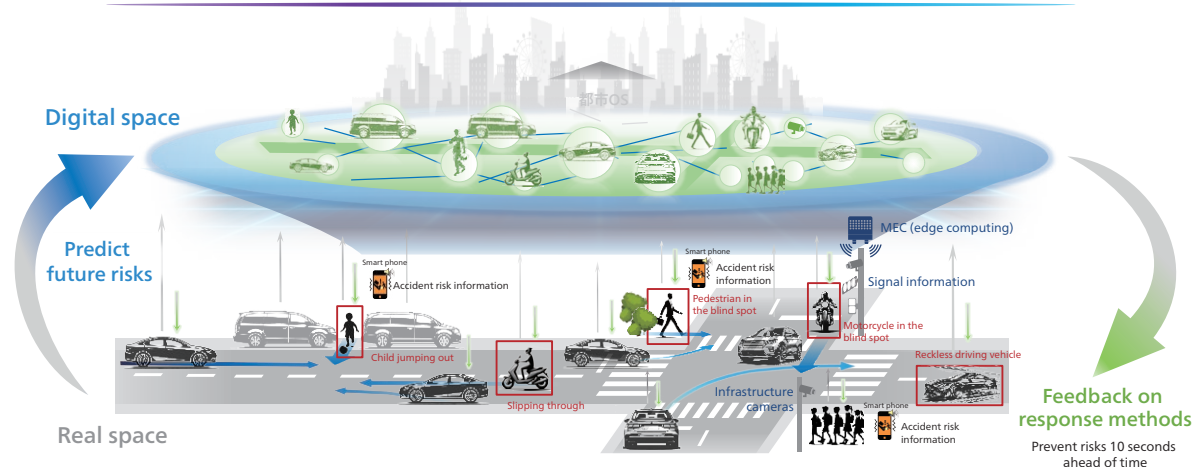
Looking toward the future, Honda is developing its Safe and Sound Network Technology, which connects all traffic participants, i.e., people and mobility vehicles, through telecommunications to predict risks before accidents occur and support accident avoidance.

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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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.

*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



Image analysis technology to improve road infrastructure



Honda's booth in the 27th ESV 2023



Multi-agent simulator



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/Odyssey/Acura RDX	4/4
	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	GGG	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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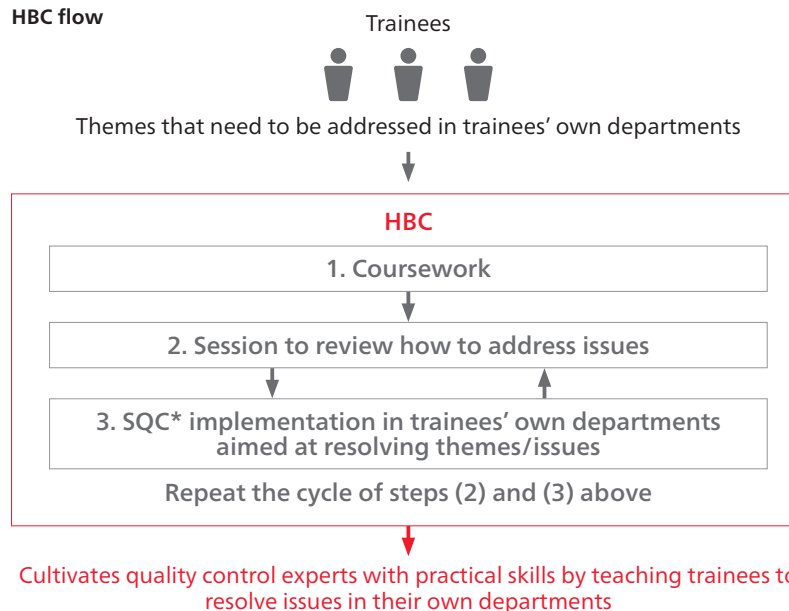
Quality Control Training

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.

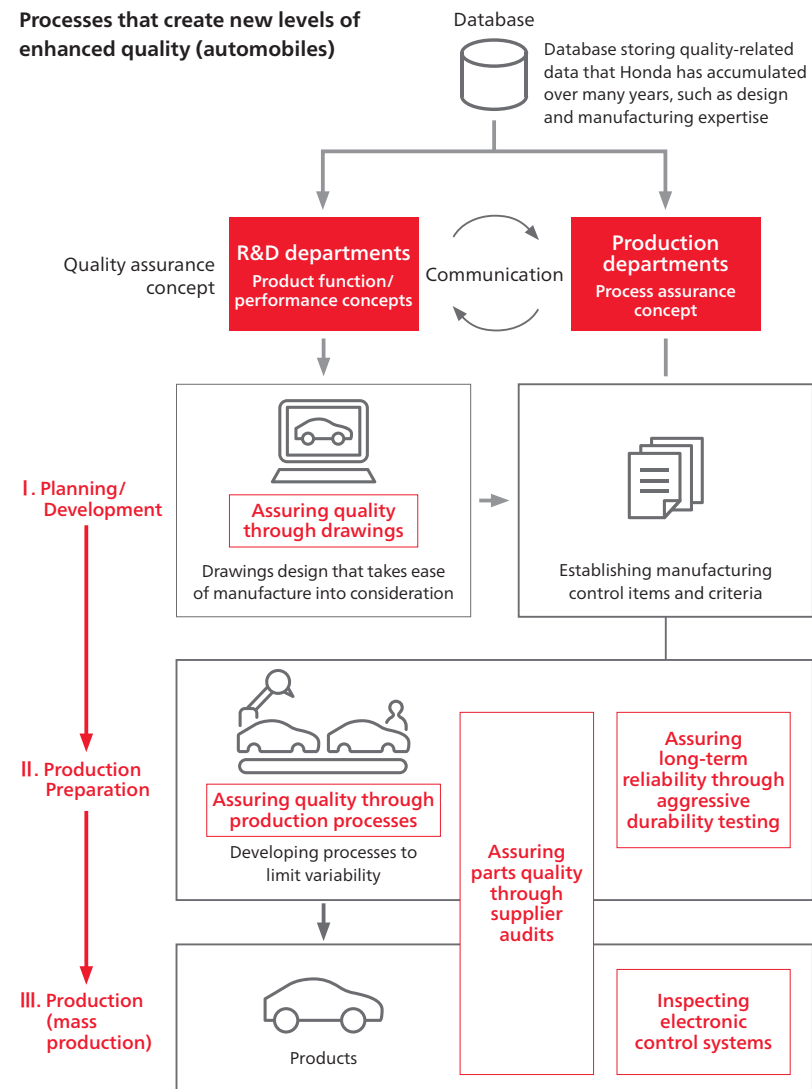
Improving Planning/Development Activities

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

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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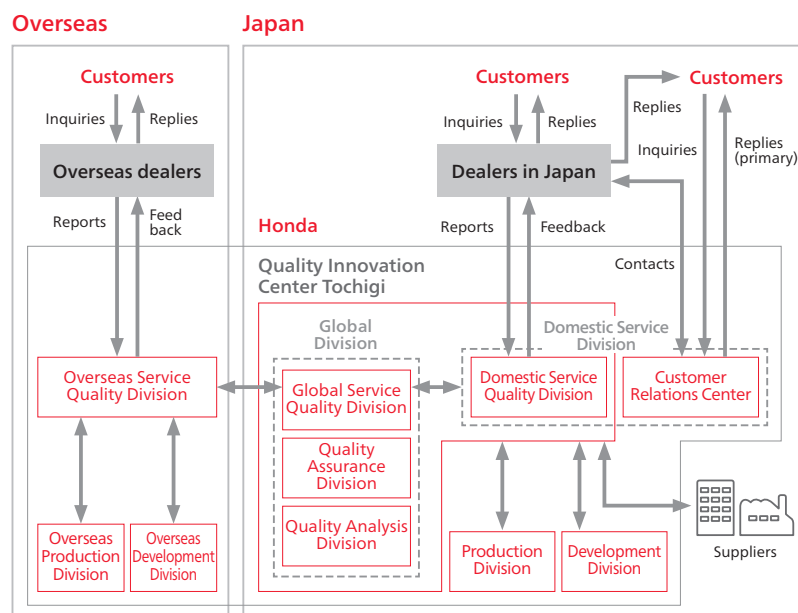
Quality Initiatives

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.

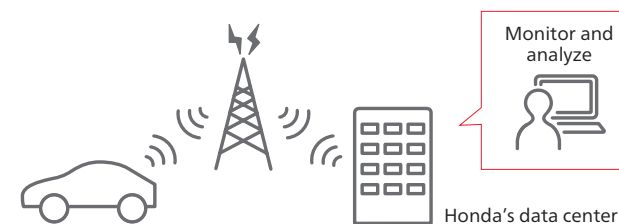
Prediction System

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.

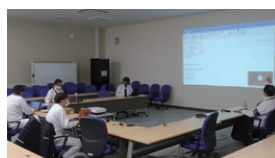
Specialized teams with extensive product knowledge are able to obtain detailed data using a range of analytical equipment. The operational process is configured to facilitate objective and appropriate decision-making based on gathered data.

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.



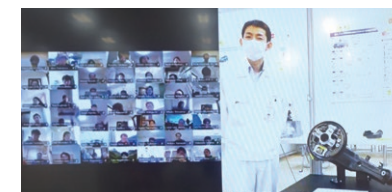
Rust on the body of a Honda Civic made in 1981



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

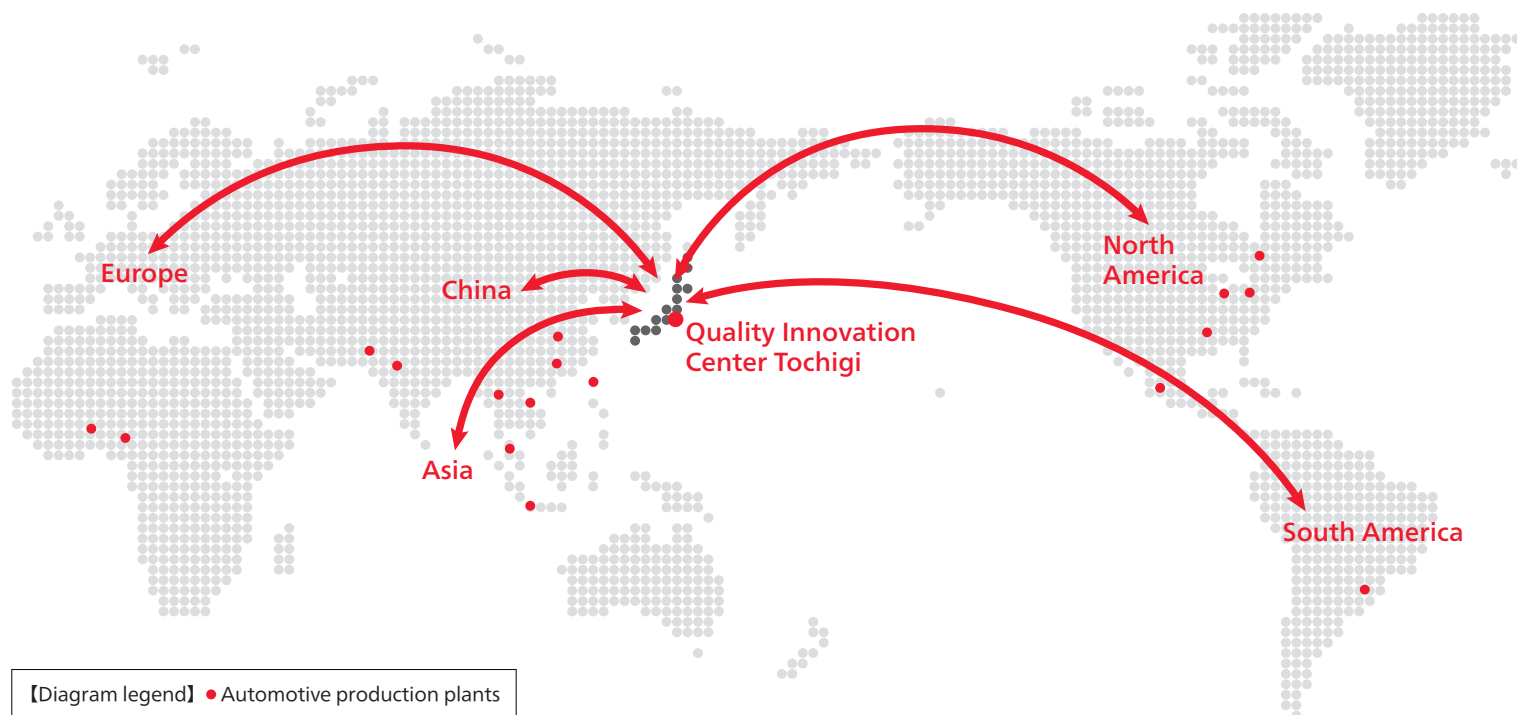
Overseas production plants play a central role in conducting the same type of quality enhancement activities as the Quality Innovation Center Tochigi.

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 StudySM (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.

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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

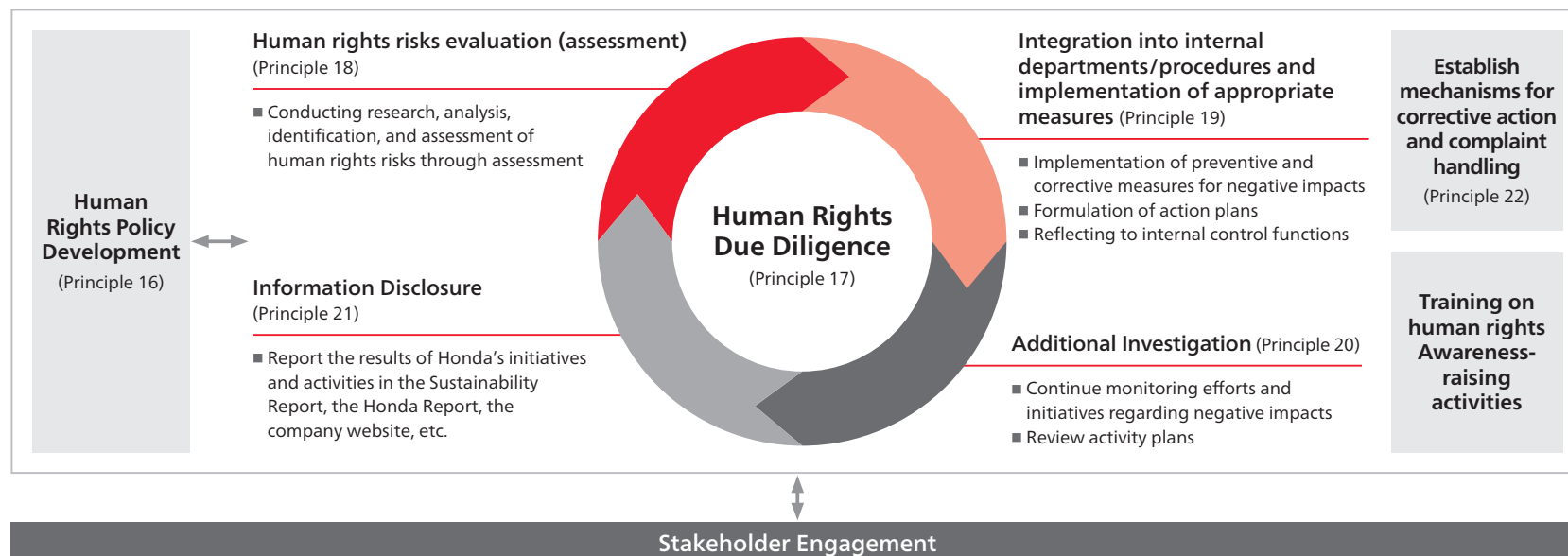
■ https://global.honda/sustainability/cq_img/report/pdf/supply-chain/supplier-sustainability-guidelines.pdf

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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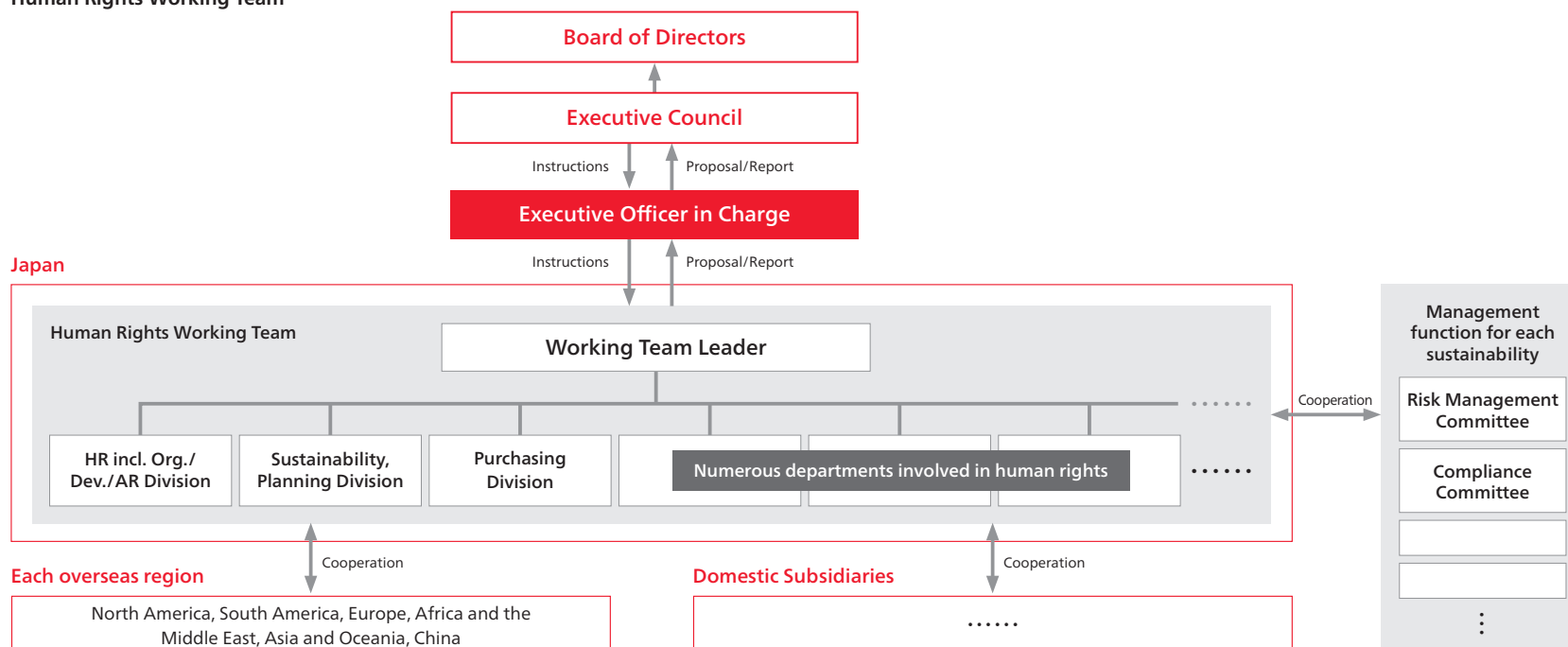
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Promotion Structure

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

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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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		
Respecting Initiative	Honda respects the individuality, creative thinking and judgment of each associate.	
Ensuring Fairness	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.	
Encouraging Mutual Trust	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

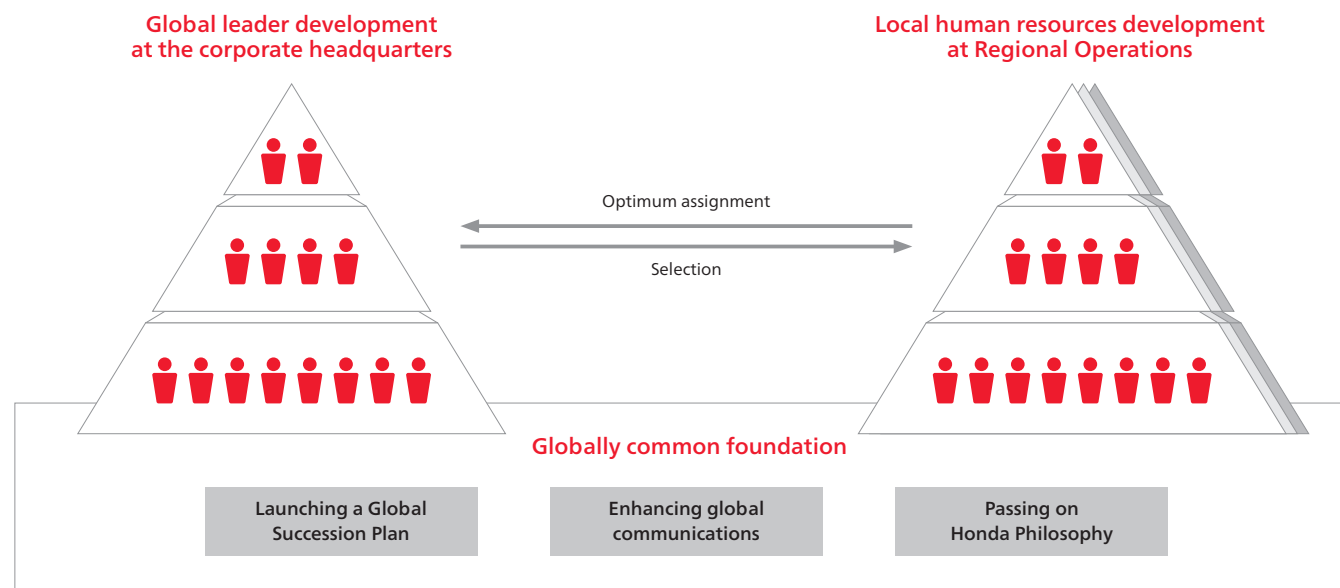
In accordance with its Company Principle, “maintaining a global viewpoint, Honda is dedicated to supplying products of the highest quality yet at a reasonable price for worldwide customer satisfaction,” Honda has been proactively developing business with a view to entering the global markets since its 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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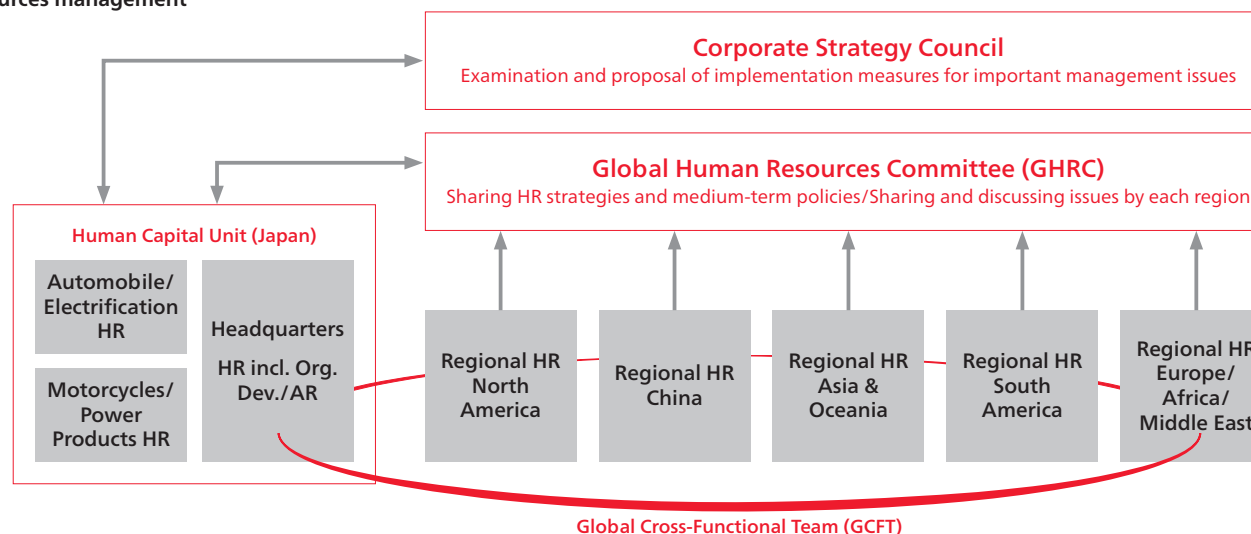
Global Management

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"> 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 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. 	4,557 (17.5%)
2. Career counseling	<ul style="list-style-type: none"> 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 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. 	1,600 (4.4%)
3. Skill assessment	<ul style="list-style-type: none"> 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 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). 	1,927 (5.6%)
4. Selected management skills improvement training	<ul style="list-style-type: none"> 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 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. 	Management: 368, Management candidates: 340
5. Self-selective learning programs (on-line training/e-learning)	<ul style="list-style-type: none"> 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 Each individual chooses to learn based on their own strengths and weaknesses, thereby contributing to the autonomous acquisition of general-purpose skills. 	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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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.

