3

# Environment

3 Environment

> Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Basic Approach

## Towards the "Joy and Freedom of Mobility" and a "Sustainable Society Where People Can Enjoy Life"

### Honda Environmental and Safety Vision / Honda's Environment Statement

Ever since the 1960s, Honda has actively addressed environmental issues. In the 1970s, we developed the low-emission "CVCC*1 engine," which reduced emissions of carbon monoxide, hydrocarbons, and NOx*2 and became the first in the world to meet the U.S. Muskie Act, which was considered the most stringent automobile emission regulation in the world at the time. In 1992, Honda established the "Honda Environment Statement," which serves as the guiding framework for all our environmental initiatives. This statement organized and clarify our fundamental stance on reducing environmental impact throughout the entire product lifecycle, including material procurement, design, development, production, transportation, sales, usage, and disposal.

To further advance our environmental initiatives and remain a "company society wants to exist," Honda established the "Honda Environmental and Safety Vision" in 2011. This vision aims to achieve the "joy and freedom of mobility" and a "sustainable society where people can enjoy life." Across our global operations, Honda is committed to reducing all forms of environmental impact. Our efforts include reducing Greenhouse Gas (GHG) emissions, which are considered one of the causes of climate change, as well as lowering energy consumption, improving resource efficiency for water and minerals, proper waste management and reduction, and preserving biodiversity as part of our commitment to protecting the global environment.

Honda will share this Environment Statement not only within the Company and its group companies but also with suppliers, dealerships, and all other stakeholders associated with Honda. By doing so, we aim to achieve our vision through collaborative efforts with all involved parties.

### 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 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 activity. Only in this way will we be able to count on a successful future not only for our company, but 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' lifecycle – from research, design, production and sales to services and disposal.
2. We will make every effort to minimize and find appropriate methods to dispose of waste and contaminants that are produced through the use of our products, and in every stage of the lifecycle of these products.
3. As both a member of the company and of 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 regional environment and society, and endeavor to improve the social standing of the company.

Established and announced in June 1992

*1 CVCC: Compound Vortex Controlled Combustion
*2 NOx: Nitrogen Oxides

3 Environment

> Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Basic Approach

## Towards the "Joy and Freedom of Mobility" and a "Sustainable Society Where People Can Enjoy Life"

### Global Environmental Slogan— BLUE SKIES FOR OUR CHILDREN —

"We want to pass on the joy and freedom of mobility to the next generation (for our children), and that's why we are committed to realizing a sustainable society (blue skies) where people can enjoy life." This slogan symbolizes Honda's unwavering commitment to environmental efforts, reflecting both our past and future aspirations.

**Global Environmental Symbol**

The design features a round globe motif that represents the natural blessings essential for achieving a "sustainable society where people can enjoy life." It includes the sun and blue skies (clean air), clean water, and lush green land. The central white line symbolizes the pathways for free mobility, while the heart represents Honda's commitment and passion for environmental efforts.

BLUE SKIES FOR
OUR CHILDREN

3 Environment
Basic Approach ..... 15
> Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

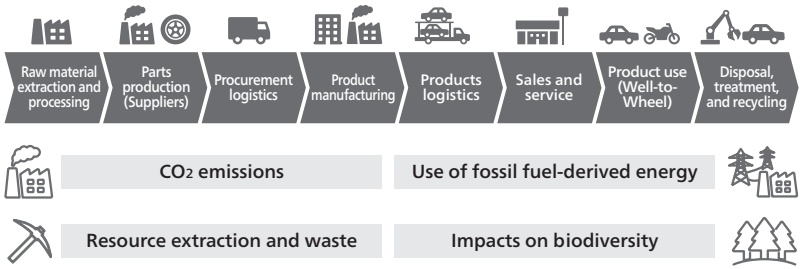
# Approach

## Actions to Take Towards Achieving a Zero Environmental Impact Society

### Environmental Impacts Recognized by Honda

Honda recognizes that all business activities have environmental impacts. To address these challenges, it is important to consider the environmental impacts of each stage of the product lifecycle. Honda identifies the main environmental impacts as: $CO_2$ emissions, use of fossil fuel-derived energy, extensive resource extraction and waste, and impacts on biodiversity.

**Main Environmental Impacts in the Product Lifecycle**




Honda, aiming for sustainable business practices, has set achieving a "Zero Environmental Impact Society" as one of its company-wide priority issues. To comprehensively reduce interlinked environmental impacts, Honda has established four materialities*1 to guide its efforts.

**Priority issue**
- Zero Environmental Impact Society

**Materialities**
- Addressing Climate Change
- Addressing Energy Issues
- Efficient Utilization of Resources
- Biodiversity Conservation

*1 We select "Priority Issues" by comprehensively analyzing social issues from the perspective of sustainability, aligning them with Honda's strategic direction, and defining the particularly focused issues for each priority issue as "materialities".
*2 Nature-based Solutions (NbS) involve advancing societal challenges while conserving and restoring natural ecosystems.

### Triple Action to ZERO

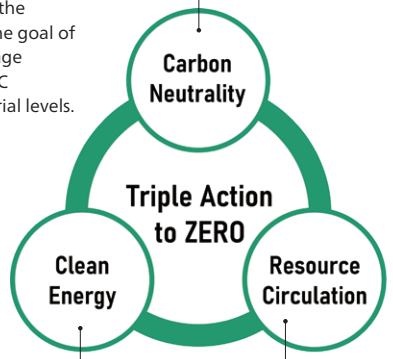
In our efforts to achieve a "Zero Environmental Impact Society," we are working towards our vision by 2050 of net zero $CO_2$ emissions, 100% utilization of carbon-free energy, and 100% use of sustainable materials. These visions are encapsulated in the concept of "Triple Action to ZERO," a concept that consolidates three key initiatives: "Carbon Neutrality," "Clean Energy," and "Resource Circulation". We position "Triple Action to ZERO" as the core concept guiding our efforts.

The three initiatives of "Triple Action to ZERO" are closely related and we aim to maximize synergistic benefits by considering their linkages.

The "Triple Action to ZERO" initiatives are also linked to the international demand for preserving biodiversity and fostering harmony with nature. In advancing these initiatives, we will consider "Nature-based Solutions*2" as well.

#### Net zero $CO_2$ emissions

In "addressing climate change," we aim to achieve net-zero $CO_2$ emissions from both our corporate activities and the product lifecycle, with the goal of limiting the global average temperature rise to 1.5ºC compared to pre-industrial levels.




#### 100% utilization of carbon-free energy

In "addressing energy issues," we aim to use clean energy during product use and corporate activities.

#### 100% use of sustainable materials

In addressing the "efficient utilization of resources," we will strive to develop products and establish systems that use sustainable materials with no environmental impact. In corporate activities, we aim to achieve zero industrial water intake and zero industrial waste at Honda plants by 2050.

3 Environment
Basic Approach ..... 15
> Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Approach

## Efforts to Realize a Zero Environmental Impact Society

### Key Initiatives and Milestones for Achieving Materiality

Our company aim for “carbon neutrality by 2050” across the entire product lifecycle, and is focusing on the four materialities and is prioritizing “addressing climate change” and “addressing energy issues.”

As priority actions, the Company is working on reducing $CO_2$ emissions from product use and corporate activities, breaking these efforts down into more specific initiatives that the Company plans to implement as concrete actions. Specifically, $CO_2$ emissions are tracked for various product groups within each business segment, as well as for individual product factories and manufacturing equipment. This approach helps in quantifying $CO_2$ reduction amounts for each product and factory.

For long-term impact reduction measures related to the materiality of “efficient utilization of resources,” Honda is in the initial phase of preparing initiatives that may require business transformation beyond existing frameworks to achieve carbon neutrality, including efforts aimed at reducing $CO_2$ emissions in future upstream and downstream processes. We also recognize the importance of considering natural impacts, such as the materiality of “biodiversity conservation,” while advancing these initiatives. Therefore, Honda is aiming not only to achieving “carbon neutrality by 2050” but also to pursuing a long-term perspective toward realizing “a zero environmental impact society.”

Furthermore, to achieve carbon neutrality on a society-wide scale, Honda is taking on the challenge of multifaceted initiatives in addition to the electrification of mobility.