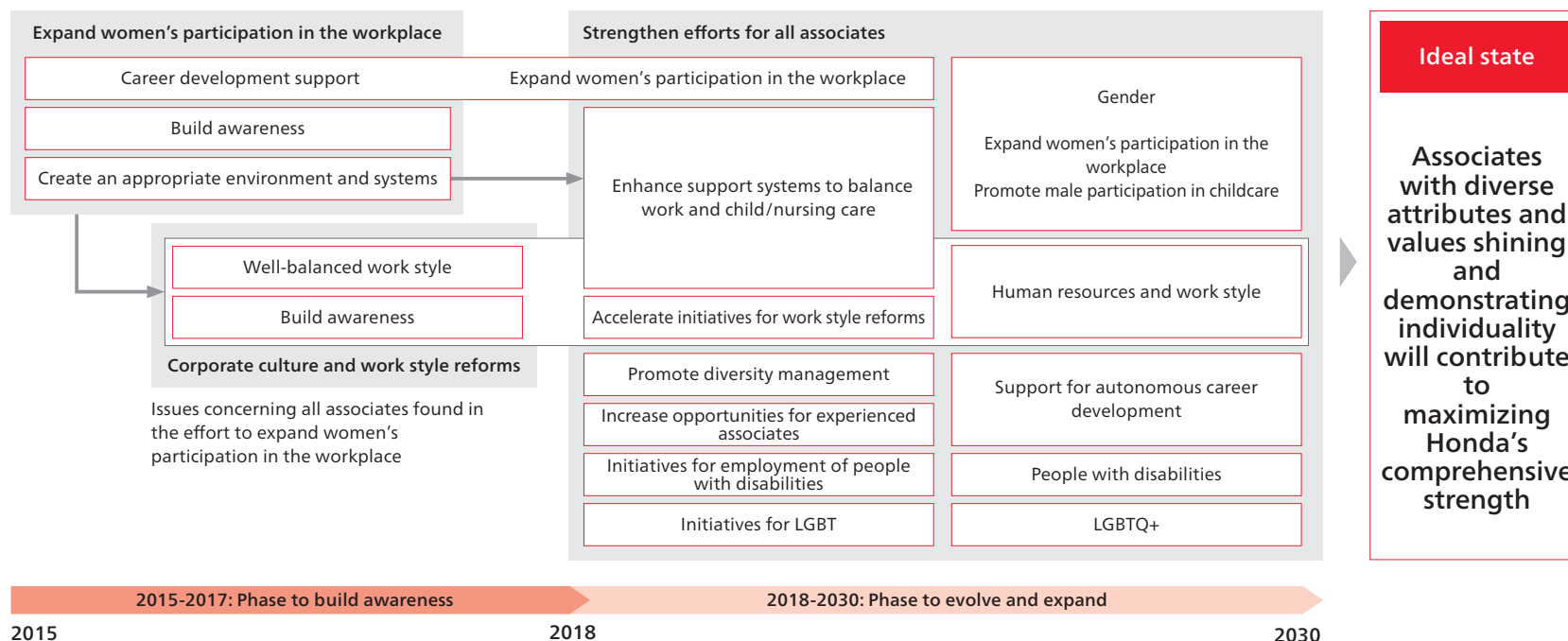
Honda hopes to build a organizational culture that inspires innovation by bringing together, accepting, and integrating diverse individuals, and to be a company that sincerely addresses social issues involving people.

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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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"> ■ 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) ■ Presentation at the above project debriefing (2023) ■ Presentation at the Diversity & Career Forum (2023) hosted by Mitsui Fudosan Co., Ltd. 			<ul style="list-style-type: none"> ■ Message from top management (2022) ■ Diversity initiatives event (male childcare participation/women's health issues for 2023) ■ Awareness-raising seminar on disabilities (2024) ■ Good examples of male childcare participation (from 2022) ■ Health issues in the workplace (2023) 		

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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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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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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

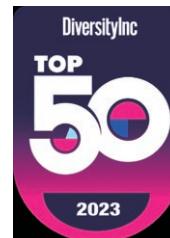
In North America, Honda has been committed to practicing Honda's philosophy of "Respect for the Individual" through enhanced diversity, equity, and inclusion activities. Honda believes that activities to promote an inclusive environment that embraces people of different backgrounds, genders, races, ethnicities,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



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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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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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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

Toshihiro Miki

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"> Regular on-site inspections by the Equipment Safety Committee Guidance sharing meetings at overseas sites 	 <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"> Safety communication by management with on-site managers Basic safety training for machinery and equipment (actual equipment) 	 <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"> Internal safety audits of all workplaces Compliance with laws and regulations 	 <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"> OSHMS Training Training using company-wide standardized training textbooks 	 <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. Health Management Initiatives → p. 95	<ul style="list-style-type: none"> Support tailored to individual associates Support that connects with the organization 	 <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"> Poster declaring the four pernicious traffic violations Instructor training Traffic safety instructor training 	 <p>Short declaration</p>  <p>Traffic safety promotion activities</p>  <p>Activities to prevent accidents involving young associates</p>

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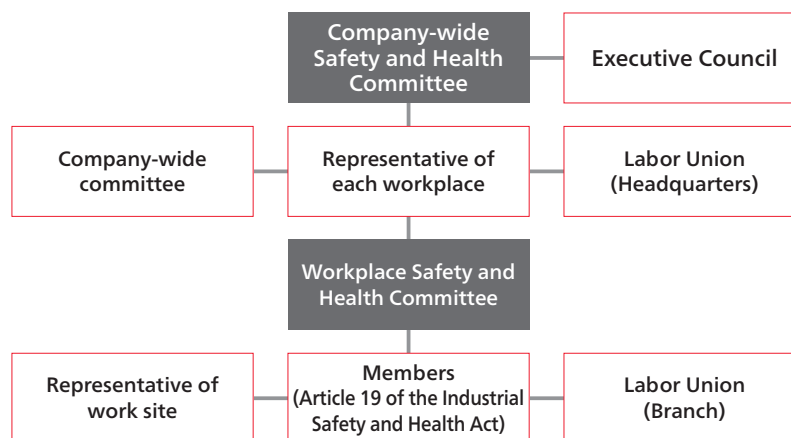
Human Resources Initiatives

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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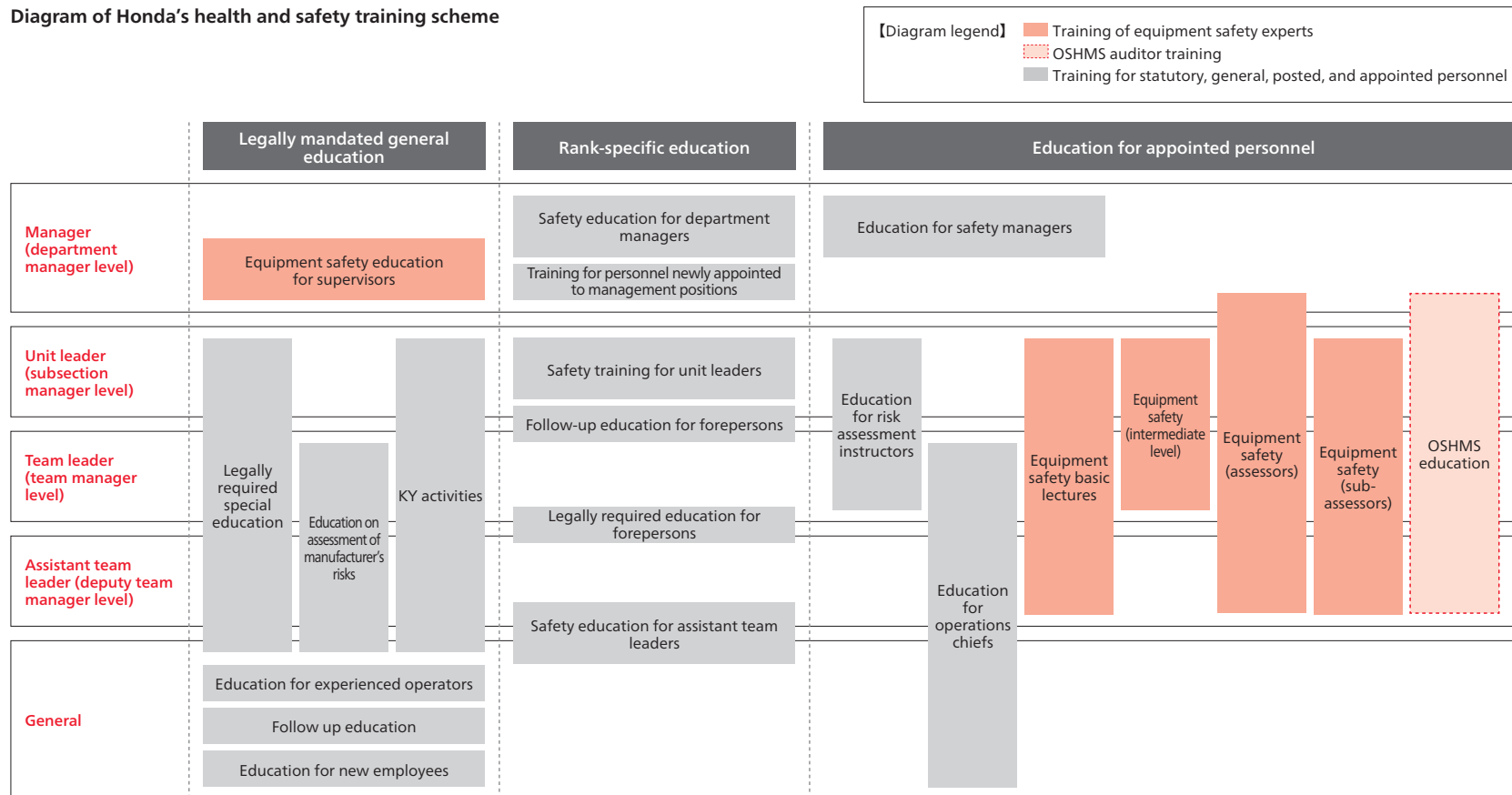
Human Resources Initiatives

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.

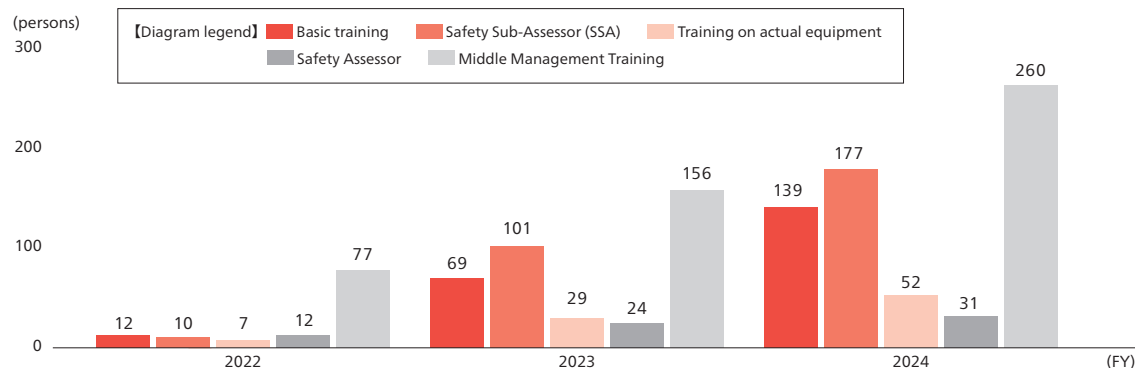
In addition, Honda develops managers and auditors at all levels through Occupational Safety and Health Management System training.

Each workplace also provides various training programs for its associates.

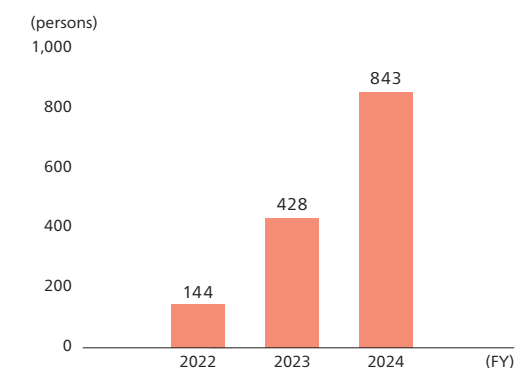
Training situation for safety and health

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



Status of Occupational Safety and Health Management System Training



* Assessor: A person who makes a judgement or evaluation

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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

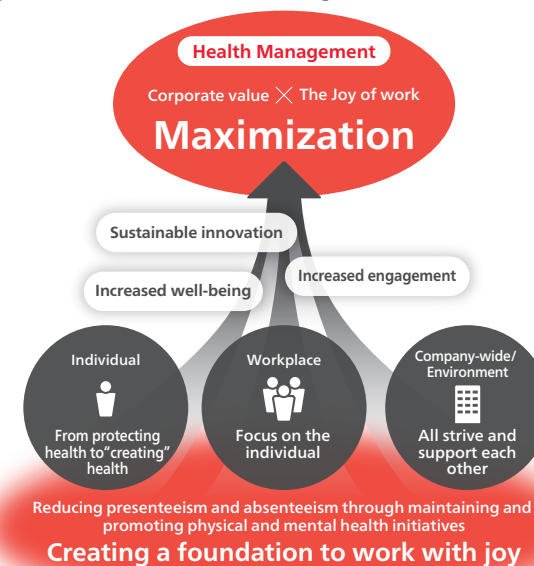
Honda hopes that all associates remain healthy in the same way it strives for safety. Under the top management message, “the basis of a strong individual is to be healthy, and each one of us should take on the challenge of maintaining and promoting good health,” Honda is promoting health management activities 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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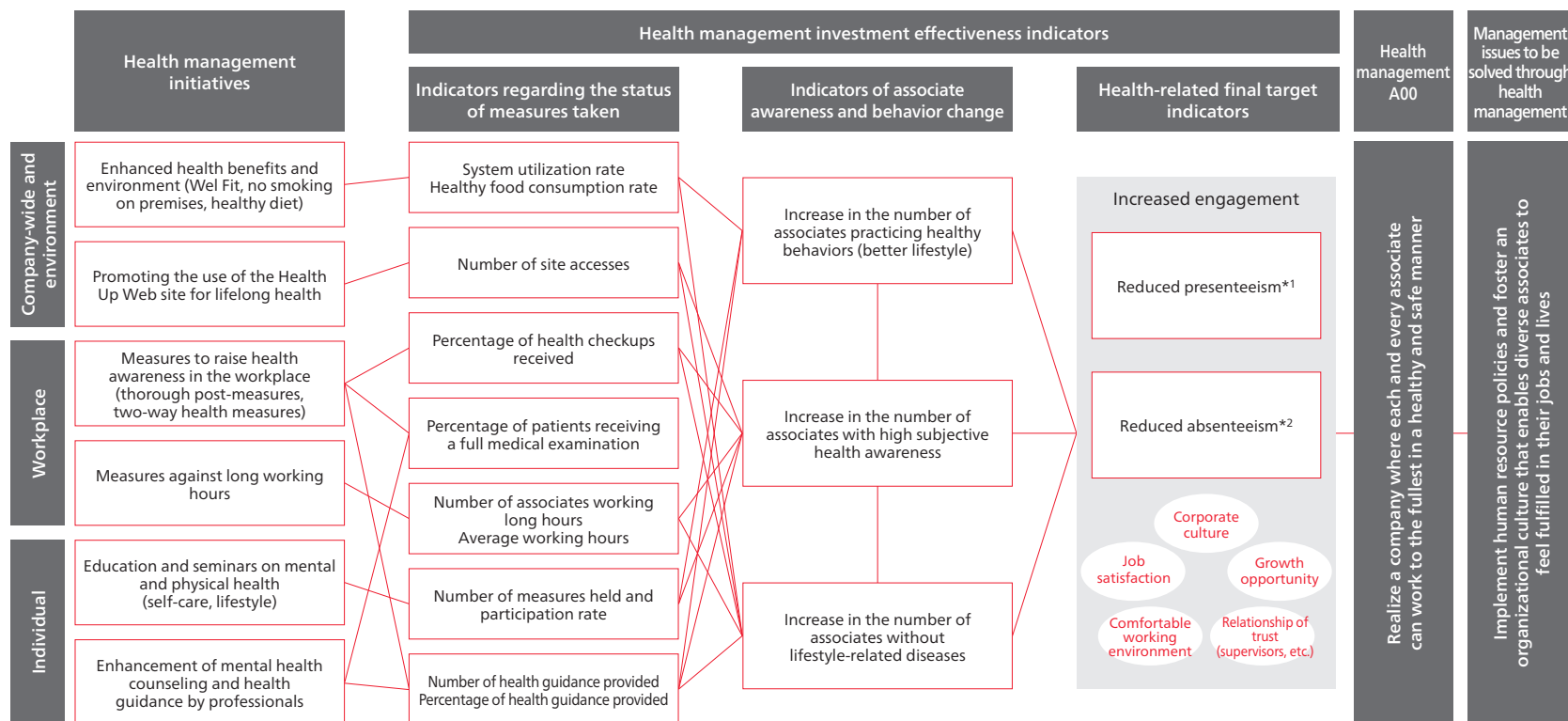
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Human Resources Initiatives

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.





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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.

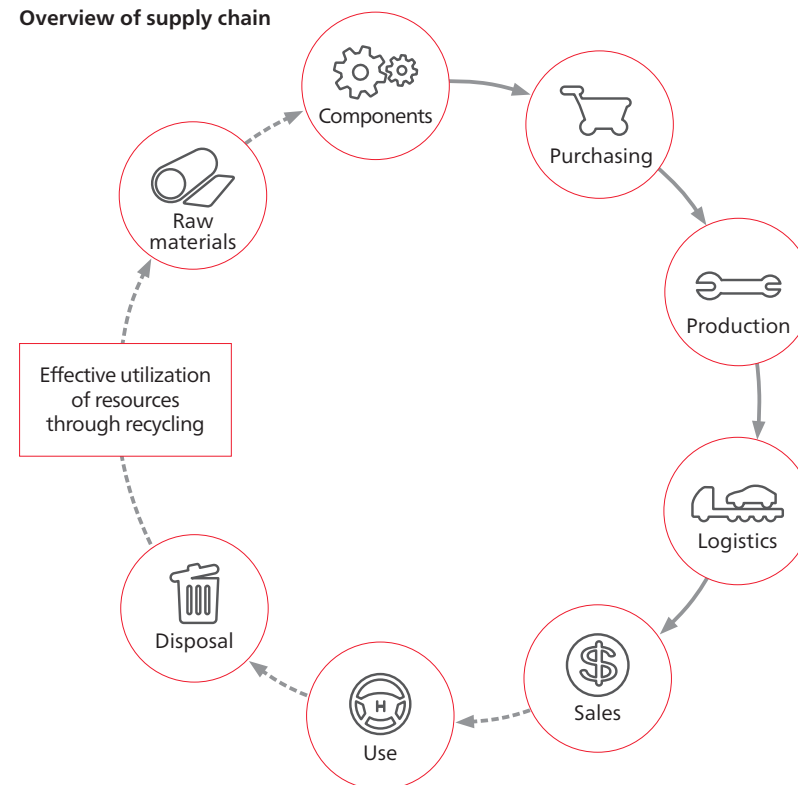
Honda is striving to strengthen supply chain sustainability, mainly in the areas of purchasing and logistics.

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.

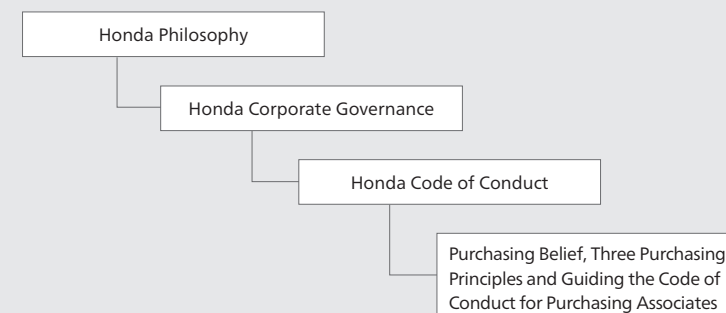
Equal partnership

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

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
		· Revised ('11) Expanded CO ₂ reduction efforts throughout the life cycle	

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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.

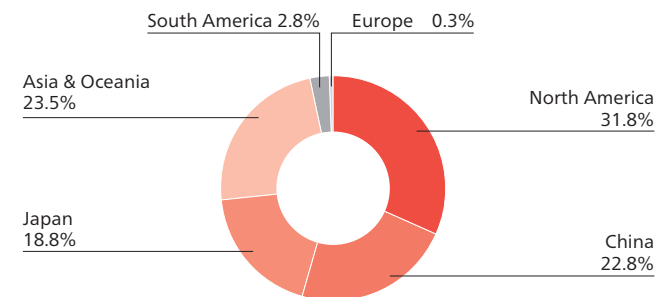
In addition, to discuss and examine the direction Honda should take globally over the medium- to long-term, Honda holds periodic meetings with the management teams of respective companies operating in each region and facilitates collaboration with them.

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 CO₂ 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 CO₂ 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 CO₂ 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 CO₂ 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 CO₂ emissions at suppliers, including their efforts to achieve total emissions control targets.

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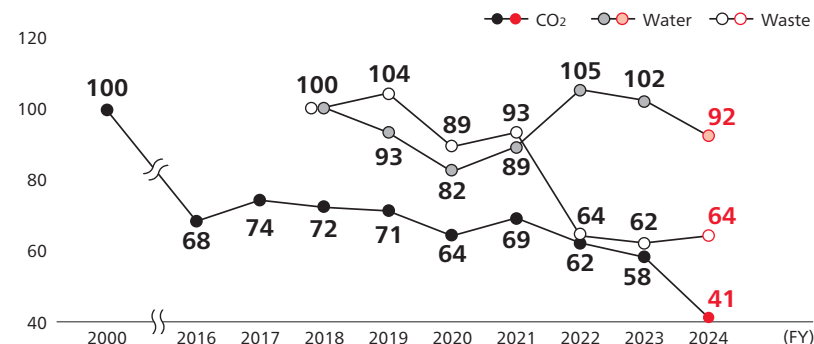
Initiatives to Reduce the Environmental Impact in the Supply Chain

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 CO₂ 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 CO₂ 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 ₂ (t/millions of yen)	1.07	0.95	1.03	0.93	0.86	0.62
Water (m ³ /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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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.

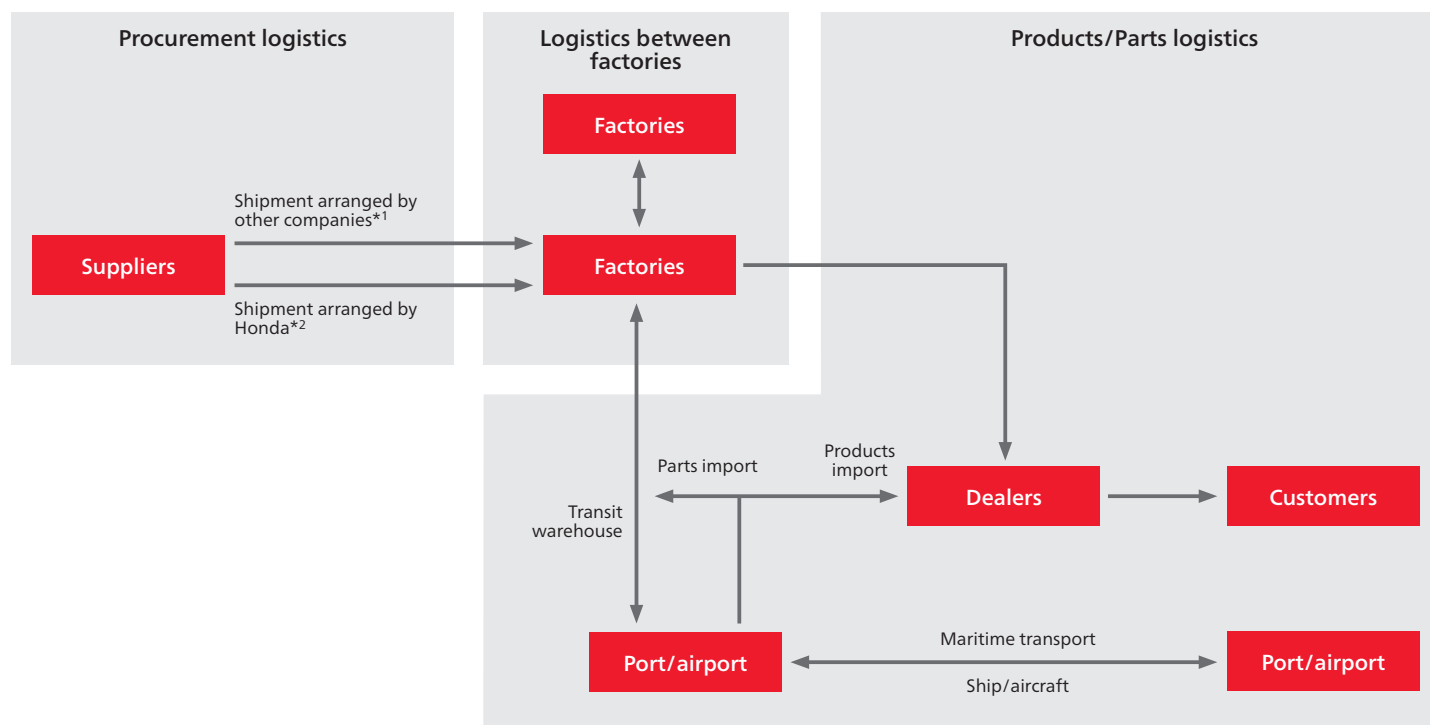
Basic Approach to Logistics

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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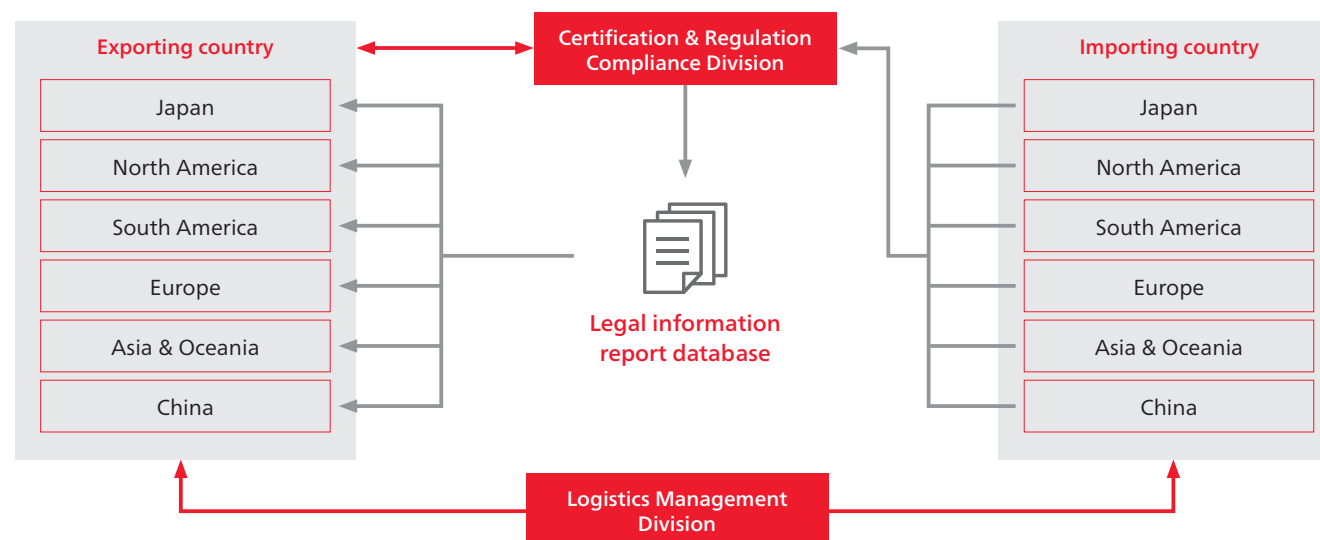
Integrated Management of Legal Information Concerning Logistics

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:

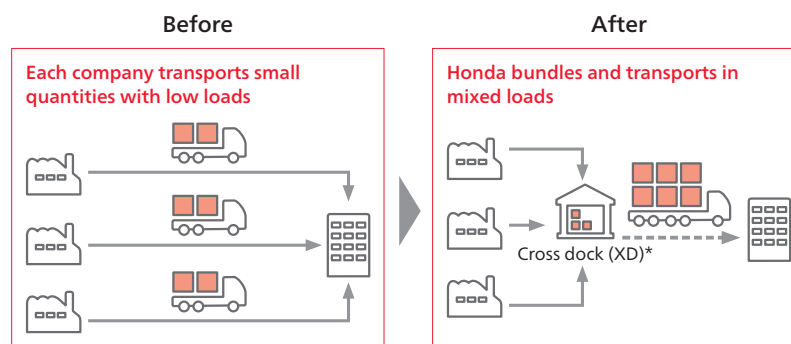
- 1) Highly efficient transportation
- 2) Low carbon transportation.

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 CO₂ emissions.

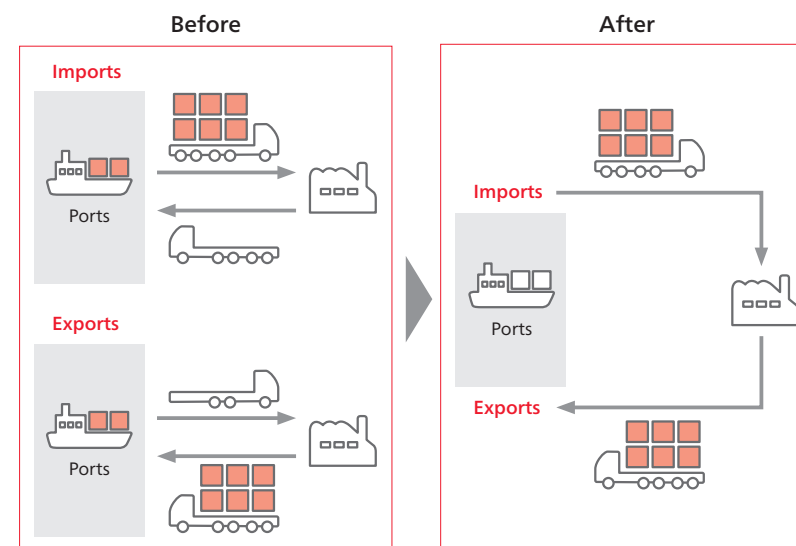


* Cross dock (XD): Warehouse with functions centered on the transshipment of parts

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 CO₂ 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

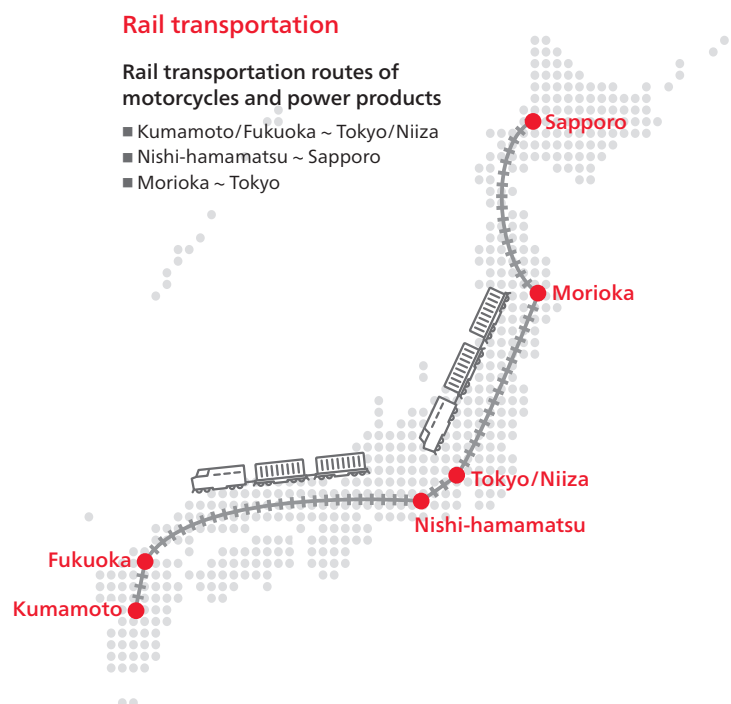
rail and ship transportation.

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

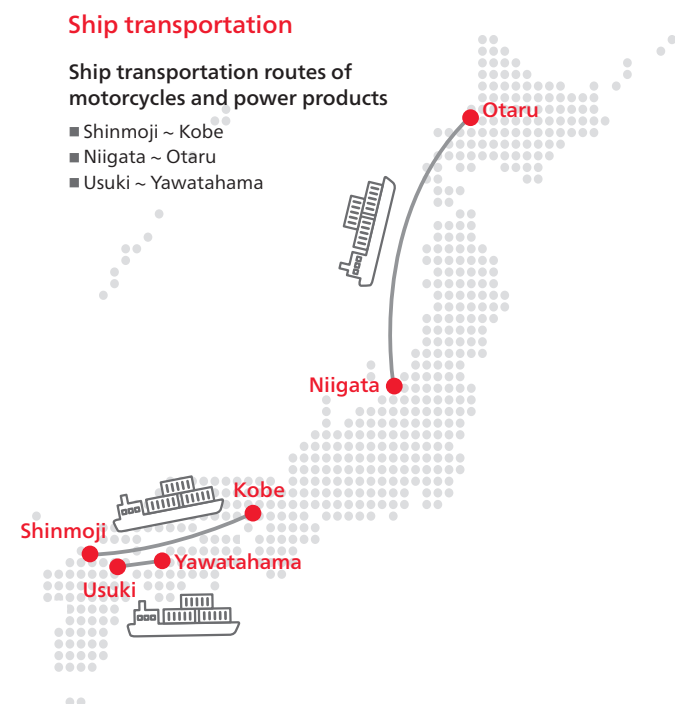
- Kumamoto/Fukuoka ~ Tokyo/Niiza
- Nishi-hamamatsu ~ Sapporo
- Morioka ~ Tokyo



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

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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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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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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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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

Governance

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Basic Approach

Based on its basic principles, the Company strives to enhance the trust of shareholders, investors, customers, and society, while encouraging prompt, decisive, and risk-conscious decision-making by the Company, thereby achieving sustainable growth and enhancing corporate value over the medium- to long-term. Through these efforts, the Company is working to enhance corporate governance as one of its key management priorities to become “a company society wants to exist.”

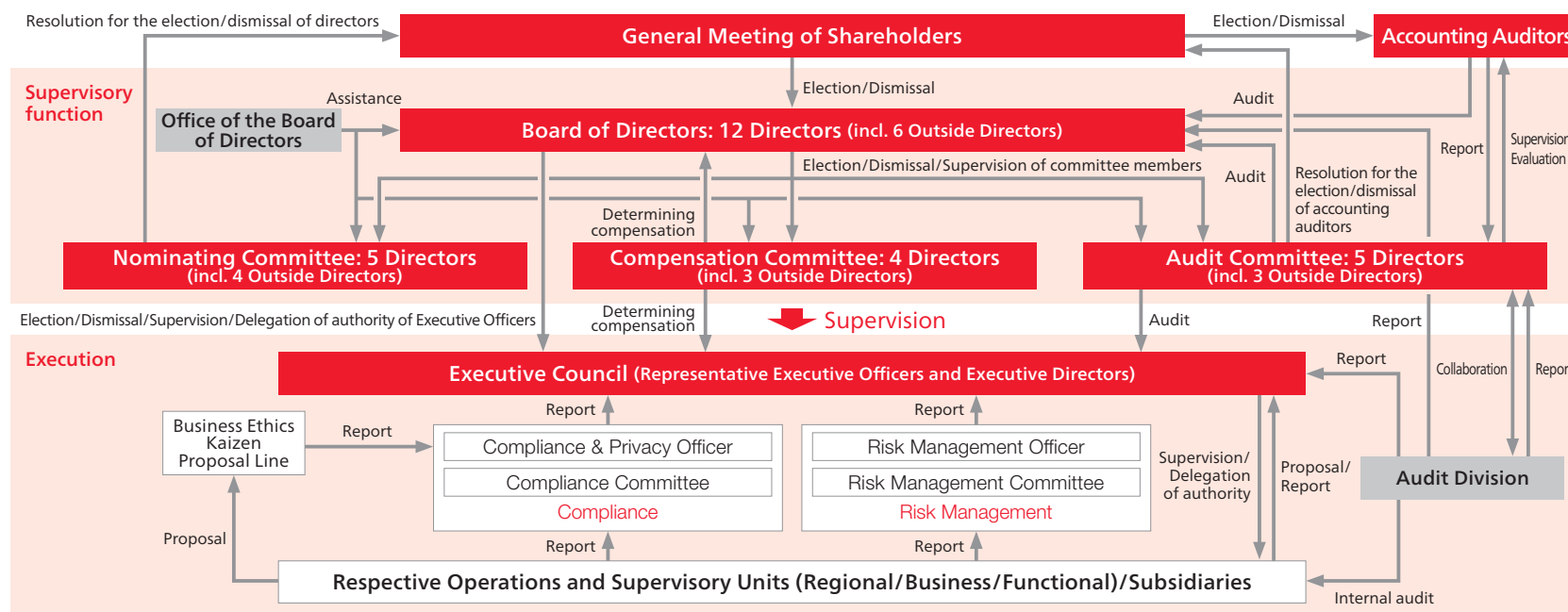
To clearly segregate the supervisory and execution functions of management, strengthen the supervisory function, and enable prompt and flexible decisions, the Company has created a Nominating Committee, Audit Committee, and Compensation Committee, each of which is composed of over 50% Outside Directors. The Company has also adopted a “company with three committees” structure, which allows the broad delegation of the business execution authority from the Board of Directors to the Executive Officers.

The Company is making efforts to appropriately disclose corporate information including the release and disclosure of quarterly financial results and management policies in a timely and accurate manner to bolster the trust and appreciation of shareholders/investors and society. Going forward, the Company will continue to strive to ensure the transparency of its management. Please see the Honda Corporate Governance Basic Policies and the Corporate Governance Report (the link below) for information on Honda’s corporate governance policy.

Honda Corporate Governance Basic Policies, Corporate Governance Report
<https://global.honda/en/investors/policy/governance.html>

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Corporate governance structure (as of June 19, 2024)



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Corporate Governance

Decision-making and Supervision of Business Execution

Honda has adopted a “company with three committees” system to delegate the decision-making authority of the Board of Directors to execute important business matters to the Executive Officers in accordance with the provisions of the Company’s Articles of Incorporation and resolutions approved by the Board. This system enables quick decision-making and prompt business execution while clearly separating the functions of management supervision and business execution so that the Board is focused on overseeing business execution.

The Board of Directors has established criteria for deliberation and has delegated some of its authority to the Executive Council, which, in turn, delegates some of its authority to the Business Operating Board.

The Executive Council conducts preliminary deliberations on matters to be resolved by the Board of Directors and deliberates on important management matters within the scope of authority delegated by the Board of Directors. The Business Operating Board deliberates important management matters in each area within the scope of authority delegated by the Executive Council.

Board of Directors

The Board of Directors is comprised of twelve Directors including six Outside Directors.

To respond to the mandate of the shareholders to achieve sustainable growth and enhance the corporate value of the Company over the medium to long term, the duties of the Board of Directors include making decisions concerning key Company matters such as its basic management policies and the monitoring of operations by Directors and Executive Officers. Additionally, the Board of Directors discusses and makes decisions concerning matters specified in the regulations of the Board of Directors, as well as matters set forth in the Articles of Incorporation and applicable laws. All other matters are delegated to the Representative Executive Officers or the Executive Officers.

Specific discussion topics at the Board of Directors in FY2024

- Medium- to long-term management plan and its progress
- Quarterly consolidated financial statements and business outlook
- Quarterly operational execution status
- Duty execution statuses of committees
- Maintenance and operation of the internal control system
- Internal audit results, etc.

To fulfill the above roles, the candidates for Director, regardless of gender, nationality, or other personal attributes, shall be persons of superior character and insight who are experts in company management, laws, politics, accounting, education, or the Company’s business. The Nominating Committee shall consider the balance of gender, nationality, knowledge, and related experience among the candidates.

Nominating Committee, Audit Committee, and Compensation Committee

To reinforce its supervisory function, the Company has established the Nominating Committee, Audit Committee, and Compensation Committee, all of which are comprised of a majority of Outside Directors.

1. Nominating Committee

The Nominating Committee decides on the content of proposals to be submitted to the General Meeting of Shareholders concerning the election and dismissal of Directors and performs other duties as stipulated by law or the Articles of Incorporation. The Nominating Committee consists of five Directors, including four Outside Directors. The chairperson of the committee is elected from among the Independent Outside Directors.

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Nominating Committee Members (as of June 19, 2024)

Fumiya Kokubu (Chairperson) (Outside Director)

Toshihiro Mibe

Kunihiko Sakai (Outside Director)

Kazuhiro Higashi (Outside Director)

Mika Agatsuma (Outside Director)

Specific discussion topics at the Nominating Committee in FY2024

■ Basic policy/annual activity plan

■ Succession plan for Directors

■ Prospective Director candidates, etc.

2. Audit Committee

To respond to the mandate of the shareholders, the Audit Committee conducts audits of the execution of duties by the Directors and Executive Officers and performs other duties as prescribed by laws and regulations and the Articles of Incorporation to ensure the sound and sustainable growth of the Honda Group.

The Audit Committee is composed of two Inside Directors and three Outside Directors. The Chairperson of the Audit Committee is selected from among Independent Outside Directors. To ensure the effectiveness of the audit, full-time members of the Audit Committee are elected by resolutions of the Board of Directors.

Audit Committee Members (as of June 19, 2024)

Yoichiro Ogawa (Chairperson) (Outside Director)

Asako Suzuki (Full-time Audit Committee Member)

Jiro Morisawa (Full-time Audit Committee Member)

Kunihiko Sakai (Outside Director)

Ryoko Nagata (Outside Director)

Mr. Yoichiro Ogawa, a Director, has abundant experience and considerable knowledge as a certified public accountant, and Mr. Jiro Morisawa, also a Director, has had sufficient operating experience in the finance and accounting departments of the Company and its subsidiaries. Both qualify as “persons with considerable knowledge related to finance and accounting,” as specified under Article 121-9 of the Regulation for Enforcement of the Companies Act of Japan. Additionally, the Company's Audit Committee has recognized Messrs. Yoichiro Ogawa and Jiro Morisawa as “specialists in finance in the Audit Committee” as specified in the regulations of the U.S. Securities and Exchange Commission, based on Article 407 of the U.S. Public Company Accounting Reform and Investor Protection Act of 2002 (Sarbanes-Oxley Act of 2002). All five members of the Audit Committee remain independent as specified by the regulations of the U.S. Securities and Exchange Commission.

Specific discussion topics at the Audit Committee in FY2024 are as follows.

Specific discussion topics at the Audit Committee in FY2024

■ Basic policy/annual activity plan

■ Quarterly audit implementation status

■ Quarterly review of consolidated financial statements by the Accounting Auditor

■ Implementation status of internal audits, etc.

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Each member of the Audit Committee audits the execution of duties by Directors and Executive Officers in accordance with the auditing criteria for the Audit Committee, auditing policies, division of duties, etc., as determined by the Audit Committee, and through the following main activities.

Main activities of the Audit Committee

Initiative	Details
Dialogue with Executive Officers	Exchange opinions in meetings with Executive Officers regarding the management and business environments (56 meetings held during FY2024 of which Outside Directors (Audit Committee) participated 21 times)
Attendance at important meetings	Monitor and verify the status of the execution of duties by Directors and Executive Officers by attending the Executive Council and expressing opinions as necessary (full-time members)
Implementation of on-site audits	Implement on-site audits based on the annual audit plan. (FY2024) Honda headquarters/business sites 11 sites (7 sites with the participation of Outside Directors (Audit Committee)) Group companies in Japan 14 companies (2 companies with the participation of Outside Directors (Audit Committee)) Group companies outside Japan 26 sites (8 sites with the participation of Outside Directors (Audit Committee))
Collaboration with the Accounting Auditor and the Audit Division	Exchange opinions in meetings regarding the accounting audit plan and results (9 meetings held with the Accounting Auditor in FY2024). Also, implement audits in collaboration with the internal Audit Division
Strengthening the Group's governance structure	Maintain and strengthen the Group's governance structure by sharing information and exchanging opinions with the auditors of Group companies in Japan and by hosting lectures by Outside Directors (Audit Committee)

Honda has formed the Board of Directors Office as a dedicated organization to support the Board of Directors, Nominating Committee, Audit Committee, and Compensation Committee in their duties.

Employees of the Board of Directors Office execute their duties under the supervision of the Board of Directors and the three committees. For matters such as performance evaluations, personnel changes, etc., the consent of the Audit Committee is required to ensure independence from Executive Officers and the effective implementation of instructions by the Audit Committee.

The standards for Audit Committee reports have been established to ensure the Committee receives timely and accurate reports. Based on these standards, reports are made periodically to the Audit Committee on the status of the business operations of the Company and its subsidiaries, the status of the implementation and operation of internal control systems, and other matters. Also, reporting is required whenever an issue arises that has a major impact on the Company.

The Audit Division, organized as an internal audit division directly under the President and CEO, conducts internal audits of each division of the Company. It also provides supervision and guidance to internal audit divisions in major subsidiaries, and when necessary, audits subsidiaries directly.

The Audit Division regularly reports to the Audit Committee on audit policy, audit plans, and audit results, and when necessary, make additional reports on audit results at the request of the Audit Committee. Also, the Audit Committee and the Audit Division implement audits independently or in collaboration.

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3. Compensation Committee

The Compensation Committee makes determinations regarding the details of compensation for each Director and Executive Officer and carries out other duties as prescribed by laws and regulations and the Articles of incorporation. The Compensation Committee is composed of one Inside Director and three Outside Directors. The Chairperson is selected from among Independent Outside Directors.