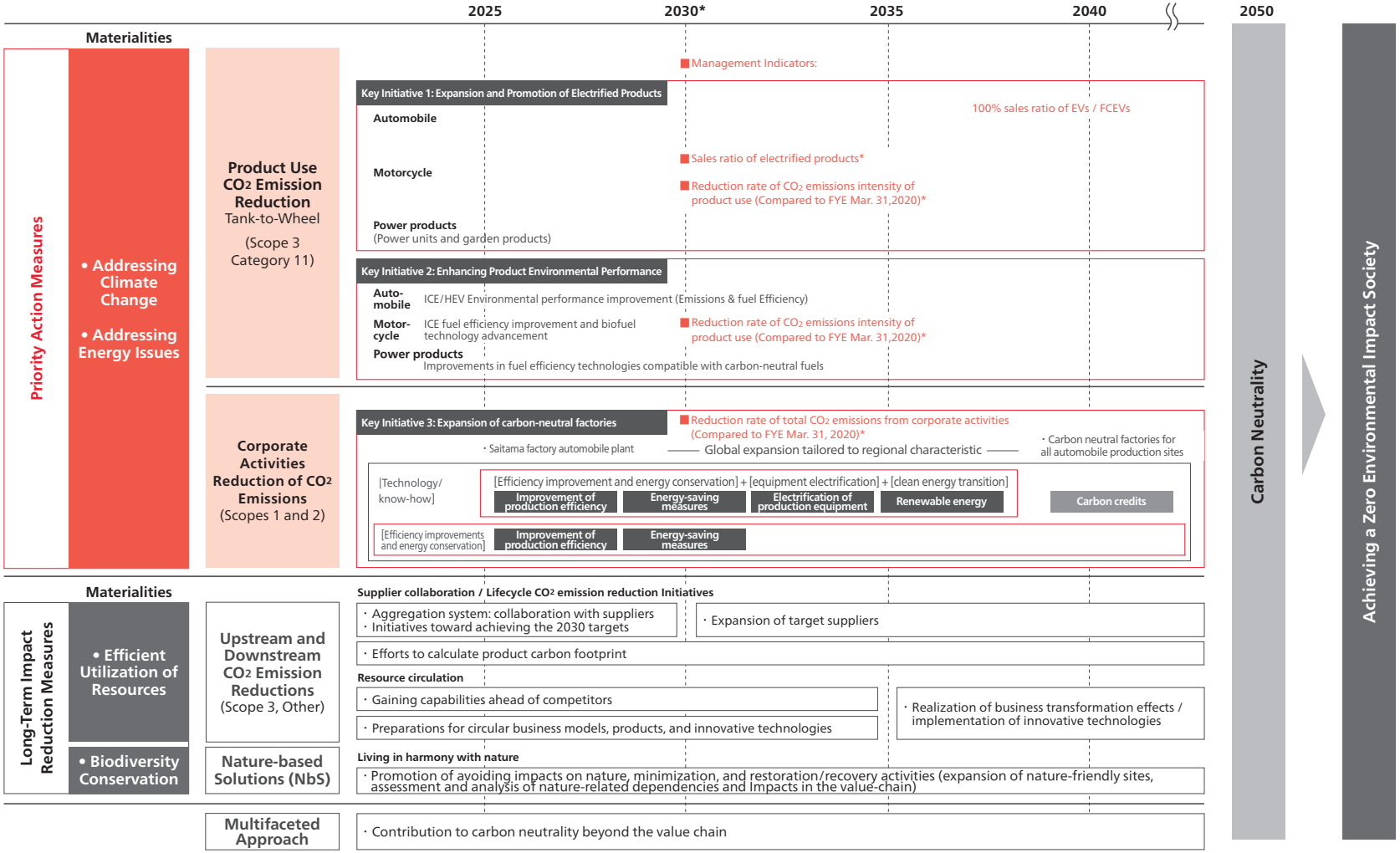
3 Environment

Basic Approach ..... 15
> Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Approach

## Actions to Take Towards Achieving a Zero Environmental Impact Society

### Roadmap Towards Carbon Neutrality by 2050




* The previously disclosed management indicators (KGI and KPI) for the fiscal year ending March 31, 2031 are currently under review due to changes in the business environment. Honda is in the process of recalculating these targets and plans to disclose updated target figures in its integrated report, "Honda Report 2025."

3 Environment
Basic Approach ····· 15
Approach ····· 17
> Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Metrics and Targets

## List of Company-wide Environmental Targets (KGI/KPI)

| Important themes | Materiality | | Management Indicators | Category | | Targets: Fiscal Year Ending Mar. 31, 2026 | Targets: Fiscal Year Ending Mar. 31, 2031 |
|---|---|---|---|---|---|---|---|
| Realization of Zero Environmental Impact Society | ■ Challenging climate change issues<br>■ Challenging energy-related issues<br>■ Efficient Utilization of Resources<br>■ Biodiversity Conservation | KGI | Reduction rate of total $CO_2$ emissions from corporate activities (compared to FYE Mar. 31, 2020) | Consolidated | | (Unpublished) | - *2 |
| | | | Total $CO_2$ emissions from products | Consolidated/Business | | | |
| | | | Waste reduction rate (compared to BAU)*1 | Consolidated | | (Unset) | |
| | | | Water intake reduction rate (compared to BAU)*1 | | | | |
| | | KPI | Sales Ratio of Electrified Products | Business | Motorcycles | (Unpublished) | |
| | | | | | Automobiles | | |
| | | | | | Power Products | | |
| | | | Reduction rate of $CO_2$ emissions intensity of product use (compared to FYE Mar. 31, 2020) | | Motorcycles | | |
| | | | | | Automobiles | | |
| | | | | | Power Products | | |

*1 Business As Usual: The estimated result for the fiscal year ending March 31, 2031 based on our production plans but without implementing our reduction strategies.
*2 The previously disclosed management indicators (KGI and KPI) for the fiscal year ending March 31, 2031 are currently under review due to changes in the business environment. Honda is in the process of recalculating these targets and plans to disclose updated target figures in its integrated report, "Honda Report 2025."

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
> Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# 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.

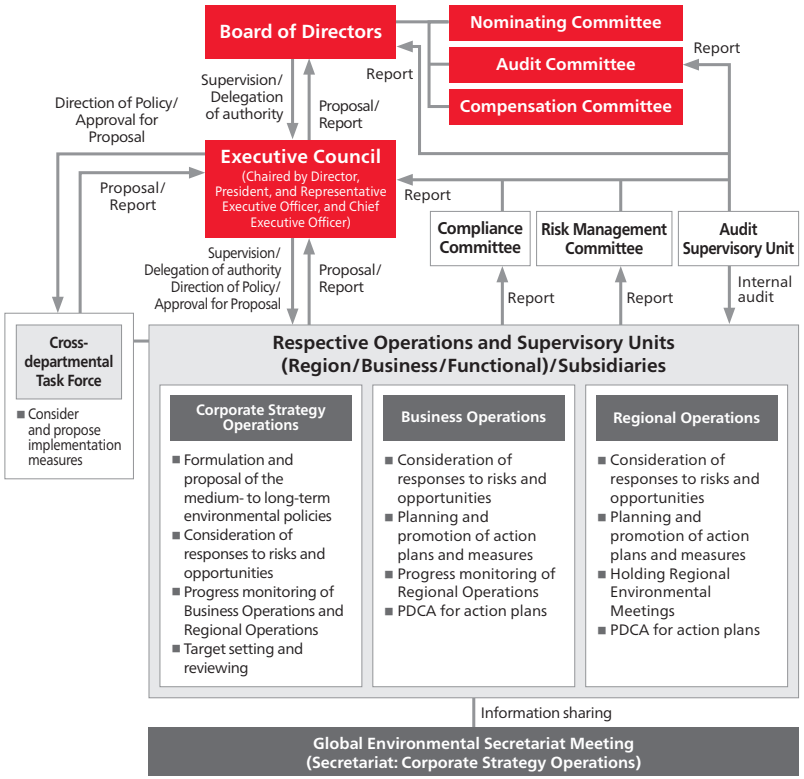
Each Operation and Supervisory Unit and subsidiary formulates and promotes action plans and measures based on the company-wide long-term management policies and medium-term management plan, and important matters are reported and approved at the Executive Council as appropriate. Respective Business Operations 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 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. 185)

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

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

**Environmental Management Structure**



3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
> Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# 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 2025). 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.

3 Environment

Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

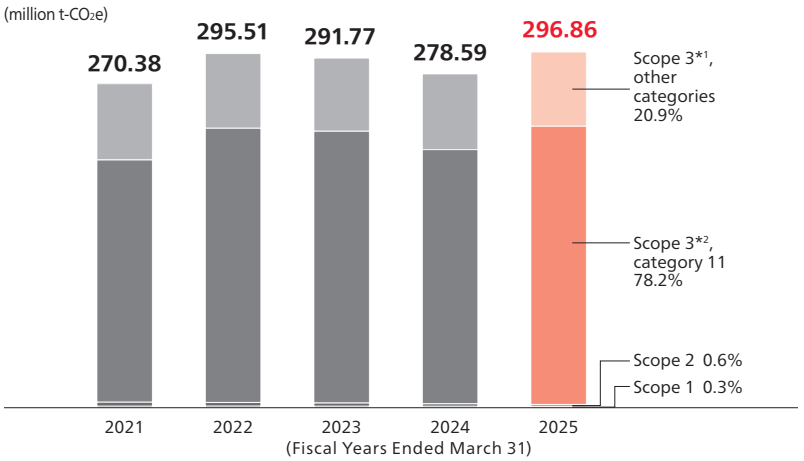
## Initiatives for Carbon Neutrality and Clean Energy

Honda, as a comprehensive mobility company, believes it is essential to actively promote GHG emissions reduction efforts by calculating and disclosing GHG emissions from its global business activities. To achieve this, Honda follows "GHG Protocol*1," which is the most commonly used standard for GHG accounting worldwide. Since 2012, Honda has been calculating GHG emissions across its entire supply chain and converting these emissions into $CO_2$ equivalents for disclosure.

In the fiscal year ended March 31, 2025, Honda's total GHG emissions worldwide amounted to 296.86 million t-$CO_2$e. Scope 3 Category 11, which pertains to $CO_2$ emissions from product use, accounts for approximately 80% of this total. The remaining 20% is comprised of three categories: "Scope 1" emissions from direct corporate activities, "Scope 2" emissions from indirect energy use, and "Scope 3, Other Categories" emissions from upstream processes such as resource extraction and downstream processes related to resource disposal.