Compensation Committee Members (as of June 19, 2024)

Kazuhiro Higashi (Chairperson) (Outside Director)

Eiji Fujimura

Fumiya Kokubu (Outside Director)

Yoichiro Ogawa (Outside Director)

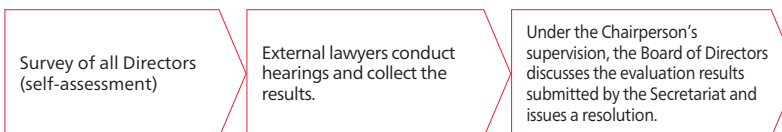
Specific items considered by the Compensation Committee in FY2024

- Basic policy/annual activity plan
- Executive performance evaluation
- Long-term incentive (LTI) and stock delivery regulations
- Clawback policy, etc.

Evaluation of the Effectiveness of the Board of Directors

Each fiscal year, the Company evaluates the overall effectiveness of the Board of Directors to confirm the current status of the Board's functions and with the aim of further improving its effectiveness and promoting understanding among shareholders and stakeholders.

Evaluation process



Evaluation results

	Tasks for FY2023	Main initiatives for FY2024	Evaluation for FY2024	Tasks and initiatives for the future
Composition	Further deepen the discussion on the expertise and diversity of future Directors	Exchanged views among all directors on the future composition of the BOD	The current composition of the BOD is appropriate.	Further deepen the discussion on the expertise and diversity of future Directors (Continued)
Shared Information	Provide information and inspection opportunities with a greater focus	<ul style="list-style-type: none"> Added information sharing items for outside directors Improved opportunities for outside directors to inspect business sites and events 	<ul style="list-style-type: none"> Information is adequately provided. Outside directors have good opportunities to inspect business sites and events. It was meaningful for them to have a deeper understanding of the business and to experience the corporate culture. 	Provide information and inspection opportunities with a greater focus (Continued)
Agenda Items for deliberation, etc.	Enhance board discussions through effective setup of information sharing/exchange opportunities	<ul style="list-style-type: none"> Conducted information sharing/discussions on the direction of the next management plan Held meetings to exchange opinions on important management issues 	<ul style="list-style-type: none"> Discussion items are narrowed down to important matters. Opportunities for information sharing/exchange of opinions are effectively set up and efficient. 	<ul style="list-style-type: none"> Enhance discussion on business environment awareness Further enhance feedback from outside directors on their opinions
Deliberation at meetings	Further revitalize discussions in the BOD (Continued)	Updated proposals and explanations on the day of the event as appropriate, based on questions raised at the pre-briefing	<ul style="list-style-type: none"> Discussions are active. Directors provide thought-provoking comments and questions. 	Further revitalize discussions in the BOD (Continued)
Committee	Maintain and enhance coordination between committees and the BOD (Continued)	Conducted a director-wide discussion based on the committee's deliberations	The deliberation status of each committee is being properly reported to the BOD.	Maintain and enhance coordination between committees and the BOD (Continued)

Summary of evaluation results

The results of the effectiveness evaluation confirmed that the effectiveness of the Board of Directors has been adequately ensured through the following initiatives: setting appropriate items for deliberation and frequency of meetings, providing information to Outside Directors and enhancing opportunities for exchange of opinions, including business site visits, as well as the appropriate operation of the three committees.

Going forward, the Company will further enhance the effectiveness of the monitoring-type Board of Directors by stimulating discussion both within and outside the Board of Directors and by further strengthening cooperation between the Board of Directors and the three committees.

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Outside Directors

Honda appoints Outside Directors who have abundant experience and deep insight and who are capable of overseeing the business management of the Company from an objective, highly sophisticated, and broad viewpoint thanks to their independent position outside the Company. The Company has at least two Outside Directors, and at least one-third of the members of the Board of Directors are Independent Outside Directors who fulfill the Company's Criteria for the Independence of Outside Directors. All six Outside Directors currently in office satisfy the Criteria for Independence of Outside Directors and their interests are not in conflict with those of the Company or the shareholders. The six Outside Directors are specified as Independent Directors as prescribed by a provision of the Tokyo Stock Exchange (TSE). The names of these Directors have been submitted to the TSE.

Please see "Honda Corporate Governance Basic Policies" for Honda's Criteria for Independence of Outside Directors. (Please use the link below.) If any Outside Director also serves as an officer at another listed company, such Director shall only serve at four companies other than the Company so that they can secure sufficient time to perform their duties for the Company.

Honda Corporate Governance Basic Policies
<https://global.honda/en/investors/policy/governance.html>

Support Systems for Outside Directors

Honda's Board of Directors Office plays a central role in providing the following support to Outside Directors to ensure they can maximize their functions as Outside Directors.

1. Orientation at the time of taking office

Honda provides training in industry trends, as well as the Company's history, business, finances, organizations, internal control system, and other matters to newly appointed Outside Directors.

2. Preliminary briefing and information-sharing

Preliminary briefing sessions are held for Outside Directors in advance of each Board of Directors' meeting for the following purposes: to ensure that they fully understand the details and background of each agenda item to be submitted to the Board of Directors, its position in the medium- to long-term management plan, and other relevant information, and to ensure that the Board of Directors holds substantial deliberations. Honda also provides opportunities for information sharing and discussion among Directors on important matters such as the status of company-wide risk management and medium- to long-term strategies by business segment, as appropriate.

3. Opinion exchange meetings on matters of management concern

Honda holds opinion exchange meetings for Directors regarding matters of concern to management. These meetings aim to share with Outside Directors an awareness of the Honda Group's long-term challenges and directions to be pursued and to deepen their understanding of management initiatives. Such meetings are also intended to utilize the knowledge of Outside Directors in discussing future management policies.

4. Dialogue with Executive Officers/dialogue among Outside Directors

To facilitate forthright communication among Directors, Honda provides opportunities for dialogue between Outside Directors and Executive Officers or Inside Directors, as well as dialogue among Outside Directors as needed.

5. Inspection visits to business sites

Honda arranges inspection visits to its plants and other business sites as necessary to promote Outside Directors' understanding of the Company's business.



Visit to Honda Development & Mfg. of America, LLC (ELP)

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Business Execution (Organizational Management)

To strengthen regional and on-site business execution and to make prompt and appropriate management decisions, Honda assigns Executive Officers and other business execution managers to each regional, business, and functional divisions and key organizational units, who are delegated authority by the Representative Executive Officers and are responsible for executing operations in their areas of responsibility.

Training for Executive Officers

Honda provides training on the Companies Act, corporate governance, and other management issues to newly appointed Executive Officers. After they assume the positions, the Company also provides them with opportunities to continually update their knowledge as necessary. Honda provides training on industry trends, as well as the Company's history, business, finances, organizations, internal control system, and other matters to newly appointed Outside Directors. After they assume the positions, the Company also provides them with additional opportunities, including visits to subsidiaries, to deepen their understanding of the Honda Group's business.

Tax Policy

The Honda Tax Policy prescribes the basic stance and thinking regarding taxes for Honda Motor Co., Ltd. and its consolidated subsidiaries. The Policy aims to contribute to society as well as maintain and increase corporate value by complying with the tax laws and regulations, and their intent, for each country and region where Honda conducts business activities, and by making proper tax payments.

The tax systems of each country and region, as well as international tax regulations, are subject to frequent change. In this environment, to ensure conduct of its business in a stable and proper manner, Honda carries out accurate and high-quality tax affairs and responds to tax risks associated with its business in accordance with the Tax Policy. For details, please refer to the Honda Tax Policy.

Honda Tax Policy → p. 163

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Executive Remuneration

Honda views executive remuneration, the cornerstone of corporate governance, as an important driving force for the realization of Our Fundamental Beliefs, management policy, and vision. The Compensation Committee has established the following decision-making policy to encourage appropriate risk-taking to promote speedy change toward the achievement of the Company's vision amid a drastically changing environment and to ensure that the content of the system accurately reflects management responsibility.

The Company's executive remuneration system is designed to motivate executives to contribute not only in the short-term but also in the medium- to long-term to improve the Company's business performance so that it can continuously increase its corporate value. The system consists of monthly remuneration, which is a fixed amount paid monthly in compensation for the execution of duties, STI (Short Term Incentive), which is linked to the performance of the relevant fiscal year, and LTI (Long Term Incentive), which is linked to the performance of the medium- to long-term.

Monthly remuneration is a fixed monthly amount based on the remuneration criteria resolved by the Compensation Committee.

STI is determined and paid by resolution of the Compensation Committee, taking into consideration the performance of each fiscal year.

LTI grants its own shares and cash linked to medium-and long-term performance in accordance with the criteria and procedures approved by the Compensation Committee to serve as a sound incentive for sustainable growth.

The compensation of Executive Officers and Directors who also serve as Executive Officers is composed of monthly compensation, STI and LTI, the composition of which is determined in accordance with the compensation criteria approved by the Compensation Committee. The composition ratio of variable compensation is increased in proportion to the severity of management responsibility for each position.

Compensation for Outside Directors and other Directors who do not concurrently serve as Executive Officers consists solely of monthly compensation.

Directors and Executive Officers who are not subject to LTI also contribute a certain amount of their remuneration to the Directors' Shareholding Association to acquire their own shares to realize shareholder-oriented management and promote the company's sustainable growth and medium- to long-term enhancement of corporate value through the holding of their own shares.

Directors and Executive Officers are required to continue to hold the company's shares acquired as LTI and through the Directors' Shareholding Association for one year after leaving office, in addition to their term of office.

Please refer to Article 13 of the "Honda Corporate Governance Basic Policies" (link below) for the Company's policy for determining executive compensation.

Honda Corporate Governance Basic Policies
<https://global.honda/en/investors/policy/governance.html>

Total amount of remuneration by category → p. 162

Annual total remuneration and bonuses of highest-paid individual (President and Representative Executive Officer, Chief Executive Officer) (Japan) → p. 162

Rate of increase in annual total remuneration and bonuses of highest-paid individual (President and Representative Executive Officer, Chief Executive Officer) (Japan) → p. 162

Remuneration of Accounting Auditors

The Company has had its financial statements audited in accordance with the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, the Securities Exchange Act of 1934 (United States) and the Exchange Act of 1933 (United States) by KPMG AZSA LLC.

Within KPMG AZSA LLC, a total of 115 staff members conducted external audits of the Company's financial statements. These accounting firm staff members are composed of 3 certified public accountants (Isao Kamizuka, Takeshi Kamada and Ryosuke Kikuchi), who are in overall charge of the Outside Audits, and 112 professional staff members (including 27 certified public accountants and 85 other staff members).

In deciding the amount of remuneration for services rendered by the Accounting Auditor, various factors are taken into consideration in discussions with the accounting firm, including the Company's size/characteristics, the time schedule for the audit and other matters. In addition, to preserve the independence of the Accounting Auditor, remuneration to be paid is required to obtain the prior approval of the Audit Committee.

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Directors (as of June 19, 2024)



Director, President and Representative Executive Officer

Toshihiro Mibe

- Member of the Nominating Committee
- Chief Executive Officer
- Chairman of the Board of Directors

[Reasons for Board Appointment]

Mr. Toshihiro Mibe has broad experience primarily in the areas of R&D and production and is familiar with the Company Group's business including overseas operations. In FY2024, he has properly fulfilled his duties as Director, President and Representative Executive Officer, and Chief Executive Officer of the Company by demonstrating strong leadership and being responsible for the management of the entire Company Group, as well as overseeing business execution.

Apr. 1987 Joined Honda Motor Co., Ltd.
Apr. 2014 Operating Officer
Apr. 2014 Head of Powertrain Production Supervisory Unit of Automobile Production for Automobile Operations
Apr. 2014 Head of Powertrain Production Supervisory Unit of Automobile Production for Automobile Operations
Apr. 2015 Executive in Charge of Powertrain Business and Drivetrain Business for Automobile Operations
Apr. 2015 Head of Drivetrain Business Unit in Automobile Production for Automobile Operations
Apr. 2016 Senior Managing Officer and Director of Honda R&D Co., Ltd.
Apr. 2018 Managing Officer of the Company
Apr. 2018 Executive Vice President and Director of Honda R&D Co., Ltd.
Apr. 2019 President and Representative Director of Honda R&D Co., Ltd.

Apr. 2019 In Charge of Intellectual Property and Standardization of the Company
Apr. 2020 Senior Managing Officer
Apr. 2020 In Charge of Mono-zukuri (Research & Development, Production, Purchasing, Quality, Parts, Service, Intellectual Property, Standardization and IT)
Apr. 2020 Risk Management Officer
Jun. 2020 Senior Managing Director
Jun. 2020 Director in Charge of Mono-zukuri (Research & Development, Production, Purchasing, Quality, Parts, Service, Intellectual Property, Standardization and IT)
Apr. 2021 President and Representative Director
Apr. 2021 Chief Executive Officer (present)
Jun. 2021 Director, President and Representative Executive Officer (present)
Jun. 2021 Member of the Nominating Committee (present)
Apr. 2024 Chairman of the Board of Directors (present)



Director, Executive Vice President and Representative Executive Officer

Shinji Aoyama

- Risk Management Officer

[Reasons for Board Appointment]

Mr. Shinji Aoyama has broad experience primarily in the areas of sales and marketing in the Motorcycle Operations, as well as abundant international experience, and is familiar with the Company Group's business including overseas operations. In FY2024, he has properly fulfilled his duties as Director, Executive Vice President and Representative Executive Officer and Chief Operating Officer by demonstrating strong leadership and contributing to the business from a global perspective, as well as overseeing business execution.

Apr. 1986 Joined Honda Motor Co., Ltd.
Apr. 2012 Operating Officer
Apr. 2013 Chief Officer for Motorcycle Operations
Jun. 2013 Operating Officer and Director
Apr. 2017 Chief Officer for Regional Operations (Asia & Oceania)
Apr. 2017 President, Chief Executive Officer and Director of Asian Honda Motor Co., Ltd.
Jun. 2017 Operating Officer of the Company (resigned from position as Director)
Apr. 2018 Managing Officer
Apr. 2018 Vice Chief Officer for Regional Operations (North America)
Apr. 2018 Senior Executive Vice President, Chief Operating Officer and Director of Honda North America, Inc.
Apr. 2018 Senior Executive Vice President, Chief Operating Officer and Director of American Honda Motor Co., Inc.
Nov. 2018 President, Chief Operating Officer and Director of Honda North America, Inc.
Nov. 2018 President, Chief Operating Officer and Director of American Honda Motor Co., Inc.
Apr. 2019 Chief Officer for Regional Operations (North America) of the Company

Apr. 2019 President, Chief Executive Officer and Director of Honda North America, Inc.
Apr. 2019 President, Chief Executive Officer and Director of American Honda Motor Co., Inc.
Jul. 2021 Managing Officer in Charge of Electrification of the Company
Oct. 2021 Managing Executive Officer
Apr. 2022 Senior Managing Executive Officer
Apr. 2022 Chief Officer for Business Development Operations
Apr. 2022 Corporate Brand Officer
Jun. 2022 Chief Officer for Automobile Operations
Jun. 2022 Director and Senior Managing Executive Officer
Apr. 2023 Director, Executive Vice President and Representative Executive Officer (present)
Apr. 2023 Chief Operating Officer
Apr. 2023 Member of the Compensation Committee
Apr. 2023 Risk Management Officer (present)
Apr. 2023 In Charge of Government and Industry Relations



Director, Executive Vice President and Representative Executive Officer

Noriya Kaihara

- Compliance and Privacy Officer

[Reasons for Board Appointment]

Mr. Noriya Kaihara has broad experience primarily in the areas of service, quality and purchasing, as well as abundant international experience, and is familiar with the Company Group's business including overseas operations. In FY2024, he has properly fulfilled his duties as Director, Senior Managing Executive Officer, and an officer responsible for North America by demonstrating strong leadership to increase the joy of customers and contributing to the business from a global perspective, as well as overseeing business execution.

Apr. 1984 Joined Honda Motor Co., Ltd.
Apr. 2012 General Manager of Automobile Quality Assurance Division
Apr. 2013 Operating Officer
Apr. 2013 Chief Quality Officer
Jun. 2013 Operating Officer and Director
Apr. 2014 Chief Officer for Customer Service Operations
Apr. 2014 Head of Service Supervisory Unit for Automobile Operations
Apr. 2016 Chief Officer for Customer First Operations
Jun. 2017 Operating Officer (resigned from position as Director)
Apr. 2018 Managing Officer
Apr. 2018 Chief Officer for Purchasing Operations
Apr. 2020 Head of Business Supervisory Unit for Automobile Operations

Apr. 2021 Chief Officer for Customer First Operations
Apr. 2021 Risk Management Officer
Jun. 2021 Managing Executive Officer
Oct. 2021 Managing Officer
Oct. 2021 Chief Officer for Regional Operations (North America)
Oct. 2021 President, Chief Executive Officer and Director of American Honda Motor Co., Inc.
Apr. 2023 Senior Managing Executive Officer of the Company
Jun. 2023 Director, Senior Managing Executive Officer
Apr. 2024 Director, Executive Vice President and Representative Executive Officer (present)
Apr. 2024 Compliance and Privacy Officer (present)

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Directors (as of June 19, 2024)



Director, Managing Executive Officer

Eiji Fujimura

- Member of the Compensation Committee
- Chief Financial Officer
- Chief Officer for Corporate Management Operations

[Reasons for Board Appointment]

Mr. Eiji Fujimura has broad experience primarily in the areas of accounting and finance, as well as abundant international experience, and is familiar with the Company Group's business including overseas operations. In FY2024, he has properly fulfilled his duties as Chief Financial Officer and Chief Officer for Corporate Management Operations by demonstrating high degree of expertise and strong leadership, and being responsible for business execution of the entire Company Group.

Apr. 1993 Joined Honda Motor Co., Ltd.
Apr. 2017 General Manager of Finance Division for Business Management Operations
Apr. 2019 General Manager of Regional Operation Planning Division for Regional Operations (North America)
Apr. 2021 Operating Executive
Apr. 2021 Chief Officer for Business Management Operations and General Manager of Accounting Division for Business Management Operations
Apr. 2022 Head of Accounting and Finance Supervisory Unit
Apr. 2023 Executive Officer
Apr. 2023 Chief Financial Officer (present)
Apr. 2023 Chief Officer for Corporate Management Operations (present)
Apr. 2024 Managing Executive Officer
Jun. 2024 Director, Managing Executive Officer (present)
Jun. 2024 Member of the Compensation Committee (present)



Director

Asako Suzuki

- Member of the Audit Committee (Full-time)

[Reasons for Board Appointment]

Ms. Asako Suzuki has broad experience primarily in the areas of sales and marketing, accounting and finance, human resource and corporate governance, as well as abundant international experience, and is familiar with the Company Group's business including overseas operations. In FY2024, she has properly fulfilled her duties as Director and a Member of the Audit Committee by auditing and overseeing the execution of duties by Directors and Executive Officers.

Apr. 1987 Joined Honda Motor Co., Ltd.
Apr. 2014 President of Dongfeng Honda Automobile Co., Ltd.
Apr. 2016 Operating Officer of the Company
Apr. 2018 Vice Chief Officer for Regional Operations (Japan)
Apr. 2019 Chief Officer for Human Resources and Corporate Governance Operations
Apr. 2020 Operating Executive
Jun. 2021 Director (present)
Jun. 2021 Member of the Audit Committee (Full-time) (present)



Director

Jiro Morisawa

- Member of the Audit Committee (Full-time)

[Reasons for Board Appointment]

Mr. Jiro Morisawa has broad experience primarily in the areas of accounting and finance, as well as abundant international experience, and is familiar with the Company Group's business including overseas operations. In FY2024, he demonstrated high degree of expertise and strong leadership as President and Director of American Honda Finance Corporation and has achieved satisfactory results through contributing to the business from a global perspective.

Apr. 1989 Joined Honda Motor Co., Ltd.
Apr. 2016 General Manager of Regional Operation Planning Office for Regional Operations (Japan)
Apr. 2017 General Manager of Accounting Division for Business Management Operations
Apr. 2018 Vice Chief Officer for Business Management Operations and General Manager of Accounting Division for Business Management Operations
Apr. 2019 Operating Officer
Apr. 2019 Chief Officer for Business Management Operations
Apr. 2020 Operating Executive
Apr. 2020 Chief Officer for Business Management Operations
Apr. 2021 President and Director of American Honda Finance Corporation
Jun. 2024 Director (present)
Jun. 2024 Member of the Audit Committee (Full-time) (present)



Director

Kunihiko Sakai

- Member of the Nominating Committee
- Member of the Audit Committee

[Reasons for Board Appointment]

Mr. Kunihiko Sakai has high expertise and abundant experience as a legal affairs specialist having served as Public Prosecutor and a lawyer, including posts of Superintending Prosecutor at High Public Prosecutors' Offices from July 2014 to March 2017. He has properly fulfilled his duties as Outside Director who is an Audit and Supervisory Committee Member since June 2019, and as Outside Director and a Member of the Nominating Committee and the Audit Committee since June 2021, by auditing and overseeing the entire business management of the Company from an independent standpoint.

Apr. 1979 Public Prosecutor of Tokyo District Public Prosecutors' Office
Jun. 2012 President of Research and Training Institute of Ministry of Justice
Jul. 2014 Superintending Prosecutor of Takamatsu High Public Prosecutors' Office
Sep. 2016 Superintending Prosecutor of Hiroshima High Public Prosecutors' Office (resigned in March 2017)
Apr. 2017 Registered with the Dai-Ichi Tokyo Bar Association
Apr. 2017 Advisor Attorney to TMI Associates (present)
Jun. 2018 Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. (present)
Jun. 2019 Outside Director (Audit and Supervisory Committee Member) of the Company
Jun. 2021 Outside Director (present)
Jun. 2021 Member of the Nominating Committee (present)
Jun. 2021 Member of the Audit Committee (present)

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Directors (as of June 19, 2024)



Director

Fumiya Kokubu

- Member of the Nominating Committee (Chairperson)
- Member of the Compensation Committee

[Reasons for Board Appointment]

Mr. Fumiya Kokubu held positions of President and CEO, and Chairman of the Board of Marubeni Corporation from April 2013, and has abundant experience and deep insight regarding corporate management. He has properly fulfilled his duties as Outside Director since June 2020, and additionally as the Chairperson of the Nominating Committee and a Member of the Compensation Committee since June 2021 by overseeing the entire business management of the Company from an independent standpoint.

Apr. 1975 Joined Marubeni Corporation
Apr. 2013 President and CEO, Member of the Board of Marubeni Corporation
Apr. 2019 Chairman of the Board of Marubeni Corporation (present)
Jun. 2019 Outside Director of Taisei Corporation (present)
Jun. 2020 Outside Director of the Company (present)
Jun. 2021 Member of the Nominating Committee (Chairperson) (present)
Jun. 2021 Member of the Compensation Committee (present)
May 2022 Chairperson of Japan Machinery Center for Trade and Investment (present)
May 2022 Chairman of Japan Foreign Trade Council, Inc. (present)



Director

Yoichiro Ogawa

- Member of the Audit Committee (Chairperson)
- Member of the Compensation Committee

[Reasons for Board Appointment]

Mr. Yoichiro Ogawa has high expertise and abundant experience as an accounting specialist having served as a Certified Public Accountant for many years, including posts of CEO of Deloitte Tohmatsu Group from July 2015 to May 2018. He has properly fulfilled his duties as Outside Director, the Chairperson of the Audit Committee and a Member of the Compensation Committee since June 2021 by auditing and overseeing the entire business management of the Company from an independent standpoint.

Oct. 1980 Joined Tohmatsu & Aoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC)
Mar. 1984 Registered as Japanese Certified Public Accountant
Oct. 2013 Deputy CEO of Deloitte Touche Tohmatsu LLC
Oct. 2013 Deputy CEO of Tohmatsu Group (currently Deloitte Tohmatsu Group)
Jun. 2015 Global Managing Director for Asia Pacific of Deloitte Touche Tohmatsu Limited (United Kingdom) (resigned in May 2018)
Jul. 2015 CEO of Deloitte Tohmatsu Group
Jun. 2018 Senior Advisor of Deloitte Tohmatsu Group (resigned in October 2018)
Nov. 2018 Founder of Yoichiro Ogawa CPA Office (present)
Jun. 2020 Independent Audit and Supervisory Board Member of Recruit Holdings Co., Ltd. (present)
Jun. 2021 Outside Director of the Company (present)
Jun. 2021 Member of the Audit Committee (Chairperson) (present)
Jun. 2021 Member of the Compensation Committee (present)



Director

Kazuhiro Higashi

- Member of the Nominating Committee
- Member of the Compensation Committee (Chairperson)

[Reasons for Board Appointment]

Mr. Kazuhiro Higashi held positions of President and Chairman of Resona Holdings, Inc. from April 2013 to June 2022, and has abundant experience and deep insight regarding corporate management. He has properly fulfilled his duties as Outside Director, the Chairperson of the Compensation Committee and a Member of the Nominating Committee since June 2021 by overseeing the entire business management of the Company from an independent standpoint. He has been nominated as a candidate for Outside Director again, given that he is an exceptional person with both superior character and insight, in order for him to continue to assume a role in overseeing the entire business management of the Company with a broad perspective from an objective and highly sophisticated viewpoint.

Apr. 1982 Joined Resona Group
Apr. 2013 Director of Resona Holdings, Inc.
Apr. 2013 President and Representative, Executive Officer of Resona Holdings, Inc.
Apr. 2013 Representative Director, President and Executive Officer of Resona Bank, Limited
Apr. 2013 Executive Officer of Resona Bank, Limited
Jun. 2013 Chairman of Osaka Bankers Association (resigned in June 2014)
Apr. 2017 Chairman of the Board, President and Representative Director of Resona Bank, Limited
Jun. 2017 Chairman of Osaka Bankers Association (resigned in June 2018)
Apr. 2018 Chairman of the Board, President, Representative Director and Executive Officer of Resona Bank, Limited
Apr. 2020 Chairman and Director of Resona Holdings, Inc. (resigned in June 2022)
Apr. 2020 Chairman and Director of Resona Bank, Limited (resigned in June 2022)
Jun. 2020 Outside Director of Sampo Holdings, Inc. (present)
Jun. 2021 Outside Director of the Company (present)
Jun. 2021 Member of the Nominating Committee (present)
Jun. 2021 Member of the Compensation Committee (Chairperson) (present)
Jun. 2022 Senior Advisor of Resona Holdings, Inc. (present)
Jun. 2022 Senior Advisor of Resona Bank, Limited (present)

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Directors (as of June 19, 2024)



Director

Ryoko Nagata

■ Member of the Audit Committee

[Reasons for Board Appointment]

Ms. Ryoko Nagata held positions of Executive Officer and Audit & Supervisory Board Member of Japan Tobacco Inc. from June 2008 to March 2023, and has abundant experience and deep insight regarding corporate management and audit. She has properly fulfilled her duties as Outside Director and a Member of the Audit Committee since June 2021 by auditing and overseeing the entire business management of the Company from an independent standpoint.

Apr. 1987 Joined Japan Tobacco Inc.
Jun. 2008 Executive Officer of Japan Tobacco Inc.
Mar. 2018 Standing Audit & Supervisory Board Member of Japan Tobacco Inc. (resigned in March 2023)
Jun. 2021 Outside Director of the Company (present)
Jun. 2021 Member of the Audit Committee (present)
Mar. 2023 External Corporate Auditor of Medley, Inc. (present)
Jun. 2023 Outside Director of UACJ Corporation (present)



Director

Mika Agatsuma

[Reasons for Board Appointment]

Ms. Mika Agatsuma held a position of Managing Partner of IBM Japan, Ltd. from October 2022 until March 2024 and has abundant experience and deep insight regarding the area of IT.

Apr. 1987 Joined IBM Japan, Ltd.
Aug. 2017 Vice President of IBM Japan, Ltd.
Aug. 2017 In charge of Cloud Application Innovation for Global Business Services of IBM Japan, Ltd.
Oct. 2022 Managing Partner of IBM Japan, Ltd. (resigned in March 2024)
Oct. 2022 In charge of Hybrid Cloud Services for IBM Consulting of IBM Japan, Ltd.
Jun. 2023 In charge of Hybrid Cloud Platform for IBM Consulting of IBM Japan, Ltd.
Jun. 2024 Outside Director of the Company (present)
Jun. 2024 Member of the Nominating Committee (present)

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Skills Matrix

Name	Position	Committee * Chairperson indicated in red	Corporate management	Internationality	Industrial experience	New business strategies	HR	Accounting & finance	Legal & risk management	ESG & sustainability
Toshihiro Mibe	Director, President and Representative Executive Officer	Nominating	✓	✓	✓	✓	✓	✓	✓	✓
Shinji Aoyama	Director, Executive Vice President and Representative Executive Officer	-	✓	✓	✓	✓	✓		✓	✓
Noriya Kaihara	Director, Executive Vice President and Representative Executive Officer	-	✓	✓	✓		✓		✓	✓
Eiji Fujimura	Director, Managing Executive Officer	Compensation	✓	✓	✓		✓	✓	✓	
Asako Suzuki	Director (inside)	Audit		✓	✓		✓	✓	✓	
Jiro Morisawa	Director (inside)	Audit		✓	✓			✓		
Kunihiko Sakai	Director (outside)	Nominating/ Audit		✓					✓	
Fumiya Kokubu	Director (outside)	Nominating/ Compensation	✓	✓		✓	✓			
Yoichiro Ogawa	Director (outside)	Audit/ Compensation	✓	✓			✓	✓		
Kazuhiro Higashi	Director (outside)	Nominating/ Compensation	✓			✓	✓	✓	✓	
Ryoko Nagata	Director (outside)	Audit				✓	✓			✓
Mika Agatsuma	Director (outside)	Nominating		✓		✓			✓	

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Executive Officers (as of April 1, 2024)



Senior Managing Executive Officer

Katsushi Inoue

- Chief Officer, Electrification Business Development Operations



Managing Executive Officer

Keiji Ohtsu

- President and Representative Director, Honda R&D Co., Ltd.



Managing Executive Officer

Masayuki Igarashi

- Chief Officer, Regional Operations (China)
- President, Honda Motor (China) Investment Co., Ltd.
- President, Honda Motor (China) Technology Co., Ltd.



Managing Executive Officer

Kensuke Oe

- President and Director, Honda Development & Manufacturing of America, LLC



Managing Executive Officer

Manabu Ozawa

- Chief Officer, Corporate Strategy Operations
- Chief Officer, Traffic Safety Promotion Operations



Managing Executive Officer

Hironao Ito

- Chief Development Officer
- Director, Honda R&D Co., Ltd.



Executive Officer

Ayumu Matsuo

- Chief Officer, Supply Chain & Purchasing Operations



Executive Officer

Minoru Kato

- Chief Officer, Motorcycle and Power Products Operations



Executive Officer

Yutaka Tamagawa

- Chief Officer, Quality Innovation Operations



Executive Officer

Kazuhiro Takizawa

- Chief Officer, Regional Operations (North America)
- President, Chief Executive Officer and Director, American Honda Motor Co., Inc.



Executive Officer

Katsuto Hayashi

- Chief Officer, Automobile Operations
- Chief Officer, Regional Operations (Associated Regions)



Executive Officer

Takashi Onuma

- Chief Officer, Automobile Production Operations

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Honda Code of Conduct

To earn the trust of customers and society and achieve sustainable growth, we must not only comply with laws and regulations but also practice sincere and ethical conduct.

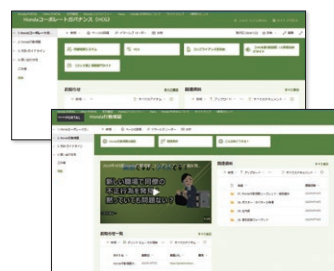
Recognizing this, Honda has formulated the Honda Code of Conduct, which summarizes the integrity of conduct to be practiced by all Honda associates around the world, and shares it throughout the Group, including subsidiaries in Japan and overseas.

The Company works to instill the Honda Code of Conduct in each and every associate through awareness-raising activities such as distribution of leaflets and posters, distributing educational videos, and introducing case studies and other information on the intranet, as well as conducting training sessions. The status of these activities is regularly reported to the Compliance Committee after confirmation by each division and subsidiary of the Company.

Honda Code of Conduct <https://global.honda/en/about/codeofconduct.html>



Honda Code of Conduct



Intranet

Compliance Committee

To improve compliance in the Honda Group, Honda has established a Compliance Committee, headed by a Compliance Officer designated by the Board of Directors. This Committee is composed of the Compliance Officer as well as Executive Officers and other Executives who are appointed by the Executive Council. The Committee determines important measures for the internal control system, including the formulation and revision of compliance policies, checks the status of the development and operation of the internal control system, supervises the proper operation of the Business Ethics Kaizen Proposal Line, and decides measures to prevent recurrences of serious compliance-related matters when they arise. When a particularly important compliance-related matter arises, it will be deliberated or reported at a meeting of the Executive Council or the Board of Directors, depending on the nature of the matter.

The Compliance Committee met four times (regular meetings) in FY2024 to report on the status of development and operation of internal control systems as well as the operation status of the Business Ethics Kaizen Proposal Line, among other things. There were no major violations of laws or regulations in FY2024.

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Business Ethics Kaizen Proposal Line

Honda established the Business Ethics Kaizen Proposal Line as a structure for improving corporate ethics issues. This hotline accepts proposals and provides consultation from a fair and neutral standpoint, for any violations of laws/regulations or internal rules in the workplace, and issues that are difficult for associates to remedy or resolve in the workplace for some reason, such as difficulties in consulting with their superiors.

Furthermore, in addition to cases of a clear violation of laws/regulations or internal rules, this hotline provides consultation and responds to inquiries about the details of internal rules when questionable cases have occurred and engages in fact checking related to such cases. Proposals are accepted by email, letter, telephone or fax from all subsidiaries and suppliers in Japan and overseas, as well as from Honda. This hotline ensures protection of the Kaizen proposers and accepts also anonymous proposals.

Moreover, the Company established a point of contact within an external law office to facilitate associates to submit proposals. As for overseas, local points of contact have been established in all Regional Operations, while some subsidiaries set up their own points of contact.

In FY2024, 356 proposals and consultations were handled by the Business Ethics Kaizen Proposal Line (including points of contact outside the Company). Among these, 164 concerned Honda, 185 concerned subsidiaries and 7 concerned other matters.

Following investigations of the proposals and consultations submitted, disciplinary action was taken in three cases in Honda and seven cases in subsidiaries. There was one case involving the Company that resulted in punitive dismissal. None of the cases involved violations of the Honda Policy on the Prevention of Bribery and Corruption.

In order to raise internal awareness of the points of contact, Honda provides notice on its intranet, distributes information cards to all associates, including fixed term employees and temporary workers, and displays information posters in each workplace. These tools clearly state that the Kaizen proposers are protected. In addition, Honda observes how well the point of contact is recognized through an annual associate vitality survey for all associates. For departments found in these surveys to have low recognition of the point of contact, the Company makes additional efforts to increase their awareness.

Initiatives to Prevent Bribery and Corruption

Honda prohibits bribery and corruption.

The Honda Code of Conduct requires that the Company complies with laws and regulations, and states that “as an independent corporate entity, Honda maintains appropriate relationships with political entities (political organizations and politicians) and administrative entities (governmental agencies and government officials)” and “will interact with political and administrative entities in an appropriate manner in compliance with laws, regulations and company policies and will not offer politicians or government officials entertainment or gifts (both monetary and nonmonetary) that are prohibited by laws, regulations and company policies.” Moreover, the Code stipulates that the associates “will not receive from or provide to business partners benefits in the form of goods (both monetary and non-monetary) or entertainment beyond what is generally considered appropriate by society.”

In addition to the above, the Company also established the Honda Policy on the Prevention of Bribery and Corruption, which stipulates basic policy about bribery and corruption, and the Honda Guideline for the Prevention of Bribery and Corruption, which stipulates specific compliance items and prohibited items. These are posted on the intranet for Honda associates along with related educational content.

Honda strives to further reduce the risk of bribery and corruption by educating all associates on the bribery and corruption prevention through awareness-raising activities in accordance with the Honda Code of Conduct, and by providing training to personnel stationed overseas and newly appointed managers based on their positions and roles. Regarding its subsidiaries, Honda has launched training programs, matched to conditions in each company, aimed at raising awareness.

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Initiatives for Prevention of Anti-Competitive Behavior

As a company engaged in business globally, Honda takes great care in its daily business activities to comply with competition laws in the countries where it operates.

The Honda Code of Conduct states that “Honda will engage in free and open competition with competitors to maintain its stance as a company trusted by customers and society” and that each associate “will comply with competition laws (antitrust laws)” to ensure compliance with competition laws.

As a part of its measures to strengthen compliance, Honda implements individual training for related departments on anti-competitive behavior. It also incorporates programs on the topic of anti-competitive behavior in training for personnel stationed overseas and for newly appointed managers. Additionally, Honda publishes awareness-raising content concerning anti-competitive behavior on its intranet for its associates.

Rules on Conflict Minerals

The rules for disclosure on conflict minerals adopted by the U.S. Securities and Exchange Commission (SEC) and mandated by the Dodd-Frank Wall Street Reform and the Consumer Protection Act (Dodd-Frank Act) require corporations to confirm that the purchase and use of conflict minerals from the Democratic Republic of the Congo and adjoining countries are not contributing to the funding of armed groups or the abuse of human rights in the region.

Honda aims to be ‘conflict-free’ by not using conflict minerals associated with illicit activities such as funding armed groups and human rights violations in conflict zones.

Accordingly, Honda conducts surveys based on the standards prescribed in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. To achieve this goal and help resolve the global problem of conflict minerals, the Company is actively engaged with domestic and international industry organizations and its suppliers.

To conduct the surveys, Japan Automobile Manufacturers Association, Inc. has created a manual for suppliers to help them complete the survey forms, as well as tools to tabulate the survey results.

Also, in collaboration with entities such as the Japan Auto Parts Industries Association and the Japan Electronics and Information Technology Industries Association, Honda is examining efficient survey methods and is working to understand and analyze survey results while regularly implementing various working activities.

In North America, Honda is working with the Responsible Minerals Initiative (RMI), an international initiative promoting responsible mineral procurement, to encourage smelters and refiners to participate in the Responsible Minerals Assurance Process (RMAP).

Honda shares the Honda Supplier Sustainability Guidelines with its suppliers, which summarize what is expected of them regarding Sustainability activities, including how to deal with conflict minerals, and encourages procurement in line with the guidelines. Honda is encouraging its tier 1 suppliers to implement the same initiatives toward their sub-tier suppliers.

Since 2013, Honda has surveyed its suppliers worldwide concerning the use of conflict minerals. In FY2024, Honda received responses from over 7,000 suppliers. In addition to reporting the survey results to the SEC, the Company also makes them publicly available on its website. (Please use the link below.)

If the survey reveals any minerals of concern, regardless of the source country, Honda works together with its suppliers to take appropriate measures. The Company is also working to improve the accuracy of its survey and requests further investigation when survey responses are insufficient.

Honda Supplier Sustainability Guidelines

■ https://global.honda/sustainability/cq_img/report/pdf/supply-chain/supplier-sustainability-guidelines.pdf

From the IR Library website “Form SD/Conflict Minerals Report”

🌐 <https://global.honda/investors/library.html>

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Establishing an Effective Risk Management Structure

Honda formulated the Honda Global Risk Management Policy with Group subsidiaries included in its scope of application.

The Policy aims to drive the Company's sustainable growth and stabilize management based on the Honda Philosophy, targeting all risks with the potential to impact operations on a global scale.

In implementing risk management activities, a company-wide Risk Management Officer, who is elected by the Board of Directors, plays a central role in creating a relevant framework and taking follow-up measures to ensure that the activities take root. Honda has established the Risk Management Committee to deliberate important matters related to risk management.

Each of the Operations and Supervisory Units has appointed its Risk Management Officer of the Operation/Supervisory Unit and set up a Risk Management Secretariat under the supervision of the Officer in accordance with the basic rules of the Policy. Thus, by establishing an independent risk management system, they are promoting risk management activities under their own responsibility.

As a key initiative, they conduct risk assessment activities to identify, evaluate, and address risks in the business operations of the Operations and Supervisory Units by using company-wide common methods.

Honda has also established a system to ensure a high level of risk management systems in each Operation and Supervisory Unit by providing training for the Risk Management Secretariat and disclosing policies and manuals on the Company's intranet, which is accessible to all associates.

Additionally, when a crisis occurs, the Company establishes a Global Emergency Headquarters proportionate to the anticipated magnitude of the crisis's impact to manage the crisis response.

Such risk management efforts by the Company as a whole, as well as by the Operations and Supervisory Units, are reported at the Audit Committee meetings. Also, in FY2024, an internal audit was conducted by an independent internal audit department under the direct control of the President.

Risk Management Committee

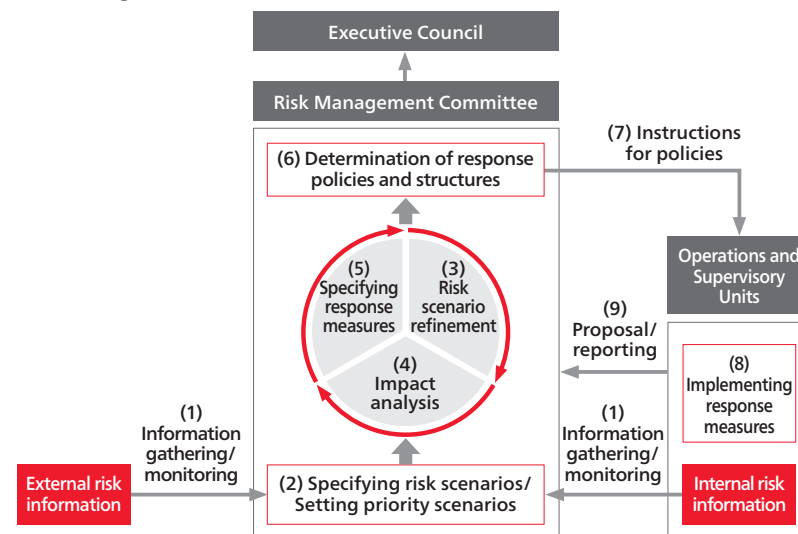
The business environment has undergone drastic changes in recent years in all business categories. Accordingly, the complexity and uncertainty of risks are rising, which requires effective risk management activities. Honda set up the Risk Management Committee chaired by a company-wide Risk Management Officer (RMO), to identify, discuss, and monitor important risks from a holistic perspective. In FY2024, the Risk Management Committee held a total of 12 meetings.

The Risk Management Committee not only identifies internal risks but also gathers and monitors information on external risk trends associated with changes in the external environment. The Committee uses internal and external information to ascertain specific risk scenarios and conduct impact analyses in relation to Honda's business strategies. Based on this objective risk analysis, management members engage in discussions to determine the response policies and structures for the company-wide risks that Honda should address that are consistent with its management strategies.

Of these, risks that are particularly important in terms of business strategy are designated as company-wide priority risks, and the status of response to these risks is regularly checked and discussed.

The discussions and monitoring activities of the Risk Management Committee are reported to the Executive Council in a timely and appropriate manner.

Risk Management Committee



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Risk Management Committee

For various risks identified through analysis of external risk trends and risk assessment activities, Honda evaluates their risk levels in terms of the amount of their impact on Honda's business operations, their frequency of occurrence, etc. Risks judged to be high-level risks are discussed by the Risk Management Committee, and risks judged to have a particularly large impact on Honda's business operations are identified as company-wide priority risks in each fiscal year. The identified company-wide priority risks are addressed mainly by the responsible departments, and their progress is confirmed and discussed at the Risk Management Committee meetings.

Company-wide priority risks

Company-wide priority risk items	Risk perspectives
Geopolitical risk	Stoppages or delays of business activities due to the strengthening of economic security policies and human rights laws and regulations, or the conflicts between nations or regional conflicts
Purchasing and procurement risk	Stoppages or delays of production activities due to difficulties in receiving parts supplies from suppliers or increases in the prices of raw materials and parts, etc.; or quality defects caused by suppliers
Information security risk	Suspension of important operations/services due to cyber attacks and other incidents; and leakage of confidential or personal information
Business alliances and joint ventures risk	Conflicts of interest between parties in business alliances, etc., leakage of profits or technology, delays in decision-making, poor business performance of business partners, etc., or changes to or dissolution of alliances
Environmental risk	Costs incurred in response to policy and regulatory changes related to climate change and fuel consumption and emissions, etc.
Intellectual property risk	Reduction in competitiveness due to infringement of Honda's intellectual property rights; or injunctions against manufacture and sale, expensive compensation, or payment of license fees as a result of patent infringement lawsuits
Natural disaster risk	Stoppages or delays of business activities due to natural disasters (earthquakes, floods, etc.) or spread of infectious diseases
Financial and economic risk	Business impact from economic trends, economic fluctuations, or currency fluctuations
Risk related to brand image	Business impact associated with damage to brand image

Risk Assessment Activities

Honda globally carries out risk assessment activities.

The purpose of these activities is to foresee the potential risks to Honda's business and respond pre-emptively to minimize these risks.

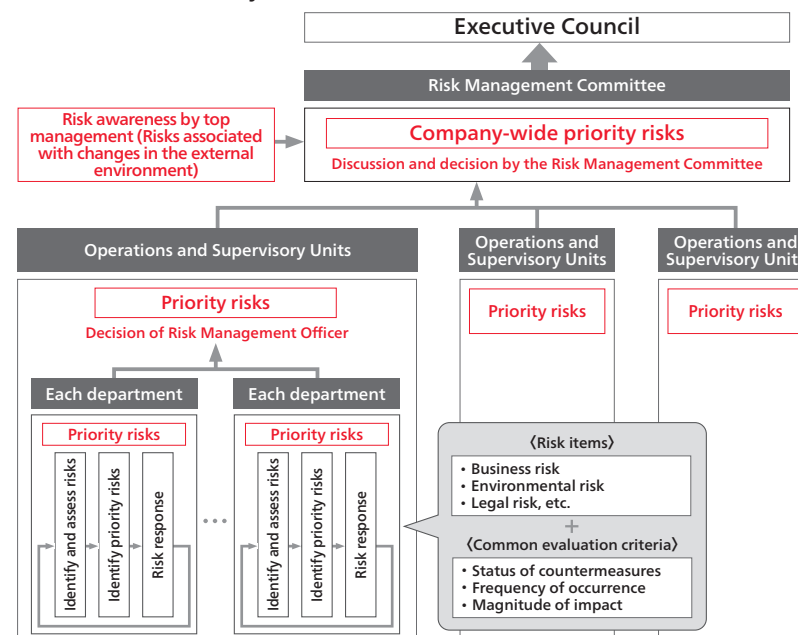
Each department performs an annual risk evaluation using the Group's common risk items and evaluation criteria to identify the divisional priority risks.

Each of the Operations and Supervisory Units carries out repeated discussions based on the results of the risk assessments of each department. They then identify and respond to priority risks of the Operations and Supervisory Units based on the judgment of Risk Management Officer of the Operations and Supervisory Units.