Honda aims to achieve carbon neutrality by 2050. To achieve this, the Company is prioritizing reductions in $CO_2$ emissions from product use (Scope 3 Category 11) and from its own business activities (Scope 1 and 2), setting these as key milestones for its efforts.

**Total GHG Emissions (Scope 1, 2 & 3)**




*1 GHG Protocol: The Greenhouse Gas Protocol was developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).
*2 For Scope 3 Categories 1, 4, 9, and 12, we have made some changes starting in FYE Mar. 31, 2025. These categories are disclosed after recalculating past performance.
*3 For Scope 3, Category 11, the IEA SMP Model was used for calculations until FYE Mar. 31, 2021, while the IEA Mobility Model (MoMo) has been used since FYE Mar. 31, 2022. Additionally, some calculations have been revised starting from FYE Mar. 31, 2023.

3 Environment

Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
> Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Climate Change

## Approach

### Reduction of $CO_2$ Emissions from Product Use (Scope 3 Category 11)

$CO_2$ emissions from product use (Scope 3 Category 11) primarily result from the combustion of fossil fuels in ICE and HEVs. Honda considers the expansion and proliferation of electric products as an effective measure to reduce $CO_2$ emissions from product use. By increasing the sales ratio of electric products, Honda aims to achieve reductions in $CO_2$ emissions for Scope 3 Category 11.

In the short to medium term, Honda plans to continue selling ICE products. We will also maintain our efforts to improve the environmental performance of our motorcycles, automobiles, and power products, actively working to reduce current $CO_2$ emissions.

While the electrification of products will contribute to reducing $CO_2$ emissions, some emissions from the use of electric products may remain depending on the availability and adoption of renewable energy in different countries and regions. Therefore, Honda is committed not only to utilizing renewable energy within its own operations but also to engaging in advocacy efforts to promote and accelerate the transition to clean energy.

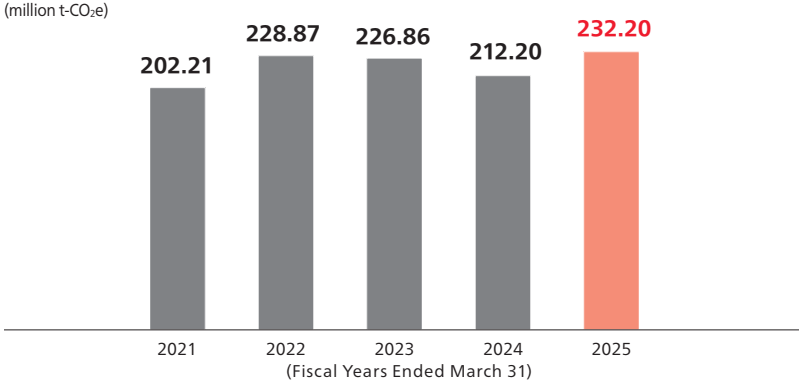
Honda will work towards contributing to the promotion and expansion of clean energy across society, while also exploring direct involvement in supplying clean energy to customers, with the aim of reducing $CO_2$ emissions from the use of electric products.

**Metrics and Targets / Achievements**

| Management Indicator (KGI) | Category | Target<br>Fiscal Year Ending March 31, 2031 |
|---|---|---|
| Total $CO_2$ emissions from products | Consolidated/Business | - * |

* The previously disclosed management indicators (KGI and KPI) for the fiscal year ending March 31, 2031 are currently under review due to changes in the business environment. Honda is in the process of recalculating these targets and plans to disclose updated target figures in its integrated report, "Honda Report 2025."

**Total GHG emissions (Scope 3 Category 11)** ☑



3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Approach

### Reduction of $CO_2$ Emissions from Corporate Activities (Scope 1 and 2)

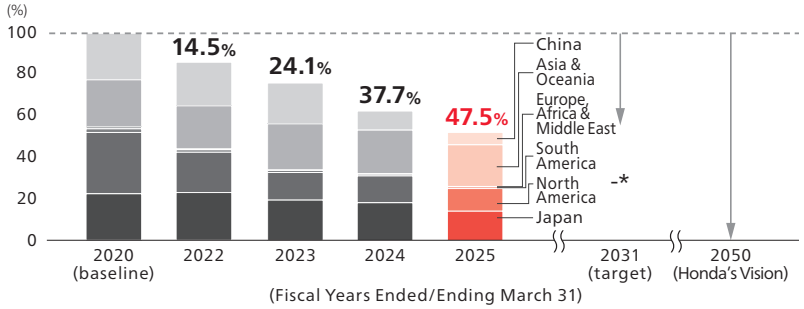
$CO_2$ emissions from corporate activities (Scope 1 and 2) primarily result from direct $CO_2$ emissions during product manufacturing at production sites and indirect $CO_2$ emissions from the use of fossil fuel-based energy in the manufacturing and processing phases. We aim to reduce these emissions by improving production efficiency, electrifying equipment, and substituting energy sources with renewable energy.

**Metrics and Targets / Achievements**

| Management Indicator (KGI) | Category | Target |
|---|---|---|
| | | Fiscal Year Ending March 31, 2031 |
| Reduction rate of $CO_2$ emissions from corporate activities | Consolidated | - * |

* The previously disclosed management indicators (KGI and KPI) for the fiscal year ending March 31, 2031 are currently under review due to changes in the business environment. Honda is in the process of recalculating these targets and plans to disclose updated target figures in its integrated report, "Honda Report 2025."

**Reduction rate of total $CO_2$ emissions from corporate activities (compared to FYE Mar. 31, 2020)**




## Initiatives for Reduction of $CO_2$ Emissions from Product Use (Scope 3 Category 11)

### Key Initiative 1: Expansion and Promotion of Electric Products

**Expanding the Range of Attractive Electric Products**

As part of its approach to becoming carbon neutral by 2050, Honda considers electrification to be the most effective solution for small mobility, including motorcycles and automobiles. To steadily promote the spread and expansion of electric products, it is important to expand the lineup of electric products and to provide attractive electric products and value that will be selected by customers.

Honda will launch the first model of the Honda 0 (zero) Series in 2026, positioning the series as a cornerstone of its future EV business.

The Honda 0 Series is an entirely new EV series created from scratch using a fresh development approach called "Thin, Light, and Wise."

**Providing Value of Honda 0 Series**

The "Thin, Light, and Wise." development approach provides the following five core values:

- Advanced Driver Assistance Systems (ADAS) for enhanced safety and security
- New spatial value created through IoT and connected technology
- High energy efficiency for improved electric vehicle performance
- The joy of driving with a harmonious integration between driver and vehicle
- Artistic design that resonates and captivates

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Initiatives for Reduction of $CO_2$ Emissions from Product Use (Scope 3 Category 11)

For its motorcycles, Honda will expand its product lineup and promote the market launch of electric motorcycles.

In October 2024, Honda launched the electric motorcycle personal commuter "CUV e:" in Indonesia, powered by two replaceable "Honda Mobile Power Pack e:" batteries, followed by the "Activa e:" in India in November 2024, also powered by two replaceable batteries. Additionally, models equipped with fixed batteries were announced. This demonstrates Honda's steady progress in expanding its lineup of electric motorcycles.

In the power products business, Honda is positioning the power unit and garden sectors as key domains for electric products and will accelerate its efforts towards electrification.

Honda, whose products encompass motorcycles, automobiles, and power products, is enhancing its product development capabilities and cost competitiveness through synergies among different business segments. This includes improving technological capabilities through horizontal deployment of technologies and increasing production efficiency by sharing product parts. This approach is also true for the electrification of its products, and Honda will continue to leverage its strength in having a diverse range of mobility products.

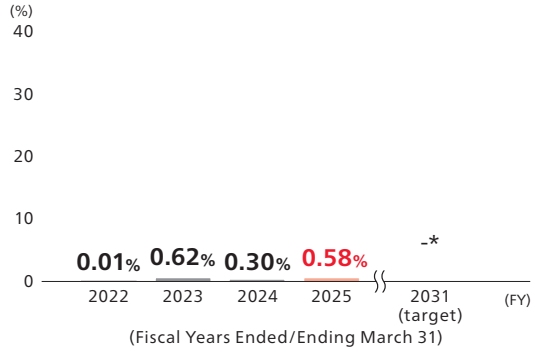
**Metrics and Targets / Achievements**

| Management Indicator (KGI) | Category | | Target |
|---|---|---|---|
| | | | Fiscal Year Ending March 31, 2031 |
| Sales ratio of electrified products | Business | Motorcycles | - * |
| | | Automobiles | |
| | | Power products | |

* The previously disclosed management indicators (KGI and KPI) for the fiscal year ending March 31, 2031 are currently under review due to changes in the business environment. Honda is in the process of recalculating these targets and plans to disclose updated target figures in its integrated report, "Honda Report 2025."