Additionally, the status of priority risks of the Operations and Supervisory Units based on the risk awareness of the Operations and Supervisory Units is reported to the Risk Management Committee. Internal and external risk trends are then considered in order to identify and respond to company-wide priority risks.

Through these efforts, Honda aims to firmly establish risk management activities within each Operations and Supervisory Unit, reduce the risk faced by the entire Group, and raise the risk awareness of every associate.

Risk Assessment Activity Structure



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Crisis Response

Honda carries out risk-sensing activities to monitor and report on signs of a crisis. While collecting a wide range of crisis information that may have an impact on Honda, the Company has also established an information coordination system in case a crisis becomes apparent.

When a crisis occurs, the Company establishes a Global Emergency Headquarters proportionate to the anticipated magnitude of the crisis's impact to manage the crisis response. In this way, Honda creates a structure to prevent the crisis from spreading and to quickly bring the situation under control.

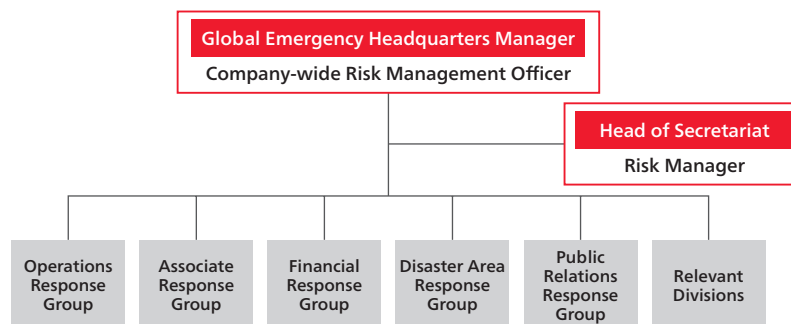
Based on its initiatives to deal with crisis events and other situations experienced in the past, Honda's Global Emergency Headquarters is working to strengthen its functions to better cope with future events.

Honda regularly coordinates information with each response team and reconfirms basic actions in crisis response (confirming the coordination among the teams).

Also, concerning disaster drills, besides ensuring the safety of human life and procedures to account for its associates, Honda continuously holds training on procedures from a business continuity planning (BCP) viewpoint to share information and identify the impact of a crisis on business at an earlier stage.

As a recent example of its crisis response, to cope with the Noto Peninsula earthquake, Honda launched a Global Emergency Headquarters to promote company-wide responses. Although Honda's suppliers were affected by the disaster and its production of automobiles was reduced at some domestic production bases, the Company took measures to minimize the impact on its business and performance, including the use of inventory and alternative development in cooperation with its suppliers.

Global Emergency Headquarters Structure



Information Management

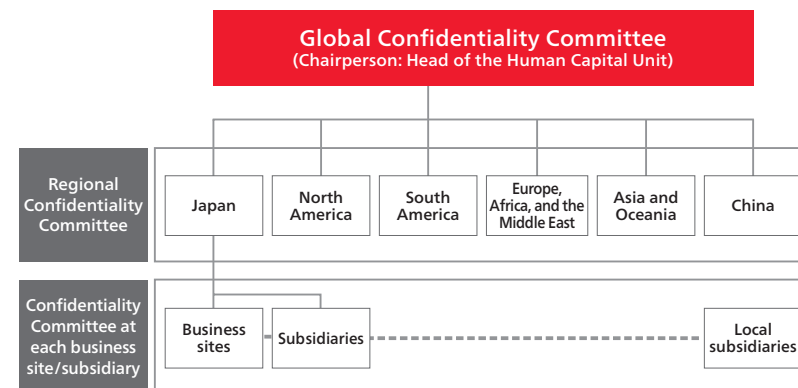
To protect information assets, including confidential information and personal information, Honda has formulated the Global Confidentiality Policy and the Global IT Security Policy, the scope of which extends to Group subsidiaries. These policies stipulate the adoption of a systematic response structure, the use of Honda Group's common compliance items when handling confidential information and personal information, and the implementation of security standards for information systems and networks. They also specify the line of reporting in the event of an information leak.

As part of its efforts to effectively implement these policies, Honda has set up the Global Confidentiality Committee chaired by the Head of the Human Capital Unit to ensure timely responses to changes in information flows and other issues.

The Global Confidentiality Committee determines globally common medium-term policies and an annual activity plan. Based on this plan, each Regional Confidentiality Committee takes the lead in promoting activities to safely handle information obtained through Honda's business activities, including personal information and confidential information.

Besides continuously strengthening its activities to ensure information security against cyberattacks, which are becoming increasingly sophisticated and complex, the Company performs daily monitoring while establishing systems capable of immediately responding to events that must be addressed.

Global Information Management Structure



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Information Management

Protection of Personal Information

Honda recognizes the importance of protecting personal information and regards prioritizing the protection of customer information as its social responsibility. To ensure the proper handling of customer information, Honda has formulated the Global Privacy Policy, which covers Group subsidiaries. The policy prescribes matters that must be universally complied with by Honda Group worldwide, as well as an implementation structure, and is operated accordingly.

The Company has appointed information supervisors and information managers in departments handling personal information and provides training on the protection of personal information. Moreover, Honda reports the methods for managing the personal information it holds and the information management status of outsourced contractors to the Confidentiality Committee of each business site and company. To ensure the details of these reports are updated, the Company conducts a review of information security in all departments at least once a year. Additionally, Honda sets stricter security standards for information systems containing customer information while regularly confirming the implementation of security measures.

Honda has built a structure for collaboration between the Global Confidentiality Committee and each Regional Confidentiality Committee to respond to national personal information protection regulations, which are being established at an accelerating pace. The Company is steadily formulating comprehensive responses to regulations while closely monitoring trends.

Additionally, Honda utilizes personal data to help solve social issues and provide its customers with even better products and services. Honda has formulated the Management Guidelines for Personal Data Utilization to handle personal data properly, reduce related risks, and promote effective personal data utilization. It has also established the Board for Judging Personal Data Utilization with the Head of the Intellectual Property and Legal Unit serving as the decision-making authority. The board deliberates on the risk response status concerning the collection, storage management, and utilization of personal data from the perspective of each area of expertise and decides whether or not to implement relevant measures.

Honda is putting into place structures that will respond quickly to an information leak or request for the disclosure of personal information in accordance with the laws and regulations of the relevant country. In FY2024, there were no major losses or leaks of personal information or serious complaints about customer privacy.

Product Cybersecurity

Honda participates in the Automotive Information Sharing & Analysis Center (Auto-ISAC), which has begun operations in Japan and the United States, to share and analyze information related to automotive cybersecurity. The Auto-ISAC collects information on incidences detected within the industry.

Moreover, Honda obtains information independently, including information on relevant laws and specifications, as well as industry standards. By using this information in its response to security issues, Honda is proactively taking steps to promote the safety and security of its products.

Additionally, Honda reorganized the Cybersecurity Committee to further accelerate decision-making and execution across all related departments, including strengthening cooperation between management in FY2023, and has continued its activities in FY2024 and beyond. Through the Committee's activities, the Company will continue to ensure the safety and security of the products it provides to customers.

Performance Data

6 Performance Data

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Environmental Data

Scope of Coverage

Organizations Covered

Honda Motor Co., Ltd. and its 374 group companies in and outside of Japan (comprising 302 consolidated subsidiaries and 72 affiliated companies accounted for by the equity method). The number of companies is as of the end of December 2023.

Period Covered

FY2024 (April 1, 2023 – March 31, 2024)

List of Targets

Target Items		Targets for 2030	Targets for 2050
Reduction rate of total CO ₂ emissions from corporate activities (compared to FY2020)		46%	CO ₂ emissions, net zero
Sales ratio of electrified products	Motorcycles	15%	
	Automobiles	30%	
	Power products	36%	
Reduction rate of CO ₂ emissions intensity of product use (compared to FY2020)	Motorcycles	34.0%	
	Automobiles	27.2%	
	Power products	28.2%	
Reduction rate of total water intake in corporate activities (compared to BAU)		14.5%	Zero industrial water intake and industrial waste
Reduction rate of total waste generation in corporate activities (compared to BAU)		14.5%	
Product resource circulation		(Set internal milestones)	100% use of sustainable materials

6 Performance Data

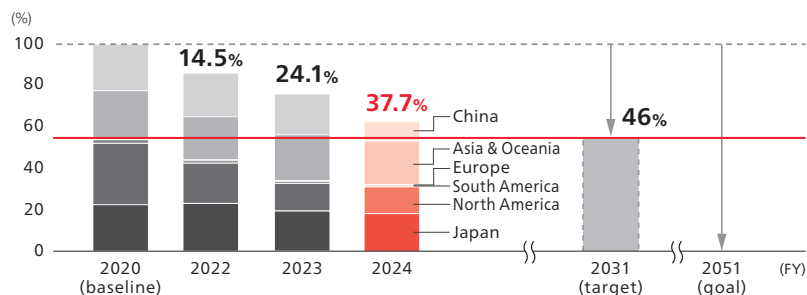
> Environmental Data 145

Social Data 155

Governance Data 161

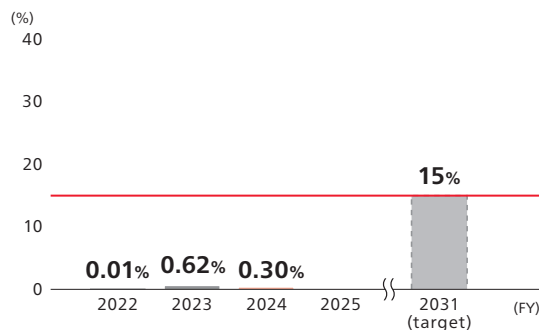
Environmental Data

Reduction rate of total CO₂ emissions from corporate activities (compared to FY2020)

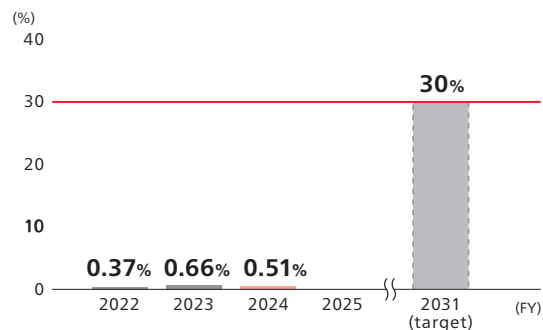


Sales ratio of electrified products

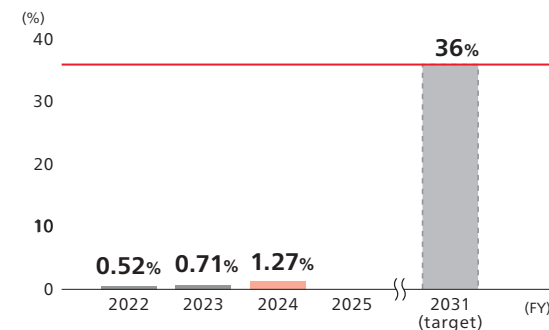
Motorcycles



Automobiles

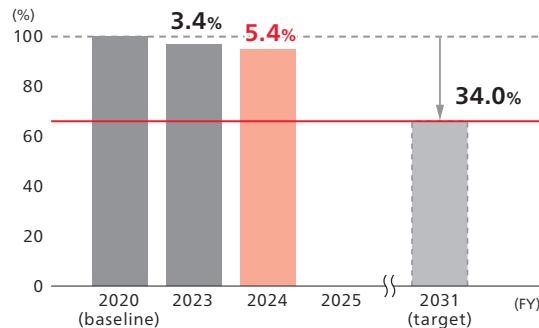


Power products

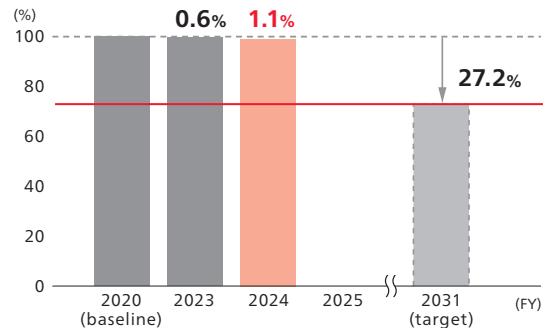


Reduction rate of CO₂ emissions intensity of product use (compared to FY2020)

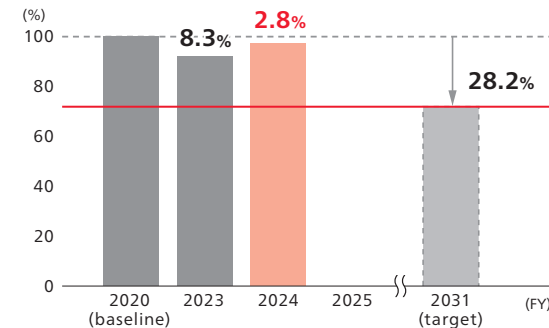
Motorcycles



Automobiles



Power products



* Corrected an error in the historical data

6 Performance Data

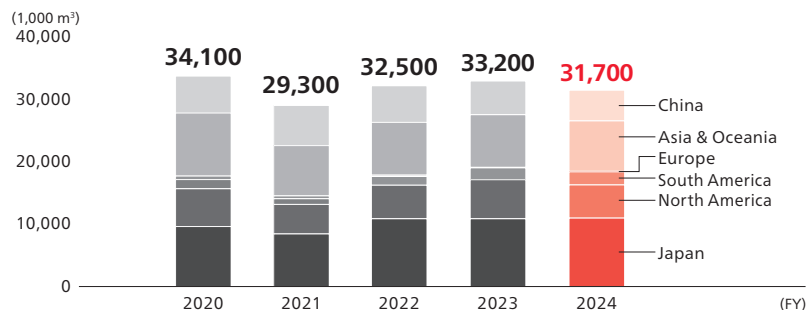
> Environmental Data 145

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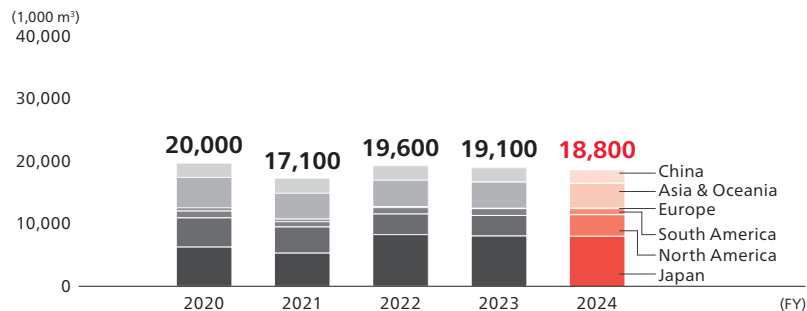
Environmental Data

Amount of water intake ☒



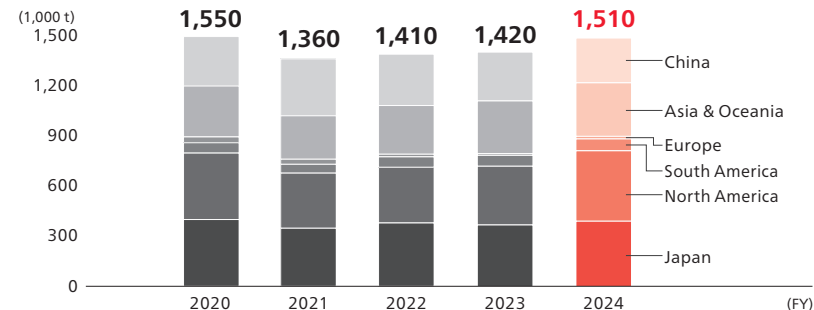
Calculation method: Amount of water intake = Σ (Purchased from the water facilities + Groundwater intake + Rainwater utilization amount + Surface such as rivers water intake)
 · Expressed in three significant digits

Wastewater volume ☒



Calculation method: Volume amount = Σ (Wastewater processed by other companies + Discharge directly into public waters)
 · Figures include some estimated values.
 · Expressed in three significant digits

Waste generated ☒



Calculation method: Emissions amount = Σ (Industrial waste + general administrative waste + valuable resources emission)
 · However, regions outside of Japan are beyond the scope of data for industrial waste (excluding harmful waste defined in accordance with regulations in respective countries) and general administrative waste.
 · Expressed in three significant digits

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Honda GHG Emissions in FY2024

As a responsible company operating in the mobility industry, Honda believes in the importance of calculating and disclosing GHG emissions in order to drive progress in initiatives to reduce global emissions.

As the first milestone in this endeavor, in August 2012 Honda disclosed estimates of all FY2012 GHG emissions from its entire value chain in conformity with the GHG Protocol*¹, currently the world's most widely used GHG emissions accounting standard. The Company became the world's first mobility company to release estimates of emissions not only from its own business activities (Scopes 1 and 2) but also from all upstream and downstream activities (Scope 3), extending from the procurement of raw materials to the transportation and customer use of Honda products and ending with the treatment of end-of-life products.

Honda continues to calculate and report the GHG emissions from its entire value chain and is making improvements to obtain more accurate emissions readings. The Company is doing this in Scope 3 (other indirect emissions), for example, by widening the boundaries of data collection for categories that account for the largest proportion of estimated emissions, and by improving the accuracy of the calculation methods.

In due consideration of the actual results of FY2022, the scope of calculation has been extended from about 90% of global sales volume to approximately all in total. The conditions used in calculating figures such as annual mileage and lifetime years of use have been changed and are now based on the newer IEA Mobility Model (MoMo) instead of the conventional IEA SMP Model.

The calculations for FY2024 show that GHG emissions from Honda business activities were 3.14 million t-CO₂e, and total emissions from the value chain, including other indirect emissions, were 270.53 million t-CO₂e. Honda will continue to monitor and manage data and utilize this information in the actual implementation of emissions reduction measures.

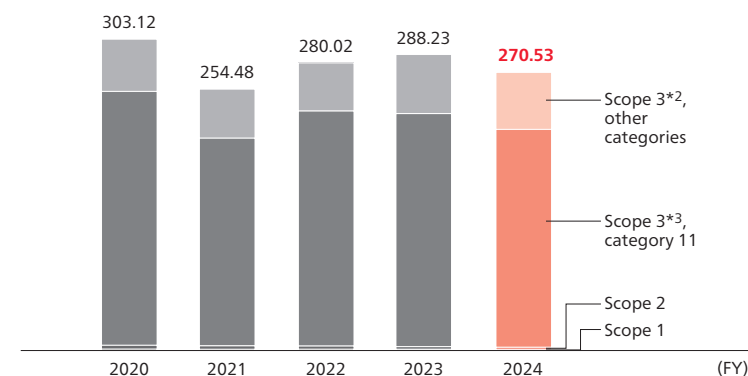
*1 The Greenhouse Gas Protocol: developed under the initiative of the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI)

*2 The calculation conditions for other categories (category 1) of Scope 3 have been partially changed from FY2023.

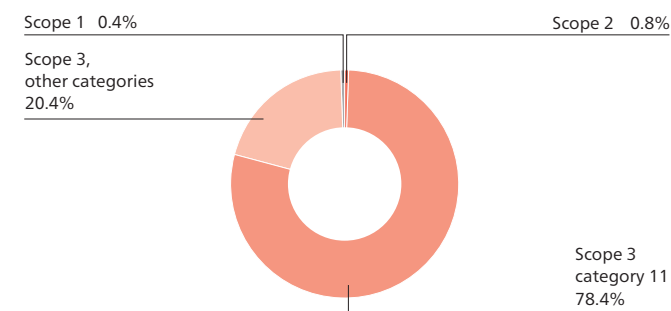
*3 For category 11 of Scope 3, the data is calculated using the IEA SMP Model until FY2021, and using the IEA Mobility Model (MoMo) from FY2022. Some of the calculation conditions have been changed since FY2023.

Total GHG emissions

(million t-CO₂e)



Breakdown of total FY2024 GHG emissions



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Total GHG emissions

		(million t-CO ₂ e)			
		FY2021	FY2022	FY2023	FY2024
GHG emissions from the entire Honda value chain (Scopes 1, 2 and 3)		254.48	280.02	288.23	270.53
Breakdown	Direct emissions from business activities (Scope 1)	1.12	1.16	1.09	1.07 <input checked="" type="checkbox"/>
	Indirect emissions from energy use (Scope 2)	3.38	3.14	2.73	2.07 <input checked="" type="checkbox"/>
	Emissions from Honda business activities (Total of Scopes 1 and 2)	4.50	4.30	3.82	3.14 <input checked="" type="checkbox"/>
	Emissions from customer use of sold products (Scope 3, category 11)	202.21	228.87	226.86	212.20 <input checked="" type="checkbox"/>
	Other emissions (Scope 3, other categories)	47.77	46.85	57.55	55.19
	Other indirect emissions (Total of Scope 3)	249.98	275.72	284.41	267.39

■ Scope 1: Direct GHG emissions from business activities, as defined by the GHG Protocol (e.g., Combustion of fuel oil at a manufacturing plant, emissions from work vehicles and company cars).

In Japan, Honda uses the emission factor based on the Act on Promotion of Climate Change Countermeasures and in each region except Japan, emission factors from the 2006 IPCC Guidelines for National GHG Inventories. Figures for climate change potential coefficient are derived from the IPCC's Fourth Assessment Report (2007).

■ Scope 2: Indirect GHG emissions from a company's use of energy, as defined by the GHG Protocol (e.g., electrical energy used by a manufacturing plant or office).

Honda adopts to the GHG Protocol's standard market-based method. In Japan, Honda uses adjusted emission factors by electric utility based on the Act on Promotion of Global Warming Countermeasures. In each region except Japan, Honda uses electricity utilities emission factors and latest regional emission factors, and if unavailable, national emission factors from the IEA's Emissions from Fuel Combustion.

■ Scope 3: Other indirect GHG emissions not included in Scope 1 and Scope 2, as defined by the GHG Protocol. Scope 3 is systematically broken down into 15 categories (e.g., category 11 includes emissions arising from the use of sold products; category 12 includes emissions arising from the end-of-life treatment of sold products).

■ The "Scope 3, category 11" figures presented in this report represent the cumulative amount of GHGs that will have been emitted by products sold by Honda in the applicable fiscal year (automobiles, motorcycles, power products and aircraft) as a result of their use by customers from the time they received those products until they dispose of them in the future. Calculations cover the emission of all motorcycles, automobiles, power products and aircraft sold worldwide under the Honda brand name. These emissions are calculated using the following formula for each model and adding the results:

· CO₂ emissions intensity : Amount of CO₂ emissions per unit driving distance of product use or per unit used time of product use

· Annual mileage/Lifetime years of use: Referring to IEA estimation model, "MoMo," etc.

· CO₂ emission factor: Referring to the GHG calculation guidelines that public authorities in each region issued. If there are no appropriate guidelines, reference from the ones of Japanese.

■ The "Scope 3, other categories" figures presented in this report are the sum of emissions from categories 1, 2, 3, 4, 5, 6, 7, 9, 10, 12 and 15. As per the GHG Protocol, Honda excludes categories 8, 13 and 14 from its calculations, as these categories are either not part of Honda business activities or emissions from these categories are accounted for in other categories.

☒ Data indicated with received the independent practitioner's assurance.