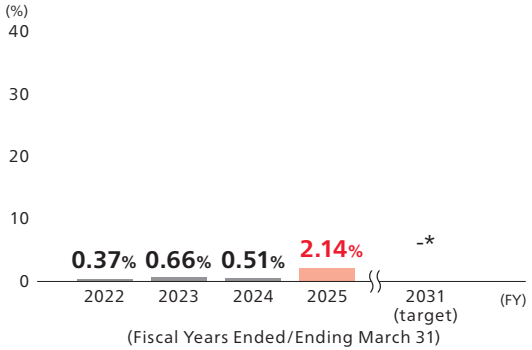
**Sales ratio of electrified products**

**Motorcycles**



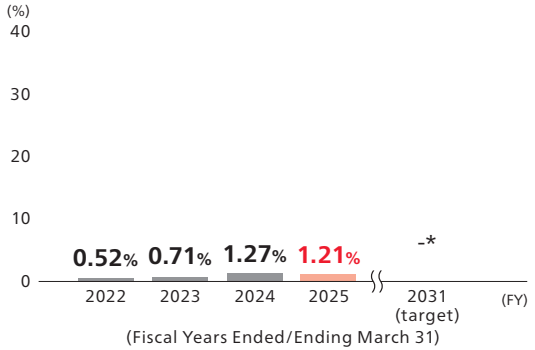

(Fiscal Years Ended/Ending March 31)

**Automobiles**




(Fiscal Years Ended/Ending March 31)

**Power products**




(Fiscal Years Ended/Ending March 31)

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Initiatives for Reduction of $CO_2$ Emissions from Product Use (Scope 3 Category 11)

### Key Initiative 2: Enhancing Product Environmental Performance

**Reduction of $CO_2$ Emissions through Improved Environmental Performance**

Honda is advancing product electrification while also reducing $CO_2$ emissions during use by enhancing the environmental performance of various products, including ICE, HEV, and EV. To guide its efforts in improving environmental performance, Honda utilizes its proprietary "Honda Environmental Performance Standards (HEPS)".

In 2011, Honda established the "Honda Environmental Performance Standards (HEPS)" and set operational guidelines to ensure continuous efforts in this area. The number of HEPS-compliant models across various business sectors was increasing in the fiscal year ended March 31, 2024, indicating steady progress in improving the efficiency of internal combustion engine products, among other advancements.

The results of certifying the products launched in the fiscal year ended March 31, 2025, showed no violations of product and service information or labeling in general.

**Honda Environmental Performance Standards (HEPS)**

- Improving the efficiency of internal combustion engines
- Applying environmental innovation technologies and adapting to diversifying energy sources
- Utilizing renewable energy and total energy management systems

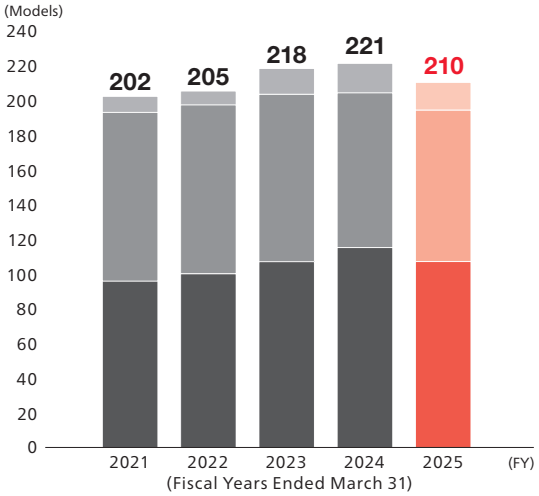
HEPS High Efficiency Products — Efficiency improvement technologies for internal combustion engines

HEPS Innovative Products — Environmental innovation and energy-diversification technologies

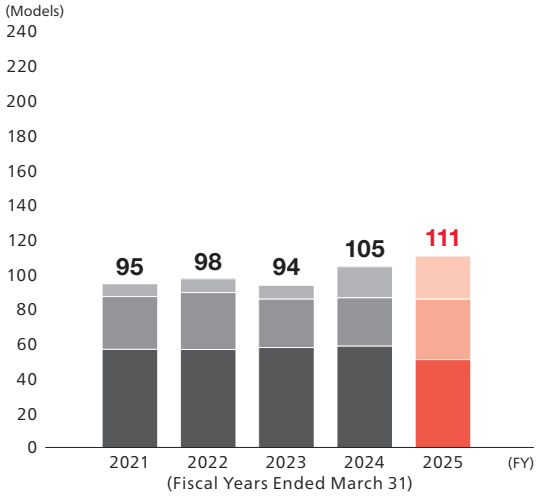
HEPS Revolutionary Products — Renewable energy technologies

**Global Number of HEPS-compliant models**

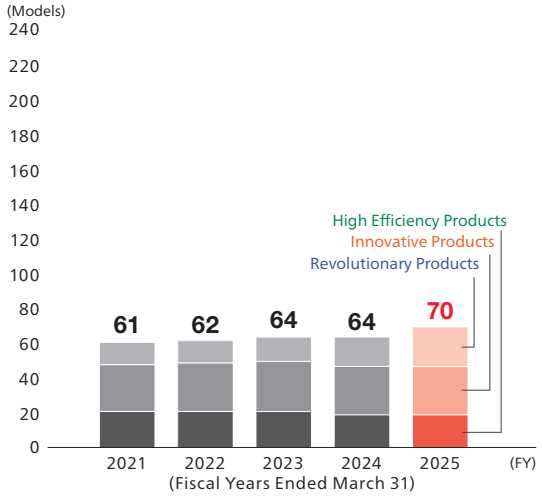
**Motorcycles**




**Automobiles**




**Power Products***




* The figures for the fiscal year ended March 31, 2024 have been corrected due to an error.

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
> Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Climate Change

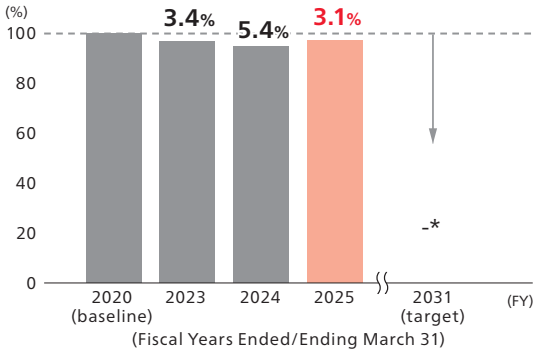
## Initiatives for Reduction of $CO_2$ Emissions from Product Use (Scope 3 Category 11)

### Metrics and Targets / Achievements

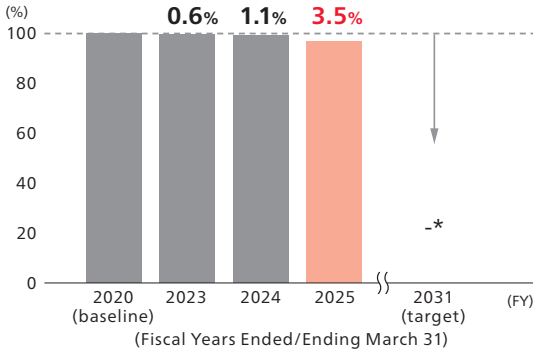
| Management Indicator (KGI) | Category | | Target |
|---|---|---|---|
| | | | Fiscal Year Ending March 31, 2031 |
| Reduction rate of $CO_2$ emissions intensity of product use (compared to FYE Mar. 31, 2020) | Business | Motorcycles | - * |
| | | Automobiles | |
| | | Power products | |

* The previously disclosed management indicators (KGI and KPI) for the fiscal year ending March 31, 2031 are currently under review due to changes in the business environment. Honda is in the process of recalculating these targets and plans to disclose updated target figures in its integrated report, "Honda Report 2025."

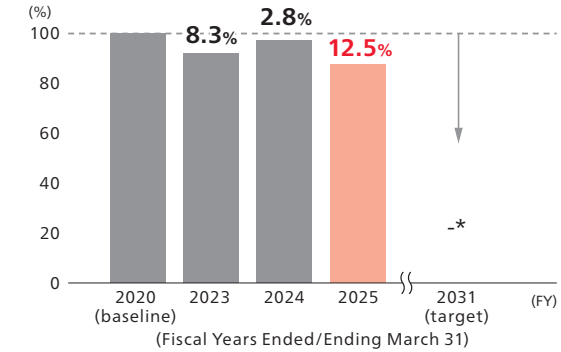
**Motorcycles**




**Automobiles**




**Power products**



3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Initiatives for Reduction of $CO_2$ Emissions from Corporate Activities (Scopes 1 and 2)

### Key Initiative 3: Expansion of Carbon-Neutral Factories

**The starting point for reducing $CO_2$ emissions lies in improving production efficiency and implementing energy-saving measures.**
Honda is actively working to reduce direct emissions (Scope 1) and indirect emissions from energy use (Scope 2) in corporate activities.

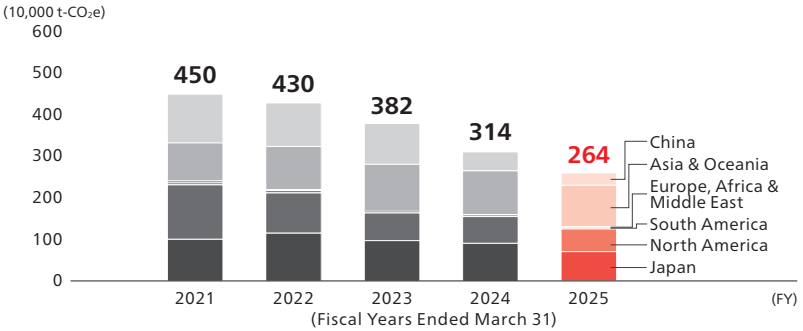
**$CO_2$ Emissions Reduction through Three Key Technologies / Experience and Expertise:**
**1) Improving production efficiency and implementing energy-saving measures**
**2) Electrification of production equipment**
**3) Procurement and utilization of renewable energy**

In the production process, Honda prioritizes improving production efficiency through process enhancements and implementing energy-saving measures. Additionally, the electrification of factory equipment is actively pursued during equipment upgrades or automation.

Furthermore, to address $CO_2$ emissions from the use of fossil fuel-based electricity, we are working on reductions through the procurement and utilization of renewable energy, including the installation of solar panels on factory premises.

In the fiscal year ended March 31, 2025, the Company achieved a reduction of 47.5% compared to the fiscal year ended March 31, 2020, resulting in $CO_2$ emissions of 2.64 million t-$CO_2$e.

**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

**Achieving Carbon Neutral at Saitama Factory Automobile Plant by the Fiscal Year Ending March 31, 2026**

Honda is implementing $CO_2$ emissions reductions from its corporate activities using three key technologies / experience and expertise and defines production sites that have effectively achieved zero $CO_2$ emissions as "carbon neutral factories."

Honda has designated its Saitama Factory Automobile Plant as a leading facility for carbon neutrality and applied three key technologies / experience and expertise. By advancing these initiatives, the Company aims to achieve Honda's first carbon-neutral factory in the fiscal year ending March 31, 2026. The technologies / experience and expertise accumulated through these efforts will be shared across other sites and expanded to achieve carbon neutrality tailored to regional characteristics. Honda will work towards realizing carbon-neutral factories at all its automobile production sites worldwide by the late 2030s.

Saitama Factory Automobile Plant

2-27, 201-2, 302-5

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
> Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Climate Change

## Initiatives for Reduction of $CO_2$ Emissions from Corporate Activities (Scopes 1 and 2)

### Technologies/Experience and Expertise 1: Improving Production Efficiency and Implementing Energy-Saving Measures

Honda believes that the key actions for reducing $CO_2$ emissions from its corporate activities are improving production efficiency and implementing energy-saving measures. To enhance production efficiency, we are reviewing production processes and reducing the number of steps and procedures involved in production.

For energy-saving measures, we are implementing practices such as the utilization of surplus heat, among other strategies, to reduce energy consumptions and lower $CO_2$ emissions.

For example, we are advancing efforts to recover and utilize waste heat generated in the painting process in other equipment. These efforts are not limited to the painting process and are continuously applied across various processes.

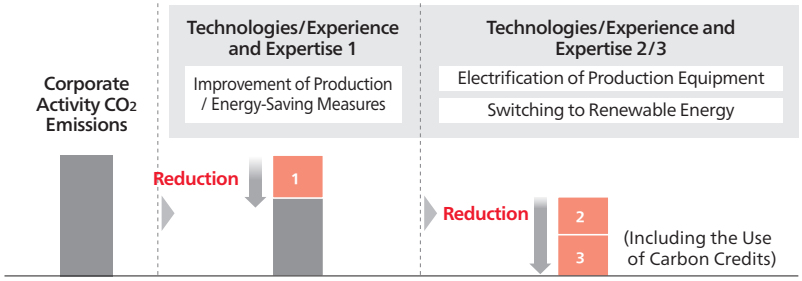
### Technologies/Experience and Expertise 2: Electrification of Production Equipment

Electrifying equipment is an effective measure to reduce $CO_2$ emissions from production processes. For example, we have electrified gas-burning equipment used for drying, which has helped reduce $CO_2$ emissions from the process.

Additionally, by substituting the electricity used for electrified equipment with renewable energy sources instead of fossil fuels, we are achieving further reductions in $CO_2$ emissions.

Going forward, we will continue to focus on electrifying equipment tailored to the characteristics of our production processes.

**Conceptual Diagram of $CO_2$ Emission Reduction from Corporate Activities**




### Technology/Experience and Expertise 3: Procurement and Utilization of Renewable Energy

Honda is actively installing solar panels on buildings and parking lots within its premises.

To make the most of the renewable energy generated by these installations, we are also implementing stationary battery storage systems. This approach aims to minimize the Company's own $CO_2$ emissions from its operations and enhance its reduction efforts.

Additionally, in regions such as Japan and North America, Honda is also advancing the procurement of renewable energy sourced from external suppliers.

As a case example in Japan, Honda has signed a Virtual Power Purchase Agreement (PPA) with Rusutsu Wind LLC in September 2024, and plans to acquire the non-fossil certificate (environmental value) from the fiscal year ending March 31, 2026.

Rusutsu Wind Power Plant (Rusutsu Wind LLC)

2-27, 201-2, 302-5, 417-1, 417-2

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Initiatives for Reduction of $CO_2$ Emissions from Corporate Activities (Scopes 1 and 2)

**Technology/Experience and Expertise 3: Procurement and Utilization of Renewable Energy**

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

More specifically, the Company has installed solar panels on parking lots, factory roofs, regulating reservoirs, and other locations.

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

Saitama Factory Automobile Plant

Hosoe Outboard Engine Plant

Boiling Springs Wind Farm

■ **Use of renewable energy power (global)**

2,835 GWh (increase of 47.1% from the previous year)

**Utilization of Carbon Credits**

Honda is implementing various strategies and innovations to reduce and mitigate $CO_2$ emissions. However, even with these efforts, we anticipate that achieving complete zero $CO_2$ emissions may still be challenging. Therefore, we consider the use of high-quality carbon credits, among other options, as part of our strategy to achieve net-zero emissions.

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Efforts to Reduce Lifecycle $CO_2$ Emissions

### Advancement in Aggregating Corporate GHG Emissions

While the expansion and adoption of electric products are advancing the reduction of $CO_2$ emissions from product use (Scope 3 Category 11), $CO_2$ emissions associated with the manufacturing of materials and components required for these electric products (Scope 3 Category 1) are expected to increase if current trends continue.

To identify the major sources of $CO_2$ emissions (hotspots), Honda has developed and implemented a method for calculating $CO_2$ emissions for each component by breaking down approximately 20,000 parts into about 50 types of constituent materials.

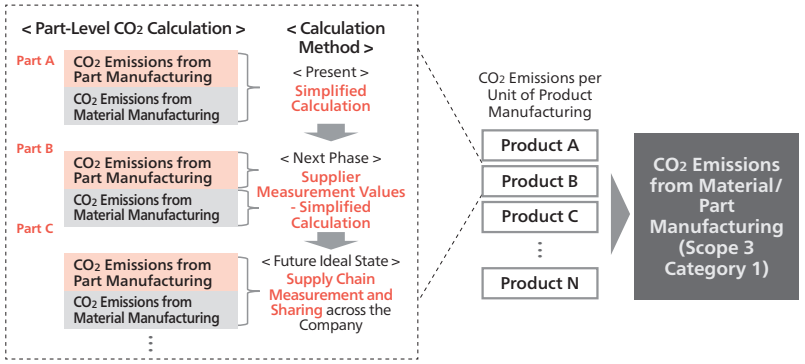
Currently, $CO_2$ emissions during the manufacturing of materials and components are calculated using simplified methods based on industry averages. However, moving forward, it will be possible to more accurately assess $CO_2$ emissions reduction efforts by measuring the actual energy consumption during the manufacturing process.

On the other hand, it is the suppliers who can accurately calculate $CO_2$ emissions during the production of materials and components, as they are directly involved in the manufacturing process. As an ideal approach for the future, we aim to share $CO_2$ emission data calculated by our suppliers along the supply chain. This will enable us to more accurately assess the $CO_2$ emissions of Honda products and, based on this assessment, collaborate with our suppliers on further reduction efforts and initiatives.

Based on the belief that accurate assessment of $CO_2$ emissions enables more effective measures, we are advancing the implementation of a system that can aggregate and analyze $CO_2$ emissions data across the entire Honda value chain, including not only our own corporate $CO_2$ emissions (Scope 1 and 2) but also Scope 3 emissions.

Based on the analysis results obtained, we will utilize them to enhance strategies and measures for further $CO_2$ emission reductions, aiming to achieve carbon neutrality.

**Scope 3 Category 1 Aggregation: Concept Diagram**



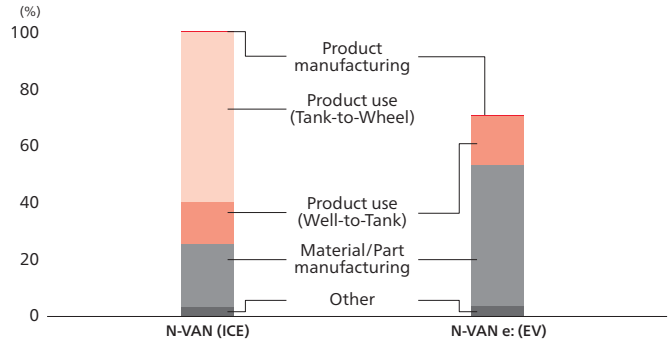

## Efforts to Calculate Product Carbon Footprint

To achieve carbon neutrality by 2050, we are focusing on effective $CO_2$ emission reductions through product electrification and striving for more sustainable, environmentally friendly manufacturing.