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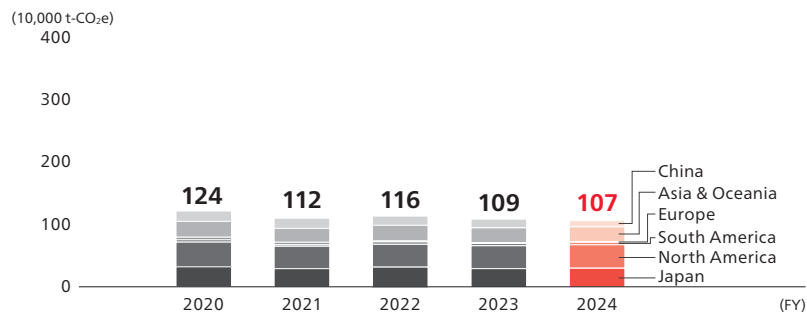
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GHG emissions

Direct emissions (Scope 1) ✓



Calculation method: Emissions amount = [Volume of fuel usage x CO₂ emission factor] + CO₂ emissions from non-energy sources + [Volume of non-CO₂ GHG emissions x Global warming factors]

Emission factors

Japan: Emission factors based on the Act on Promotion of Global Warming Countermeasures

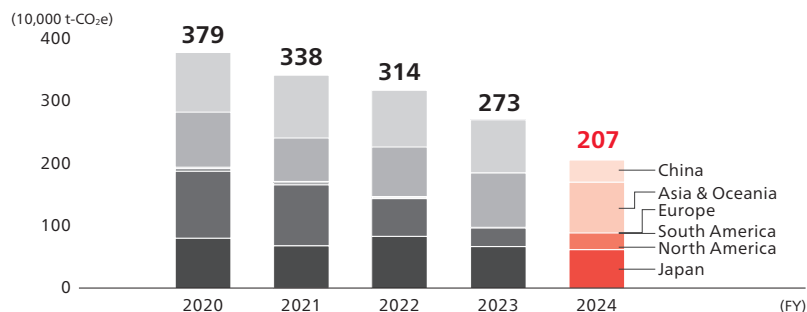
Regions outside of Japan: Emission factors from 2006 IPCC Guidelines for National GHG Inventories Figures for global warming potential coefficient : The IPCC's Fourth Assessment Report (2007)

· Figures of GHG emissions from non-energy source include some estimated values.

· Calculations are mainly based on emissions from stationary combustion sources.

· Expressed in three significant digits

Indirect emissions (Scope 2) ✓



Calculation method: Emissions amount = Σ (Purchased electricity consumption, etc.*1 x emission factor)

Honda adopts to the GHG Protocol's standard market-based method.

Emission factor:

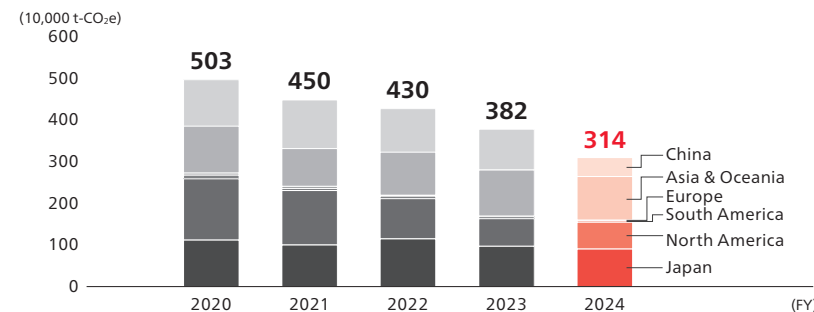
Japan: Electricity utilities emission factors based on the Act on Promotion of Global Warming Countermeasures

Regions outside of Japan: Adjusted emission factors by electric utility and latest regional emission factors, if unavailable, national emission factors from the IEA's Emissions from Fuel Combustion.

*1 Other includes steam and hot water, the emission factors are based on the Act on Promotion of Global Warming Countermeasures.

· Expressed in three significant digits

Total GHG emissions (Scopes 1 and 2) ✓



Calculation method: Total GHG emissions (Scope 1 and 2) = Direct GHG emissions + Indirect GHG emissions

· Expressed in three significant digits

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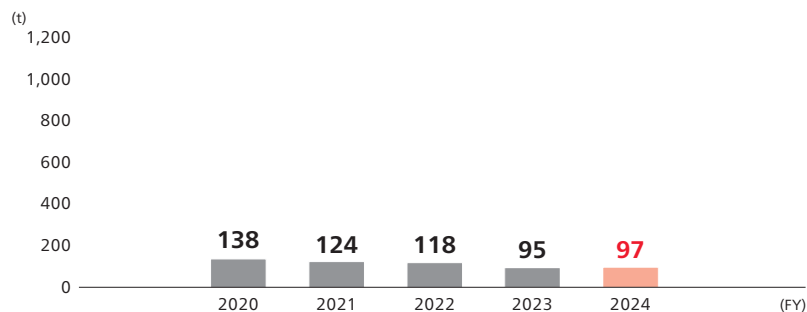
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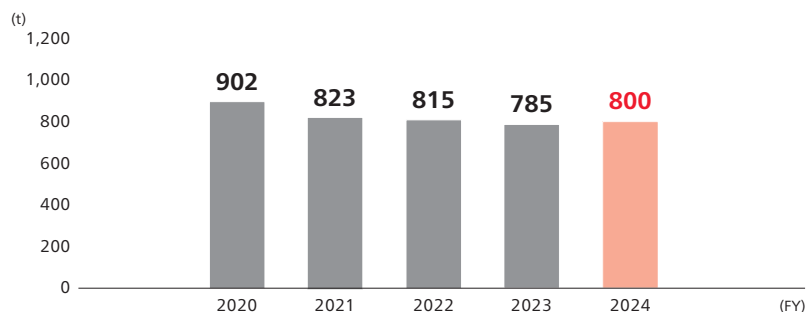
Atmospheric pollutants

SOx emissions ☒



Calculation method: Emissions amount = Σ (Fuel consumption x Density x Sulfur content x 64/32)
 · Calculations are based on fuel consumption.
 Density: Derived from the translation coefficient list in Statistics Information by Petroleum Association of Japan
 Sulfur content: Derived from Act on the Quality Control of Gasoline and Other Fuels or the standard of LP gas (JIS K 2240)

NOx emissions ☒



Calculation method: Emissions amount = Σ (Fuel consumption x Emission factor for each fuel)
 · Calculations are based on fuel consumption.
 Emission factor for each fuel: Derived from NOx emissions calculation table (combustion facilities that do not measure the amount of exhaust gas, etc.) on Environmental Activity Evaluation Program (Ministry of the Environment).

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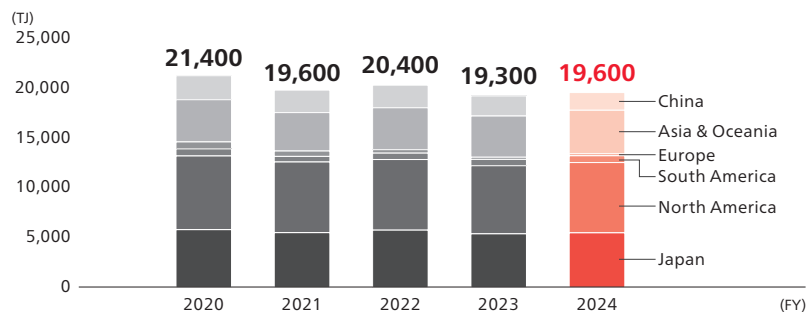
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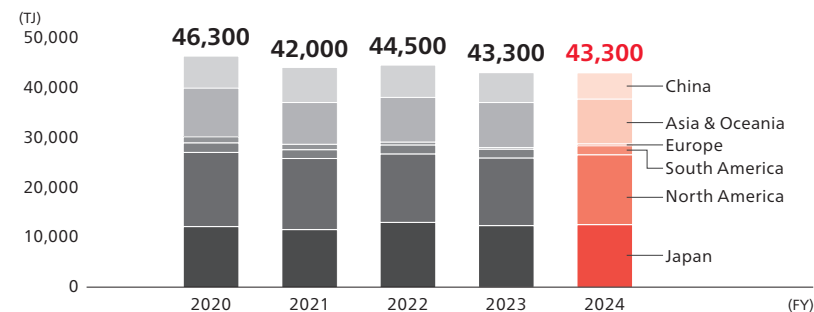
Energy consumption

Direct energy consumption ☒



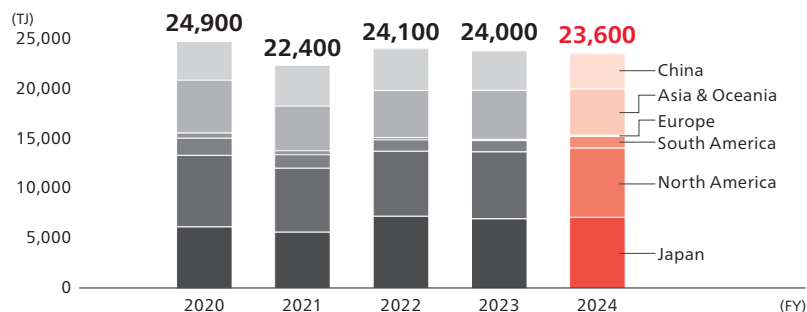
Calculation method: Consumption amount = Σ (Fuel consumption x unit calorific value)
 Unit calorific value:
 Japan: Unit calorific value from Reporting and Disclosure System based on the Act on Promotion of Global Warming Countermeasures
 Regions outside of Japan: Derived from 2006 IPCC Guidelines for National GHG Inventories
 · Calculations are mainly based on energy consumed by stationary exhaust sources.
 · A terajoule (TJ) is a unit of energy, "tera" meaning 10^{12} .
 · Expressed in three significant digits

Total energy consumption ☒



Calculation method: Total energy consumption = Direct energy consumption + Indirect energy consumption
 · Expressed in three significant digits

Indirect energy consumption ☒



Calculation method: Consumption amount = Σ (Purchased electricity consumption etc.*1 x unit calorific value)
 Purchased electricity has been converted to joules using the international standard 3.6 GJ/MWh.
 *1 Other
 Unit calorific value:
 Japan: Unit calorific value from Reporting and Disclosure System based on the Act on Promotion of Global Warming Countermeasures
 Regions outside of Japan: 2006 IPCC Guidelines for National GHG Inventories
 · Expressed in three significant digits

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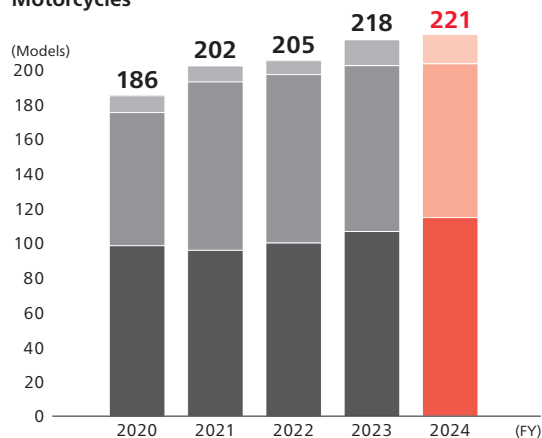
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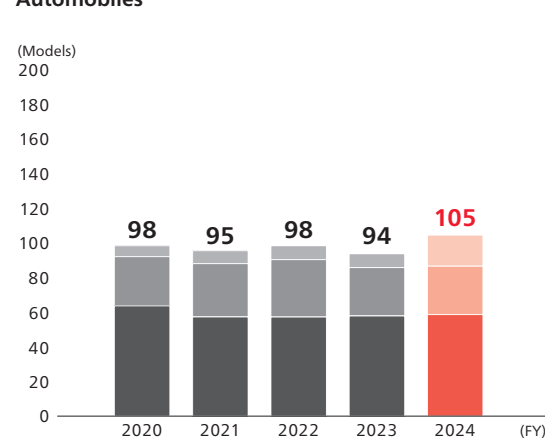
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Global Number of HEPS-compliant models

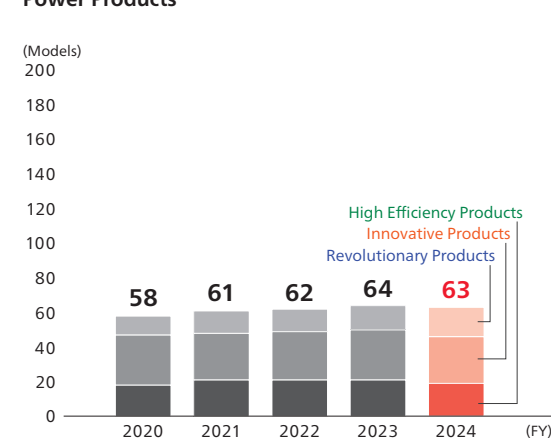
Motorcycles



Automobiles



Power Products



* Corrected retroactively due to recounting

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Cost of environmental conservation activities and investments

		FY2024 (millions of yen)	
Category	Major activities and investments	Investments	Expenditures
Business area costs	■ Pollution prevention costs	52	314
	■ Global environmental conservation costs	1,678	537
	■ Recycling costs	68	759
Upstream/downstream costs	■ Collection, recycling, resale and proper disposal of products manufactured and sold ■ Industry organization and other membership fees	13	200
Management costs	■ Installation, operation and acquisition of certification for environmental management systems ■ Environmental impact monitoring and measurement ■ Management and training of associates and organizations responsible for environmental conservation (expenses for environment-related communications activities)	9	2,533
Research and development costs	■ Research, development, planning and design for impact reductions across product life cycles (R&D costs for advanced eco-cars, including EVs and PHVs)	69,684	337,643
Social contribution activity costs	■ Environmental improvement measures, including ecosystem protection, cleanups, green space development and natural landscape conservation ■ Local conservation and communication activities (beach cleanups and watershed conservation activities)	0	173
Environmental damage costs	■ Remediation of polluted soil	0	1
Total		71,504	342,160

- Companies covered: Honda Motor Co., Ltd., Honda R&D Co., Ltd. and Honda Access Corporation
- Some figures are estimated values.
- Guidelines, guidebooks and other environmental accounting publications by Japan's Ministry of the Environment were used as references.
- Figures were calculated on a cash-flow basis with depreciation and amortization expenses excluded.

Economic benefits (Effect on revenue and expenses)

		FY2024 (millions of yen)
Income from sale of valuable waste materials		8,320
Cost reductions from saved energy	Installed technologies	59
	Behavioral changes, etc.	57
Total		8,436

- Companies covered: Honda Motor Co., Ltd., Honda R&D Co., Ltd. and Honda Access Corporation
- Some figures are estimated values.
- Guidelines, guidebooks and other environmental accounting publications by Japan's Ministry of the Environment were used as references.

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Human Resources Data

Consolidated number of associates

	FY2022	FY2023	FY2024
Japan	65,673	62,846	61,420
North America	50,645	51,456	50,610
South America	13,996	14,176	16,267
Europe/Africa/Middle East	3,851	3,720	3,725
Asia & Oceania	52,698	50,458	50,508
China	17,172	14,383	12,463
Total	204,035	197,039	194,993

Number of associates by gender

		FY2022	FY2023	FY2024
Japan		44,525	43,208	43,064
	Male	40,290	38,961	38,718
	Female	4,235	4,247	4,346

· With the exception of the item "Consolidated number of associates," HR data for Japan is tabulated from numbers for the following companies: Honda Motor Co., Ltd., Honda R&D Co., Ltd., Honda Racing Corporation, Honda Technical College and Honda Access Corporation.

Number of new permanent associates

		FY2022	FY2023	FY2024
Japan		1,155	1,120	1,489
	Male	949	942	1,254
	Female	206	178	235
North America		8,468	9,958	4,274
	Male	5,696	6,845	2,776
	Female	2,772	3,113	1,498
South America		737	1,267	2,420
	Male	605	1,030	1,974
	Female	132	237	446
Europe/Africa/Middle East		149	225	221
	Male	112	155	154
	Female	37	70	67
Asia & Oceania		1,839	2,867	5,240
	Male	1,437	2,115	4,534
	Female	402	752	706
China		1,292	1,079	925
	Male	1,037	865	678
	Female	255	214	247

Number of associates by employment contract and type

		FY2022	FY2023	FY2024
Japan	By contract			
	Permanent	41,892	40,625	40,207
	Nonpermanent	2,574	2,583	2,857
	By type			
	Full-time	44,407	43,165	43,059
	Part-time	59	43	5

Attrition rate (%) (including compulsory retirees)

		FY2022	FY2023	FY2024
Japan		6.5	5.8	4.6
	Male	6.8	6.0	4.7
	Female	4.0	4.8	3.7
North America		15.5	17.2	10.6
South America		13.3	9.2	7.0
Europe/Africa/Middle East		105.9	5.3	5.3
Asia & Oceania		4.5	5.2	4.1
China		4.5	3.5	7.1

Percentage of associates from local communities taking upper management positions

	Percentage of associates from local communities among members of the Regional Operating Boards
North America	50
South America	14
Europe/Africa/Middle East	25
Asia & Oceania	0
China	0

Annual training hours and cost per associate

	Annual training time (hours)	Annual training cost (yen)
Japan	26.01	58,912
North America	11.47	13,865
South America	17.17	39,679
Europe/Africa/Middle East	4.09	16,576
Asia & Oceania	10.64	10,887
China	41.12	21,494

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Ratio of women in management positions in the Honda workplace in Japan

	FY2015 (base year)	FY2022	FY2023	FY2024
Compared with FY2015 (times)	1.00	2.97	3.07	3.63

Ratio of women (associates and management positions): FY2024

	Ratio of women in the entire workforce	Ratio of women in management positions
Japan	9.3	2.4
North America	27.3	18.8
South America	14.3	13.0
Europe/Africa/Middle East	26.5	19.4
Asia & Oceania	14.3	16.6
China	12.2	24.5
Total	15.9	10.6

Base salary and ratio of total compensation for males and females in Japan

	Base salary (Female : Male)	Total compensation (Female : Male)
Management positions	1 : 1.03	1 : 1.06
General associates	1 : 1.18	1 : 1.26

· The same pay scale is applied to male and female associates. Gaps are due to differences in factors such as age distribution and the ratio of males and females in pay grades.

Number of persons over 60 employed by Honda in Japan

	FY2022	FY2023	FY2024
Number of persons	3,997	4,280	4,991

Number of associates with disabilities and percentage of employment of individuals with disabilities in Japan

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of associates*	1,096	1,142	1,147	1,005	994
Percentage of employment*	2.30	2.38	2.45	2.35	2.35

* Laws governing the employment of people with disabilities stipulate that employment of one individual with a serious disability is equivalent to employing two less severely disabled individuals for purposes of calculating the number of associates with disabilities and percentage of employment. Data depicted in the table are current as of June 1 of each year.

Number of global hires

	FY2022	FY2023	FY2024
Number of people hired	34	50	77

* Starting in FY2021, the number of full-time foreign workers hired within each fiscal year is calculated.

Number of associates who utilize child/nursing care support in Japan

		FY2020	FY2021	FY2022	FY2023	FY2024
Short working hours to facilitate child care	Male	311	299	301	317	331
	Female	19	19	16	19	24
Administrative leave to facilitate child care	Male	292	280	285	298	307
	Female	506	531	674	845	1,076
Nursing care leave for children	Male	124	170	297	495	714
	Female	382	361	377	350	362
Remote work during child raising	Male	1,812	1,347	1,447	1,999	2,430
	Female	1,336	945	998	1,470	1,868
Childcare cost subsidy	Male	476	402	449	529	562
	Female	869	918	749	1,423	1,577
Short working hours to facilitate nursing care	Male	518	545	377	999	1,141
	Female	351	373	372	424	436
Administrative leave to facilitate nursing care	Male	210	157	106	150	156
	Female	15	7	11	24	40
Nursing care leave	Male	195	150	95	126	116
	Female	8	6	5	8	6
Remote work during nursing care	Male	4	1	3	4	3
	Female	4	5	2	4	3
Reinstatement rate after taking child care leave in Japan (%)	Male	26	23	16	9	14
	Female	18	18	11	6	12
Percentage of men taking child care leave in Japan (%)	Male	8	5	5	3	2
	Female	376	512	582	707	835
Reinstatement rate after taking child care leave in Japan (%)	Male	316	424	479	582	684
	Female	60	88	103	125	151
Percentage of men taking child care leave in Japan (%)	Male	115	146	123	209	226
	Female	81	106	93	167	179
Reinstatement rate after taking child care leave in Japan (%)	Male	34	40	30	42	47
	Female					

Reinstatement rate after taking child care leave in Japan (%)

		FY2020	FY2021	FY2022	FY2023	FY2024
Reinstatement rate	Male	99.2	99.3	99.8	100.0	98.7
	Female	100.0	100.0	100.0	100.0	98.9
Percentage of men taking child care leave in Japan (%)	Male	98.7	98.9	99.7	100.0	97.8
	Female					

Percentage of men taking child care leave in Japan (%)

		FY2023	FY2024
Percentage of taking child care leave (1 day or more)		88.1	88.9
Percentage of taking child care leave (5 days or more)		64.0	74.0

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Major diversity-related initiatives in Japan (from 2015)

Pillars of initiatives	Theme	Description
Build awareness and foster an appropriate corporate culture	Diversity in general	<p>Message from top management (2022)</p> <p>Diversity management measures: lecture supervisory skills training and results presentation (2018 to 2021)</p> <p>Interaction with experts in the diversity field and other companies</p> <ul style="list-style-type: none"> · Participation in the Work-Life Balance and Diversity Promotion and Research Project by the Chuo Graduate School of Strategic Management, Chuo University (from 2015) · The results presentation of the above project (2023) · Presentation at the Diversity & Career Forum hosted by Mitsui Fudosan Co., Ltd. (2023)
	Women's participation in the workplace	<p>Long-term and specific development plan (career plan: from 2015 to 2021)</p> <p>Networking and encouragement event for female chiefs and managers (Diversity Forum: from 2016 to 2017)</p> <p>Career development training, awareness raising seminars, and lectures for expanding women's participation in the workplace (from 2015 to 2019)</p> <p>Diversity initiatives event (2022)</p> <p>* Lectures on the theme of Women's Health Issues, panel discussion by experts and associates</p> <p>Associates' round-table discussion on "health issues and how the organization should address them" (2023)</p>
	Male childcare participation	<p>Diversity initiatives event (2022)</p> <p>* Lectures on the theme of Male Childcare Participation, panel discussion by experts and associates</p> <p>Communication of good examples of male childcare participation (from 2022)</p>
	Support for people with disabilities	Awareness-raising seminar on disabilities (2023)
	LGBTQ+	<p>E-learning program on LGBTQ+ (from 2020)</p> <p>LGBTQ+ ally seminar (from 2021)</p>
	Support for balancing work and childcare/nursing care	<p>Handbook on support for balancing work and childcare/nursing care (from 2016)</p> <p>Childcare support seminars (for male and female associates before/after childbirth)</p> <p>* Full-scale development of seminars after childbirth from FY2018 and seminars before childbirth from FY2025</p>
	Reform of corporate culture and work style awareness	Lecture on corporate culture and work style (2016 to 2018)
	Support career building	<p>Career counseling (for female associates from FY2016 and expanded to all associates from FY2023)</p> <p>Career training (for experienced associates from FY2022 and expanded to all associates from FY2023)</p>
Create an appropriate environment and systems	Childcare or nursing care	<ul style="list-style-type: none"> · Enhancement of the childcare leave system (2006) * Available until the end of April immediately following the child's third birthday · Establishment of the remote work system for associates engaged in childcare/nursing care (2016) · Enhancement of shorter working hour system (2016) * For children up to the completion of the 4th grade of elementary school and family members in need of care · Establishment of childcare expense subsidy system (2016) · Establishment of company full-time nurseries (Tochigi district in 2017, Wako district in 2018) · Enhancement of temporary nursery/school-age childcare services for associates working on public holidays (2017) · Enhancement of children's nursing care leave (2017) * For children up to the completion of the 4th grade of elementary school; paid up to 5 days per year · Establishment of childcare and nursing care allowances (2017) · Enhancement of nursing care leave system (2019) * Paid up to 5 days per year

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Pillars of initiatives	Theme	Description
Create an appropriate environment and systems	Childcare or nursing care	<ul style="list-style-type: none"> Establishment of fixed work schedule for one shift in the manufacturing area (2019) * For children up to the completion of the 4th grade of elementary school and family members in need of care Establishment of postpartum partner leave (2022) Establishment of the childcare leave system at birth (2022) Enhancement of childcare leave system (2022) *Divided acquisition of leaves Revision to operation of child nursing care leave and nursing care leave (2024) * Hourly acquisition in working hours
	Disease or fertility treatment	<ul style="list-style-type: none"> Establishment of a system of remote work for disease or fertility treatment (2020) Establishment of a system of short-term leave for disease or fertility treatment (2020) Establishment of a system of long-term leave for fertility treatment (2020)
	Transfer of spouses	<ul style="list-style-type: none"> Establishment of a transfer system for associates to accompany their spouses being transferred (2018) Establishment of a leave system for associates to accompany their spouses being transferred (2018) Revision of the career reinstatement registration program (2018)
	Support for health	<ul style="list-style-type: none"> Introduction of a healthcare support plan (from October 2022)
	LGBTQ+	<ul style="list-style-type: none"> System to treat associates' same-sex partners as their spouses (from 2020) Allowing the use of working names according to the transgender associates' self-identified gender (from 2023)
Encourage human resources to fulfill their potential	Employment of women	Increasing employment of women majoring in science and engineering
	Employment of people with disabilities	Increasing employment of people with disabilities
	Global employment	Recruitment activities for foreign students and overseas labor markets

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Total working hours per associate and average paid vacation days taken in Japan

	FY2020	FY2021	FY2022	FY2023	FY2024
Total working hours per associate	1,977	1,946	1,955	1,974	2,023
Average paid vacation days taken	19.3	18.3	19.5	18.8	17.9

Percentage of associates going through the evaluation programs

Region	Percentage of associates to be targeted for the evaluation programs
North America	100
South America	98.8
Europe/Africa/Middle East	99.9
Asia & Oceania	93.4
China	99.3

Percentage of performance-based remuneration in Japan

Level	Proportion of performance-based remuneration in entire compensation
Director, Executive Officer positions	50*
Management positions	37

* A certain level of stock options is included in remuneration for Director and Executive Officer positions.