To this end, we are quantifying the product carbon footprint across the entire lifecycle and examining areas such as material and component manufacturing, which may result in higher $CO_2$ emissions compared to traditional products. We are also developing technologies and improving product specifications to enable $CO_2$ emission reductions associated with product electrification.

Moving forward, we will incorporate the findings from our carbon footprint assessments into the early stages of product design and development processes, continuously promoting our activities for a lower carbon future.

**Carbon Footprint Comparison of N-VAN (ICE) and N-VAN e: (EV)**



3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Efforts to Reduce Lifecycle $CO_2$ Emissions

### Initiatives for Internal Carbon Pricing (ICP)

Honda has started operating ICP system from 2023 to further accelerate the reduction of $CO_2$ emissions at its Japanese business sites. (Carbon price: 15,000 yen per metric ton of $CO_2$)

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.

At overseas sites, Honda has selected representative sites in each region and begun trials mainly in the area of production.

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
> Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Climate Change

## Basic Approach to Advocacy Activities Related to Climate Change

### Basic Approach to Advocacy Activities

Honda conducts its business and corporate activities guided by the following company principle.

#### Company Principle

We are committed to a global perspective, dedicating ourselves to providing high-quality products at reasonable prices to ensure the satisfaction of customers worldwide.

Honda aims to be a company that society wants to exist by delivering the "Joy of Expanding Life's Potential" to people around the world and contributing to the realization of a sustainable society.

Furthermore, as part of our social responsibility, Honda has set the goals of achieving carbon neutrality across all products and corporate activities by 2050, as well as zero traffic collision fatalities involving Honda motorcycles and automobiles. To achieve these goals, Honda is taking action on its own while also collaborating with external organizations in the countries where we operate, engaging with governments to promote the realization of a sustainable society.

### Our Advocacy Efforts on Climate Change

Honda supports the Paris Agreement and engages in advocacy activities, such as influencing public policy, while conducting its corporate operations.

In the countries and regions where Honda operates, the regulations and policies to be addressed vary. Accordingly, Honda, in line with its Environmental Statement, engages with industry associations and governments. Additionally, for issues that Honda cannot address alone, we collaborate with external organizations in each country and region to promote collective advocacy efforts.

## Our Stance on Climate Change Policies

| Item | Stance |
|---|---|
| Paris Agreement | The Paris Agreement aims to limit the global average temperature rise to 1.5°C above pre-industrial levels by reducing $CO_2$ emissions.<br>Honda supports the Paris Agreement and engages in advocacy activities, such as influencing public policy, while conducting its corporate operations. |
| Carbon Neutrality | To realize a zero environmental impact society, Honda, in alignment with the Paris Agreement, aims to achieve carbon neutrality across all products and corporate activities involving Honda by 2050. As an approach to achieving carbon neutrality by 2050, we believe electrification is the most effective solution for small mobility, such as motorcycles and automobiles. To steadily promote the adoption and expansion of electric products, we are expanding our product lineup and providing attractive products and value that customers will choose. Additionally, in our corporate activities, we are addressing the entire lifecycle—from material and parts procurement to design, development, production, transportation, sales, use, and disposal—not only within our own operations but also in collaboration with numerous global partners to implement $CO_2$ reduction initiatives. |
| Renewable Energy | **<Scope 1 and 2>**<br>Honda is actively installing solar panels at buildings and parking areas on its premises.<br>To maximize the use of self-generated renewable energy, we are installing stationary storage batteries and other systems, focusing on efforts to minimize and reduce $CO_2$ emissions from our corporate activities as much as possible.<br>We are also advancing the external procurement of electricity derived from renewable energy sources.<br>**<Scope 3, Category 11>**<br>While we are reducing $CO_2$ emissions through product electrification, $CO_2$ emissions from the use of electric products may remain depending on the adoption and application of renewable energy in each country and region. Therefore, Honda is not only focusing on the self-use of renewable energy but also engaging in advocacy activities to promote the transition to cleaner energy.<br>By contributing to the broader adoption of clean energy in society, including exploring direct involvement in supplying clean energy to customers, Honda is working to reduce $CO_2$ emissions from the use of electric products. |

201-2, 302-5

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Review of Affiliated Organizations

### Approach to the Review

We reviewed the alignment between the climate change stances of the organizations we are affiliated with and Honda's own stance.

The selection of affiliated organizations for review was based on the following considerations:

- The organization publicly states its climate policy stance.
- The organization operates in Honda's key markets.
- The organization includes participation from Honda's executive-level members.

Based on the above criteria, we selected the following seven organizations (as of March 31, 2025).

Additionally, if an affiliated organization's stance is not aligned with the goals of the Paris Agreement, we will engage in dialogue with them.

| Selected Organization | Business Segment |
|---|---|
| Japan Automobile Manufacturers Association, Inc. (JAMA) | Motorcycles, Automobiles |
| European Automobile Manufacturers' Association (ACEA) | Automobiles |
| The European Association of Motorcycle Manufacturers (ACEM) | Motorcycles |
| Society of Motor Manufacturers and Traders (SMMT) | Automobiles |
| Associação Nacional dos Fabricantes de Veículos Automotores (ANFAVEA) | Automobiles |
| Associação Brasileira de Fabricantes de Motocicletas, Ciclomotores, Motonetas, Bicicletas e Similares (Abraciclo) | Motorcycles |
| World Business Council for Sustainable Development (WBCSD) | Motorcycles, Automobiles, Power Products |

### Review Results

#### Japan Automobile Manufacturers Association, Inc. (JAMA)

| Item | Position |
|---|---|
| Participation of Our Members | Toshihiro Mibe: Vice Chairman (President and Representative Executive Officer, Honda Motor Co., Ltd.)<br>Shinji Aoyama: Chairman of the Mobility Show Committee (Executive Vice President and Representative Executive Officer, Honda Motor Co., Ltd.*)<br>Hironao Ito: Chairman of the Environmental Technology and Policy Committee (Executive Officer, Honda Motor Co., Ltd.) |

* As of March 31, 2025

| Item | Result | Stance |
|---|---|---|
| Paris Agreement and Carbon Neutrality | Aligned | ■ JAMA is fully committed to the challenge of achieving carbon neutrality (CN) by 2050.<br>■ JAMA states that achieving CN by 2050 is an extremely difficult challenge that cannot be realistically accomplished without groundbreaking technological breakthroughs, asserting that it requires the prerequisite of affordable and stable CN electricity supply, as well as strong support through policy and financial measures. |
| Renewable Energy | Aligned | ■ JAMA advocates for a competitive renewable energy expansion plan, as well as the stable supply of low-cost renewable energy and hydrogen in Japan. |

Source: https://www.jama.or.jp/operation/ecology/carbon_neutral_data/pdf/CNMaterial_01.pdf

#### European Automobile Manufacturers' Association (ACEA)

| Item | Position |
|---|---|
| Participation of Our Members | Ian Howells: Committee Member (Executive Vice President, Honda Motor Europe) |

| Item | Result | Stance |
|---|---|---|
| Paris Agreement and Carbon Neutrality | Aligned | ■ ACEA consistently expresses its commitment to the goals of the Paris Agreement and the transition to carbon neutrality by 2050. |
| Renewable Energy | Aligned | ■ ACEA advocates for a more ambitious approach to integrating renewable energy into Europe's transport sector, emphasizing the need for higher targets and a long-term strategy to achieve climate neutrality. |

Sources: https://www.acea.auto/files/ACEA_10-point_plan_European_Green_Deal.pdf (English only; translated into Japanese by Honda)
https://www.acea.auto/files/ACEA_Position_Paper-Revision_CO2_targets_cars_vans.pdf (English only; translated into Japanese by Honda)

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Review of Affiliated Organizations

### The European Association of Motorcycle Manufacturers (ACEM)

| Item | Position |
|---|---|
| Participation of Our Members | Vito Cicchetti: Vice President (Business Transformation Planning Lead & ACEM Representative, Honda Motor Europe) |

| Item | Result | Stance |
|---|---|---|
| Paris Agreement and Carbon Neutrality | Aligned | ■ ACEM advocates for a technology-neutral, multi-pathway strategy to achieve carbon neutrality by 2050. |
| Renewable Energy | Aligned | ■ ACEM supports policy measures to facilitate the integration of renewable energy in transportation, such as introducing mandates for low-carbon or zero-carbon fuels in road transport as part of the revision of the EU Renewable Energy Directive. |

Source: https://www.acem.eu/vision-2030/climate/ (English version only)

### Society of Motor Manufacturers and Traders (SMMT)

| Item | Position |
|---|---|
| Participation of Our Members | Rebecca Adamson: Committee Member (Head of Car (UK), Honda Motor Europe) |

| Item | Result | Stance |
|---|---|---|
| Paris Agreement and Carbon Neutrality | Aligned | ■ SMMT endorses the Paris Agreement and is committed to reducing the environmental impact of the automotive industry. |
| Renewable Energy | Aligned | ■ SMMT supports further development of renewable energy and investment in the grid to maximize electrification and reduce industrial emissions. |

Source: https://www.smmt.co.uk/automotive-intelligence/supporting-sustainability/ (English version only)

### Associação Nacional dos Fabricantes de Veículos Automotores (ANFAVEA)

| Item | Position |
|---|---|
| Participation of Our Members | Otavio Kiyoshi Mizikami: Vice President (Board of Director, Vice President, Honda Automoveis do Brasil) |

| Item | Result | Stance |
|---|---|---|
| Paris Agreement and Carbon Neutrality | Aligned | ■ ANFAVEA clearly expresses its commitment to the Paris Agreement, which aims to reduce greenhouse gas emissions and address climate change. |
| Renewable Energy | Aligned | ■ From the perspective of reducing greenhouse gas emissions, ANFAVEA advocates for the expansion of low-cost and efficient renewable energy, promoting the use of biofuels, particularly ethanol, in addition to electrification. |

Source: https://www.anfavea.com.br (English, Portuguese, and Spanish versions only)

### Associação Brasileira de Fabricantes de Motocicletas, Ciclomotores, Motonetas, Bicicletas e Similares (Abraciclo)

| Item | Position |
|---|---|
| Participation of Our Members | Marcos Bento: President (Board of Director, President, Moto Honda da Amazonia Ltda.) |

| Item | Result | Stance |
|---|---|---|
| Paris Agreement and Carbon Neutrality | Aligned | ■ Abraciclo clearly expresses its commitment to the Paris Agreement in line with the environmental policies set by the Brazilian government. |
| Renewable Energy | Aligned | ■ Abraciclo prioritizes the use of biofuels (ethanol), with Brazil being the first country to use biofuels in motorcycles. Additionally, it supports the adoption of other environmentally friendly technologies focused on carbon neutrality. |

Source: http://www.abraciclo.com.br (English and Portuguese versions only)

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Review of Affiliated Organizations

### World Business Council for Sustainable Development (WBCSD)

| Item | Position |
|---|---|
| Participation of Our Members | Toshihiro Mibe: Committee Member (President and Representative Executive Officer, Honda Motor Co., Ltd.) |

| Item | Result | Stance |
|---|---|---|
| Paris Agreement and Carbon Neutrality | Aligned | ■ The vision and pathway for transformation are aligned with the Sustainable Development Goals (SDGs) and the goals of the Paris Agreement.<br>■ By 2050, we envision a world where global anthropogenic greenhouse gas emissions reach net zero, and global warming is stabilized at +1.5°C above pre-industrial levels. |
| Renewable Energy | Aligned | ■ WBCSD recognizes renewable energy, particularly in electricity consumption, as a key means of decarbonization to achieve the 1.5°C target. It also acknowledges that today's renewable electricity offers advantages in reliability and cost-competitiveness compared to conventional power, and WBCSD is committed to promoting corporate adoption of renewable energy and the transition to low-carbon electricity systems. |

Source: https://www.wbcsd.org/wp-content/uploads/2023/08/WBCSD_Vision_2050_Time-To-Transform.pdf

## Affiliated Organizations in Key Markets

In addition to the seven organizations reviewed, we have listed some of our affiliated organizations that have publicly stated their climate policy stances.

Honda actively participates in the activities of these organizations and will continue to work toward achieving carbon neutrality.

| Country/Region | Organization | Business Segment |
|---|---|---|
| Japan | Japan Automobile Manufacturers Association, Inc. (JAMA) | Motorcycles, Automobiles |
| | Tokyo Chamber of Commerce and Industry | Motorcycles, Automobiles, Power Products |
| United States | National Association of Manufacturers | Automobiles |
| | Alliance for Automotive Innovation (Auto Innovators) | Automobiles |
| Europe | European Automobile Manufacturers' Association (ACEA) | Automobiles |
| | The European Association of Motorcycle Manufacturers (ACEM) | Motorcycles |
| United Kingdom | Society of Motor Manufacturers and Traders (SMMT) | Automobiles |
| | Motorcycle Industry Association (MCIA) | Motorcycles |
| Brazil | Associação Nacional dos Fabricantes de Veículos Automotores (ANFAVEA) | Automobiles |
| | Associação Brasileira de Fabricantes de Motocicletas, Ciclomotores, Motonetas, Bicicletas e Similares (Abraciclo) | Motorcycles |
| Global | World Business Council for Sustainable Development (WBCSD) | Motorcycles, Automobiles, Power Products |

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
> Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Climate Change

## Climate Change-related Disclosures (Response to the TCFD Recommendations)

In treating responses to climate change and energy-related issues as crucial in the environmental field, in April 2021, Honda announced, its vision to "realize carbon neutrality for all products and corporate activities Honda is involved in by 2050." Hence, Honda has declared our support to the Task Force on Climate related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), as well as disclosing information based on the information disclosure framework recommended by the TCFD.

### Governance

Please refer to Global Management. (➡ p. 21)

### Risk management

Honda has established the Risk Management Committee to identify, check and discuss the status of company-wide priority risks which are deemed important for the entire corporate entity. Climate change-related risks such as risks related to environmental regulations and natural disasters caused by climate change are also managed and monitored by the Committee, which leads to promoting more effective risk management activities while considering the characteristics of respective Operations. The Corporate Strategy Operations evaluates and identifies climate change-related risks by conducting scenario analysis in line with TCFD recommendations, reflecting external and internal risk information which includes company-wide priority risks. The results of the scenario analysis of climate change-related risks are shared with the Risk Management Committee. Climate change-related risks are mainly addressed by the Corporate Strategy Operations, Business Operations and Regional Operations as well as by each respective Operation, Supervisory Unit, subsidiary and cross-departmental task force. Important matters related to risk management including the responses to the climate change-related risks are discussed by the Committee, and details of their activities are reported to the Executive Council as appropriate. For more explanation of the risk assessment and management process, please refer to Risk Management (➡ p. 202).

### Strategy

To achieve more sustainable corporate management, Honda identifies and evaluates short-, medium-, and long-term climate change-related risks and opportunities, reflects them in the corporate strategy, and promotes initiatives to generate new business opportunities through advancing Honda's technologies, products and services. Honda will continue its efforts to enhance the corporate resilience.

#### Scenario Analysis Overview

To evaluate and examine the impacts of climate change on our business, Honda has defined multiple scenarios and conducted the scenario analysis noted in the TCFD recommendations. This includes a scenario with significant policy transition which is based on the target laid out in the Paris Agreement "to limit the temperature increase to 1.5°C above pre-industrial levels" (1.5°C scenario) and a scenario where environmental regulations are not strengthened, leading to physical risks increase (4°C scenario).

In the scenario analysis, Honda has examined climate-related risks and opportunities for motorcycle, automobile, and power products businesses in accordance with the classification of the TCFD recommendations and quantified the medium- to long-term financial impact under the scenario to the extent possible for evaluation and analysis.

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
> Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Climate Change

## Climate Change-related Disclosures (Response to the TCFD Recommendations)

For the scenario analysis based on the TCFD recommendations, we primarily used the following scenarios.

### 1.5°C Scenario

Honda refers to NZE (Net Zero Emissions by 2050 Scenario) and APS (Announced Pledges Scenario) of the IEA (International Energy Agency) and the IPCC (Intergovernmental Panel on Climate Change) AR6 SSP1-1.9.

As part of the 1.5°C scenario, Honda assumes that measures to achieve carbon neutrality by 2050 will be promoted across the world in the long-term and that the development and use of new technologies will promote the widespread use of carbon-free products and renewable energy. Additionally, we have assumed that the transition to a circular economy will accelerate. In the automobile industry, despite uncertainties due to policy changes, we assume even more stringent regulations on fuel efficiency and Zero-Emission Vehicles (ZEVs) in the long-term, and, as a result, producing a rise in demand for Electric Vehicles (EVs) and Fuel Cell Electric Vehicles (FCEVs) — although mainly in developed countries.

Furthermore, in the motorcycle, automobile, and power products businesses, we assume that customers' sense of value will shift, with an increasing number developing a preference for carbon-free products and services.

### 4°C Scenario

Honda has developed our 4°C scenario by using IPCC AR6 SSP3-7.0. In the 4°C scenario, we assume that irreversible environmental changes will occur, leading to more frequent and more severe natural disasters.

### Metrics and Targets

Please refer to the List of Company-Wide Environmental Targets (KGI/KPI) (➡ p. 20) and Environmental Data (Trends in Total GHG Emissions) (➡ p. 63).