Starting salary in Japan

	Monthly salary (yen)	Compared to minimum wage (%)
High school	203,400	113
Technical college and junior college	229,200	127
Undergraduate	262,300	145
Graduate school (Master's degree)	287,800	159

* Minimum wage is calculated using 20.3 eight hour days as one month based on the minimum wage for the Tokyo metropolitan area (1,113 yen/hour). This is a graded salary system and there is no difference in salary for males and females with the same qualification level.

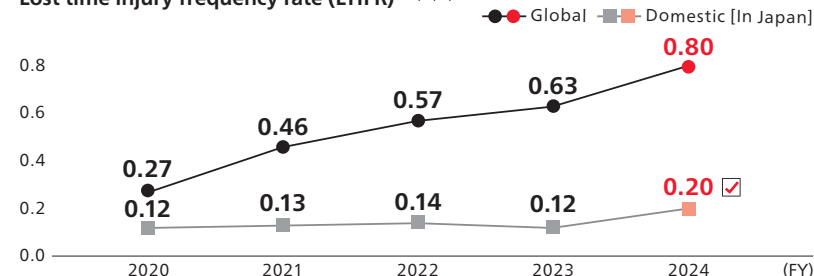
Associate engagement in Japan (Total of 24 questions in six categories; average on a scale of 1 to 5)

Target: 3.50 points or more (Status of "very good" engagement levels* working at Honda)

	FY2023	FY2024
All associates	3.48	3.50
Percentage of respondents for all associates	93.0%	92.0%

* Honda assesses the status of "very good" engagement levels in six categories: an open-minded workplace; rewarding tasks; an environment that makes hard work worthwhile; being proud to work at Honda; trustworthy management; and a pleasant work environment.

Lost time injury frequency rate (LTIFR) *1, 2, 3, 4



The changes in the number of work accident fatality (Case) *4

	FY2020	FY2021	FY2022	FY2023	FY2024
Overseas	0	0	1	0	0
Japan	0	0	0	0	0

*1 Global (Lost time injury frequency rate (LTIFR)): The number of lost time injuries per one million work hours at Honda's 5 production bases in Japan and 59 overseas production bases.

*2 In Japan (Lost time injury frequency rate (LTIFR)): The number of lost time injuries per one million work hours at companies to which Honda's labor agreement applies.

*3 Including Accident similar to a lifestyle (trips, falls and tread through)

*4 Scope of target for lost time injury frequency rate and the number of work accident fatality in Japan:

- Honda Motor Co., Ltd.
- Honda R&D Co., Ltd.
- Honda Racing Corporation
- Honda Technical College
- Honda Access Corporation

Data indicated with ☒ received the independent practitioner's assurance.

Trends in indicators of health management activities

	FY2023	FY2024
Score for subjective view of health *1	3.38	3.47
Score for commitment to health *2	3.58	3.64

* Measurement of associate engagement: Scores on health-related questions (average score on a 5-point scale)

*1 Question: "Your health (mental and physical) is in good condition for work and recreation."

*2 Question: "You engage in actions to maintain and improve your current state of health."

6 Performance Data

Environmental Data 145

> Social Data 155

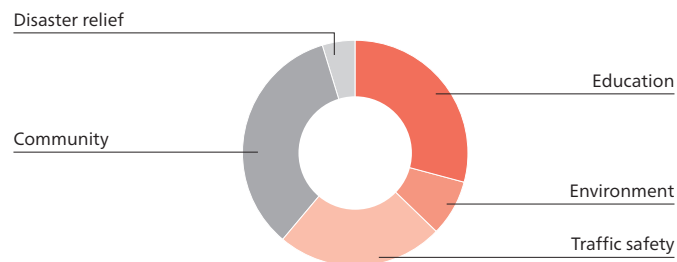
Governance Data 161

Social Data

Social Contribution Activities Data

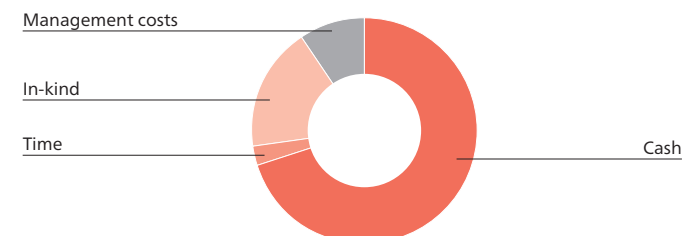
Expenditure related to social contribution activities (FY2024)

	Expenditure (million yen)
Education	3,146
Environment	864
Traffic safety	2,583
Community	3,650
Disaster relief	499
Total	10,741



Breakdown by form of contribution (FY2024)

	Expenditure (million yen)
Cash	7,547
Time	276
In-kind	1,913
Management costs	1,005
Total	10,741



6 Performance Data

Environmental Data 145

Social Data 155

> Governance Data 161

Governance Data

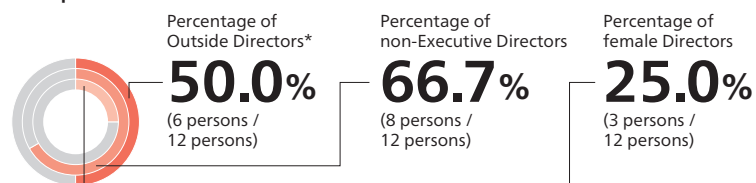
Overview of Corporate Governance (as of June 19, 2024)

Form of organization

Company with three committees

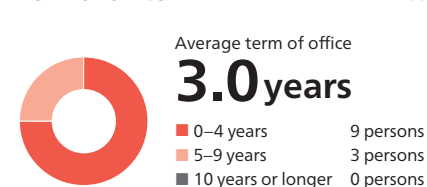
Board of Directors

Composition of members

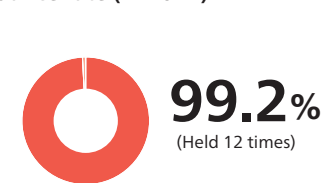


* All six Outside Directors currently in office are Independent Directors who satisfy the Company's Criteria for Independence of Outside Directors.

Term of office



Attendance rate (FY2024)



Nominating Committee

Ratio of Outside Directors



Attendance rate (FY2024)



Audit Committee

Ratio of Outside Directors

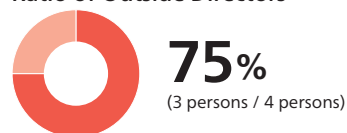


Attendance rate (FY2024)



Compensation Committee

Ratio of Outside Directors



Attendance rate (FY2024)



6 Performance Data

Environmental Data 145

Social Data 155

> Governance Data 161

Governance Data

Total Amount of Remuneration for Directors and Executive Officers

Category of Directors	Total amount by type of remunerations (millions of yen)				Number of eligible Directors (Number of persons)
	Total amount of remuneration (millions of yen)	Basic remuneration	Performance-linked remuneration		
			STI (Short Term Incentive)	LTI (Long Term Incentive)	
Directors (excluding Outside Directors)	300	287	0	12	4
Outside Directors	90	90	0	0	5
Executive Officers	1,395	470	483	440	10
Total	1,786	849	483	453	19

- 'Directors' in the table above does not include the three Directors who concurrently serve as Executive Officers.
- These amounts indicate remuneration paid to Directors during the fiscal year. The above includes the amount paid to one Director who retired at the closing of the 99th Ordinary General Meeting of Shareholders held on June 21, 2023.
- The amount of STI for Executive Officers was determined by the Compensation Committee held on May 7, 2024.
- The total amount of LTI is the expenses recorded for stock delivery points granted during the fiscal year in relation to the Board Incentive Plan (BIP) trust and falls under non-monetary remuneration.

Annual total remuneration and bonuses of highest-paid individual (President and Representative Executive Officer, Chief Executive Officer) (Japan)

Annual total remuneration and bonuses of highest-paid individual President and Representative Executive Officer, Chief Executive Officer (millions of yen)	438
Ratio to median annual total remuneration for all associates (%)	4,969

Rate of increase in annual total remuneration and bonuses of highest-paid individual (President and Representative Executive Officer, Chief Executive Officer) (Japan)

Rate of increase in annual total remuneration and bonuses of highest-paid individual President and Representative Executive Officer, Chief Executive Officer (%)	26
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6 Performance Data

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> Governance Data 161

Governance Data

Honda Tax Policy

Honda Tax Policy

1. Purpose of the Policy

The Honda Tax Policy prescribes the basic stance and thinking regarding taxes for Honda Motor Co., Ltd. (hereafter HM) and its consolidated subsidiaries (HM and its consolidated subsidiaries, collectively referred to as Honda). The Policy aims to contribute to society as well as maintain and increase corporate value by complying with the tax laws and regulations, and their intent, for each country and region where Honda conducts business activities and by making proper tax payments.

The tax systems of each country and region and international taxation rules are frequently changed. In this environment, to ensure the proper conduct of its business in a stable manner, Honda carries out accurate and high-quality tax affairs and responds to the tax risks associated with its business in accordance with the Tax Policy described below.

2. Tax Policy

(1) Compliance

Honda complies with letter and intent of laws, regulations and rules of countries and regions in which it conducts business, as well as tax conventions and international standards such as OECD guidelines. Honda also adopts and complies with internal rules, including tax-related policies and guidelines such as this Policy and Honda Corporate Governance (HCG). Based on the foregoing, Honda makes proper tax payments consistent with the actual state of business.

(2) Prohibition of tax avoidance

Honda shall not engage in any transactions such as the use of tax havens aimed at tax avoidance but make proper tax payments consistent with the actual state of business in keeping with the concept of "returning profits to the communities where profits are earned," which has been Honda's basic stance.

(3) Transfer pricing

Honda shall establish proper pricing (Arm's Length Price (ALP)) by giving sufficient consideration to transfer pricing taxation systems for transactions carried out within Honda to ensure the proper payment of taxes corresponding to the value created by business activities.

(4) Ensuring transparency

Honda recognizes the importance of fulfilling accountability to tax authorities and other tax-related stakeholders through the timely and proper disclosure of tax-related information and properly responds by disclosing tax-related information based on laws and regulations.

(5) Relationships with governments and tax authorities

Honda shall make efforts to ensure transparency and continuously build relationships of trust through sincere responses to governments and tax authorities in the countries and regions where it conducts business by ensuring timely and proper provision of tax-related information based on laws and regulations and requests from governments and tax authorities.

(6) Corporate governance

Honda strives to enhance corporate governance as one of the most important tasks for its management, based on the Company's basic principle, in order to strengthen the trust of its shareholders/investors, customers and society; encourage timely, decisive and risk-considered decision-making; seek sustainable growth and the enhancement of corporate value over the mid- to long-term; and become "a company that society wants to exist." In the same manner, Honda shall establish governance on taxation based on this concept, framework and management policy.

The establishment and amendment of this policy shall be subject to the approval of the director in charge of accounting and finance supervision.

Data

Assurance (Environment/Social) 165

GRI Content Index 166

Assurance (Environment/Social)

To disclose environment and social-related data to our diverse stakeholders in a more transparent and reliable manner, Honda obtained the independent practitioner's assurance of the environment- and social-related data indicated with ☒ for the year ended March 31, 2024 in the Japanese version of this report by Deloitte Tohmatsu Sustainability Co., Ltd., a subsidiary of Deloitte Touche Tohmatsu LLC, which is a member firm of Deloitte Touche Tohmatsu Limited.

Scope of Assurance

Environment-related data assured:

- Direct emissions from business activities (Scope 1), Indirect emissions from energy use (Scope 2), Emissions from Honda business activities (Total of Scope 1 and 2) and Emissions from customer use of sold products (Scope 3, category 11) out of Honda's total GHG emissions
- GHG emissions (Direct emissions (Scope 1), Indirect emissions (Scope 2), Total emissions (Scopes 1 and 2))
- Energy consumption (Direct energy consumption, Indirect energy consumption and Total energy consumption)
- Water intake/Wastewater volume
- Atmospheric pollutants (SOx emissions, NOx emissions)
- Waste generated

Social-related data assured:

- Lost time injury frequency rate (LTIFR) in Japan
- The number of work accident fatality in Japan

Deloitte.

デロイト トーマツ

(TRANSLATION)

Independent Practitioner's Assurance Report

June 21, 2024

Mr. Toshihiro Mibe,
Director, President and Representative Executive Officer,
Chief Executive Officer
Honda Motor Co., Ltd.

Tomoharu Hase
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the environment- and social-related data indicated with ☒ for the year ended March 31, 2024 (the "Sustainability Information") included in the "Honda ESG Data Book 2024" (the "Report") of Honda Motor Co., Ltd. (the "Company").

Our Responsibility

The Company is responsible for the preparation of the Sustainability Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the Sustainability Information in the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited



GRI Content Index

Universal Standards

Universal Standards			Omission		
GRI Standard	Disclosure	Page number (s) and/or URL (s)	Part omitted	Reason	Explanation
GRI 2: General Disclosures 2021	1. The organization and its reporting practices				
	2-1	Organizational details	2		
	2-2	Entities included in the organization’s sustainability reporting	2		
	2-3	Reporting period, frequency and contact point	2		
	2-4	Restatements of information	2		
	2-5	External assurance	2, 165		
	2. Activities and workers				
	2-6	Activities, value chain and other business relationships	99, 101, 102, 104		
	2-7	Employees	155		
	2-8	Workers who are not employees	Form 20-F 112, 113 https://global.honda/en/investors/library/form20_f.html		
	3. Governance				
	2-9	Governance structure and composition	123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136		
	2-10	Nomination and selection of the highest governance body	125, 126, 131, 132, 133, 134, 135, 136		
	2-11	Chair of the highest governance body	131		
	2-12	Role of the highest governance body in overseeing the management of impacts	4, 5, 6, 7, 8, 9		
	2-13	Delegation of responsibility for managing impacts	125		
	2-14	Role of the highest governance body in sustainability reporting	5, 6		
	2-15	Conflicts of interest	123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136		
	2-16	Communication of critical concerns	123, 124		
	2-17	Collective knowledge of the highest governance body	123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136		
	2-18	Evaluation of the performance of the highest governance body	127		
	2-19	Remuneration policies	127		
GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	127		
	2-21	Annual total compensation ratio	162		

GRI Content Index

Universal Standards		Omission			
GRI Standard	Disclosure	Page number (s) and/or URL (s)	Part omitted	Reason	Explanation
GRI 2: General Disclosures 2021	4. Strategy, policies and practices				
	2-22	Statement on sustainable development strategy	Integrated Report (Honda Report 2023) p.05~07 https://global.honda/en/sustainability/integratedreport/pdf/Honda_Report_2023-en-all.pdf#page=07		
	2-23	Policy commitments	66, 67, 68, 90, 91		
	2-24	Embedding policy commitments	66, 67, 68, 90, 91		
	2-25	Processes to remediate negative impacts	138		
	2-26	Mechanisms for seeking advice and raising concerns	138		
	2-27	Compliance with laws and regulations	20, 137, 138		
	2-28	Membership associations	9, 114		
	5. Stakeholder engagement				
	2-29	Approach to stakeholder engagement	7, 8, 9		
	2-30	Collective bargaining agreements	Form 20-F 112, 113 https://global.honda/en/investors/library/form20_f.html		
GRI 3: Material Topics 2021	3-1	Process to determine material topics	5, 6, 10, 11, 12		
	3-2	List of material topics	5, 6, 10, 11, 12		
	3-3	Management of material topics	5, 6, 10, 11, 12		

Topic Standards		Omission			
GRI Standard	Disclosure	Page number (s) and/or URL (s)	Part omitted	Reason	Explanation
Economy					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	IR Library https://global.honda/en/investors/library.html		
	201-2	Financial implications and other risks and opportunities due to climate change	16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 145, 154		
	201-3	Defined benefit plan obligations and other retirement plans	Form 20-F F-23, F-49, F-50, F-51, F-52, F-53 https://global.honda/en/investors/library/form20_f.html		

GRI Content Index

Topic Standards				Omission		
GRI Standard	Disclosure		Page number (s) and/or URL (s)	Part omitted	Reason	Explanation
GRI 201: Economic Performance 2016	201-4	Financial assistance received from government	-	Financial assistance received from government	This information is currently unavailable.	We will improve our information disclosure using GRI Standards with a view to completing this in time for our 2025 ESG Data Book (to be published in June 2025).
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level employee wage by gender compared to local minimum wage	159			
	202-2	Proportion of senior management hired from the local community	155			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	9, 46, 47			
	203-2	Significant indirect economic impacts	102, 160			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	102			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	138			
	205-2	Communication and training on anti-corruption policies and procedures	138			
	205-3	Confirmed incidents of corruption and actions taken	138			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	137			
GRI 207: Tax 2019	207-1	Approach to tax	129, 163			
	207-2	Tax governance, control, and risk management	129, 163			
	207-3	Stakeholder engagement and management of concerns related to tax	129, 163			
	207-4	Country-by-country reporting	-	Country-by-country reporting	This information is currently unavailable.	We will improve our information disclosure using GRI Standards with a view to completing this in time for our 2025 ESG Data Book (to be published in June 2025).
Environment						
GRI 301: Materials 2016	301-1	Materials used by weight or volume	-	Materials used by weight or volume	This information is currently unavailable.	We will improve our information disclosure using GRI Standards with a view to completing this in time for our 2025 ESG Data Book (to be published in June 2025).
	301-2	Recycled input materials used	-	Recycled input materials used	This information is currently unavailable.	We will improve our information disclosure using GRI Standards with a view to completing this in time for our 2025 ESG Data Book (to be published in June 2025).
	301-3	Reclaimed products and their packaging materials	26			



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Topic Standards

GRI Standard	Disclosure		Page number (s) and/or URL (s)	Omission		
				Part omitted	Reason	Explanation
GRI 302: Energy 2016	302-1	Energy consumption within the organization	152			
	302-2	Energy consumption outside of the organization	152			
	302-3	Energy intensity	-	Energy intensity	This information is currently unavailable.	We will improve our information disclosure using GRI Standards with a view to completing this in time for our 2025 ESG Data Book (to be published in June 2025).
	302-4	Reduction of energy consumption	18, 19, 152			
	302-5	Reductions in energy requirements of products and services	18, 19, 20, 21, 22, 23, 152			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	25, 31			
	303-2	Management of water discharge-related impacts	25, 31			
	303-3	Water withdrawal	25, 31, 147			
	303-4	Water discharge	25, 31, 147			
	303-5	Water consumption	25, 31, 147			
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	28, 29, 30, 31			
	304-2	Significant impacts of activities, products, and services on biodiversity	28, 29, 30, 31			
	304-3	Habitats protected or restored	28, 29, 30, 31			
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	28, 29, 30, 31			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	146, 148, 149, 150			
	305-2	Energy indirect (Scope 2) GHG emissions	146, 148, 149, 150			
	305-3	Other indirect (Scope 3) GHG emissions	146, 148, 149			
	305-4	GHG emissions intensity	19, 21, 146			
	305-5	Reduction of GHG emissions	146, 148, 149, 150			
	305-6	Emissions of ozone-depleting substances (ODS)	25			
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	151			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	25, 26, 27, 147			
	306-2	Management of significant waste-related impacts	25, 26, 27, 147			
	306-3	Waste generated	25, 26, 27, 147			

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				Part omitted	Reason	Explanation
GRI 306: Waste 2020	306-4	Waste diverted from disposal	25, 26, 27, 147			
	306-5	Waste directed to disposal	25, 26, 27, 147			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	101			
	308-2	Negative environmental impacts in the supply chain and actions taken	100, 103, 104, 105, 106, 107			
Social						
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	155			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	87, 88			
	401-3	Parental leave	83, 86, 156			
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	89			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	92			
	403-2	Hazard identification, risk assessment, and incident investigation	92, 94			
	403-3	Occupational health services	95, 96, 97			
	403-4	Worker participation, consultation, and communication on occupational health and safety	92			
	403-5	Worker training on occupational health and safety	93, 94			
	403-6	Promotion of worker health	95, 96, 97			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90, 92			
	403-8	Workers covered by an occupational health and safety management system	92			
	403-9	Work-related injuries	159			
	403-10	Work-related ill health	159			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	155			
	404-2	Programs for upgrading employee skills and transition assistance programs	69, 70, 71, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 87, 88, 157, 158			
	404-3	Percentage of employees receiving regular performance and career development reviews	159			

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Topic Standards

GRI Standard		Disclosure	Page number (s) and/or URL (s)	Omission		
				Part omitted	Reason	Explanation
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	69, 79, 80, 81, 82, 83, 123, 124, 155, 157, 158, 161			
	405-2	Ratio of basic salary and remuneration of women to men	156			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	137, 138, 139			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	73, 101, 105, 106, 107			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	101, 139			
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	101, 139			
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	71, 155			
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	100, 101, 102, 105, 106, 107			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	7, 8, 116, 117, 118, 119, 120, 121			
	413-2	Operations with significant actual and potential negative impacts on local communities	7, 8, 116, 117, 118, 119, 120, 121			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	101			
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GRI 415: Public Policy 2016	415-1	Political contributions	9			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	48			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	63			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	20			
	417-2	Incidents of non-compliance concerning product and service information and labeling	20			
	417-3	Incidents of non-compliance concerning marketing communications	137, 138, 139			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	143			



How we move you.
CREATE ► TRANSCEND, AUGMENT

Honda Motor Co., Ltd.

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