**Risks and Opportunities and Honda's Responses*1**

| Classification / Scenarios | | | Risk | Impact | Period*2 | Opportunity | Response |
|---|---|---|---|---|---|---|---|
| Transition Risk | 1.5°C | Policy and Regulation | ■ Payment of fines for failure in complying with fuel efficiency regulations<br>■ Drop in unit sales of Internal-Combustion Engine (ICE) vehicles due to more stringent fuel efficiency regulations | More than 100 billion yen | Medium-term | ■ Increase in sales due to a sales expansion of electrified products and services<br>■ Reduction of business operation costs through introducing the higher energy efficiency production facilities and utilization of renewable energy | ■ Introduce innovative environmental technologies, such as electrification, to become carbon neutral, diversifying energy sources and implementing total energy management initiatives<br>■ Promote the improvement of production efficiency, implementation of energy-saving measures, shifting to low-carbon energy and use of renewable energy |
| | | | Increased costs due to carbon tax and Emissions Trading System (ETS), etc. | Between 10 billion yen and 100 billion yen | | | |
| | | Changes in Market | Increase in energy purchase prices due to cleaner energy in the market | Between 10 billion yen and 100 billion yen | Medium-term | | |
| Physical Risk | 4°C | Acute/ Chronic | Suspension of production resulting from natural disasters, which will damage Honda's production bases and disrupt its supply chain | Between 10 billion yen and 100 billion yen | Long-term | ■ Increase in sales of electrified products that can be used as an emergency power source when the need for power supply increases during a disaster | ■ Formulation and revise of business continuity planning (BCP), Implementation of countermeasures by conducting trainings<br>■ Revise and strengthen the supply chain |

*1 This list is not intended to be exhaustive and does not cover all risks and opportunities or Honda's measures with respect thereto.

*2 The timeframes are defined based on the timing of the effects that are expected to occur. The short-term refers to within one year (aligned with the annual action plan period), the medium-term covers the period from the next two years through the fiscal year ending March 2031 (aligned with medium-term management plan period), and the long-term covers periods beyond the fiscal year ending March 2031 through 2050 (2050 as the benchmark year for Honda's carbon neutrality goals).

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
> Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Pollution

## Initiatives

### Initiatives to Prevent Environmental Pollution

In accordance with the Honda Environment Statement, Honda will comply with all laws, regulations, and ordinances related to air pollution, water pollution, soil pollution, and other hazardous substances, and will strive to prevent environmental pollution and control the emission of pollutants and contaminants.

### Air Pollution

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.

In product areas, 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 91% 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.

In the area of corporate activities, Honda is working to reduce the emissions of Volatile Organic Compounds (VOCs), which are solvent components in paint and thinner used in the paint processes and cause photochemical oxidants.

**Environmentally friendly products**

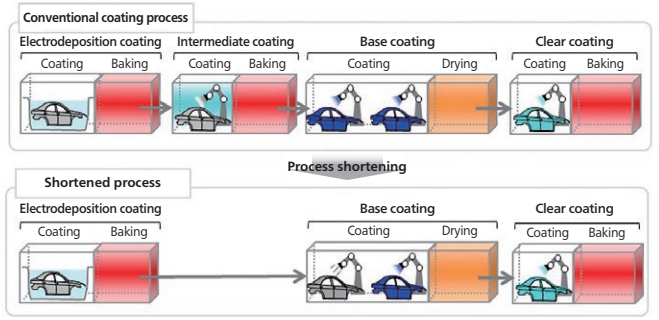

EM1 e:


CR-V e:FCEV

EU3200i

In the production of automobiles , Honda is globally implementing the short-process, high-functionality coating technology "Honda Smart Ecological Paint"*3, starting from the Saitama Factory Automobile Plant.

**Efforts to Reduce VOC Emissions**




To reduce the use of organic solvents, which are a source of VOCs, the reduction of the amount used is being promoted by using water-based coating materials and shortening the coating process.

In addition, Honda employs a combustion exhaust system (RTO: Regenerative Thermal Oxidizer) to burn and deodorize the VOCs contained in the exhaust air before releasing it into the atmosphere.

*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

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
> Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Pollution

## Initiatives

### Water Pollution

Honda selects areas where it can operate in harmony with the surrounding water resources and conducts its corporate activities in accordance with the environmental assessment laws and regulations of each country.

Honda treats wastewater and discharges treated water in accordance with applicable laws and regulations of each country and region-specific rules, etc., and works to manage and provide information on wastewater, which includes thorough quality control and the disclosure of water quality test findings.

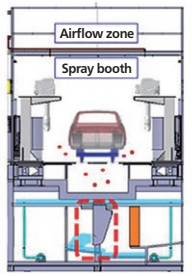
To reduce the environmental burden, Honda is promoting the recycling of wastewater for reuse and the reduction of wastewater volume by using dry booths in the painting process.

### Soil Pollution

Honda properly conducts soil management in accordance with the relevant laws and regulations of each country. When necessary, Honda also conducts soil contamination surveys and remediation measures.

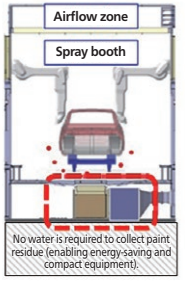
**Efforts to Address Water Pollution**

Conventional Painting Booths

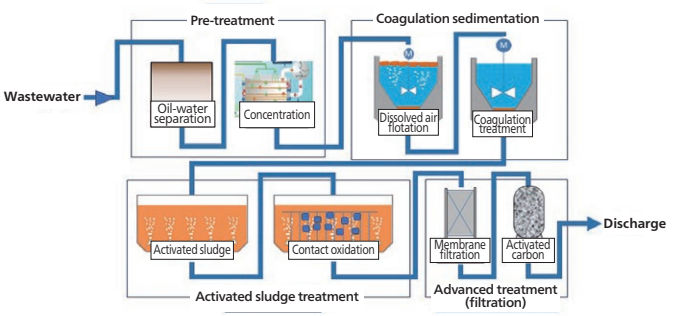



Paint residue is collected using water (generating wastewater).

Dry-Type Painting Booths




Paint residue is collected using filters (reducing wastewater).



3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
> Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Pollution

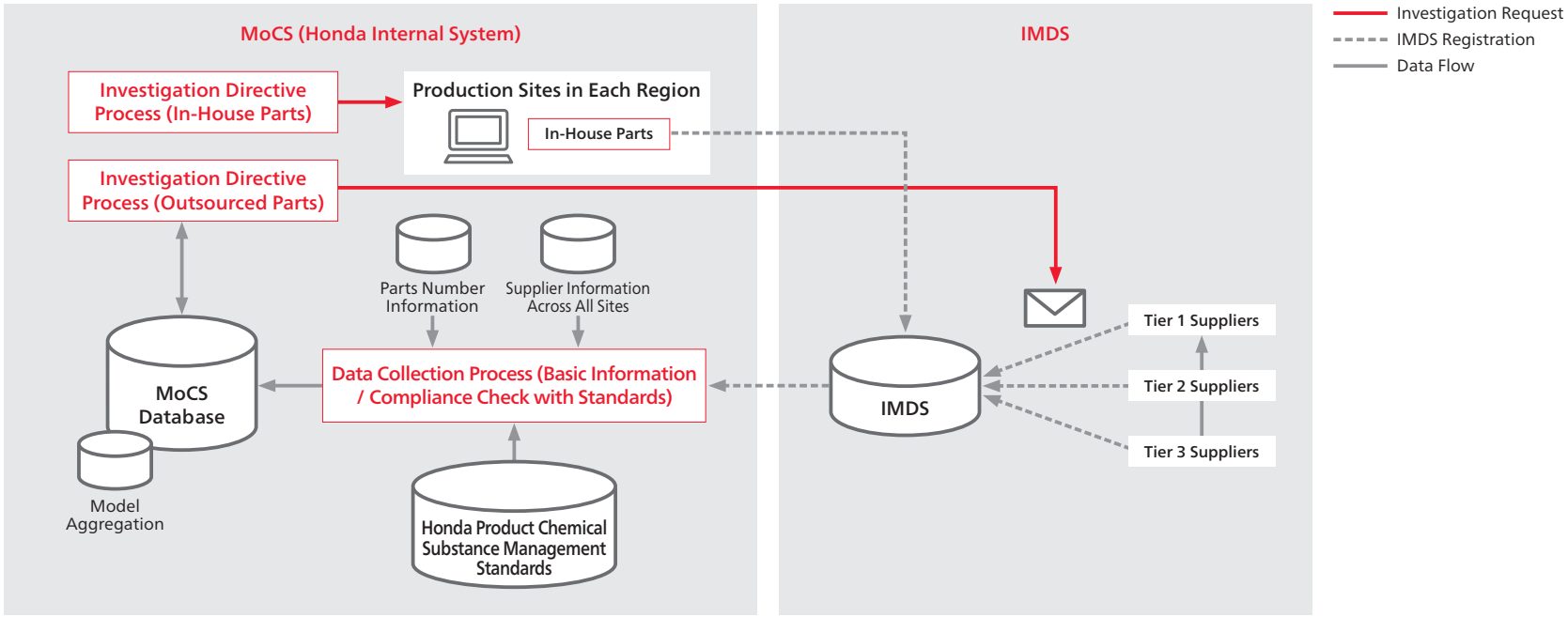
## Initiatives

### Harmful 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).

**Efforts in Chemical Substance Management**



3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
> Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Water

## Initiatives

Regarding water resources as natural capital, water-related problems are becoming more serious, such as floods and droughts caused by the effects of climate change and the expected increase in water demand due to the growth of the world's population.

Honda recognizes the potential impact on local communities and downstream water resources in areas where we draw water and is committed to water conservation.

We select regions that harmonize with surrounding water resources and conduct our corporate activities in accordance with environmental assessment regulations in each country.

With the aim of achieving zero industrial water withdrawal by 2050, we are also working to minimize water use, such as utilizing recycled water and water conservation, taking into account local conditions.

In addition, with an eye on supply risks that could affect our businesses and depletion risks that could affect local communities, we aim to reduce the total amount of water withdrawn across all Honda corporate activities.

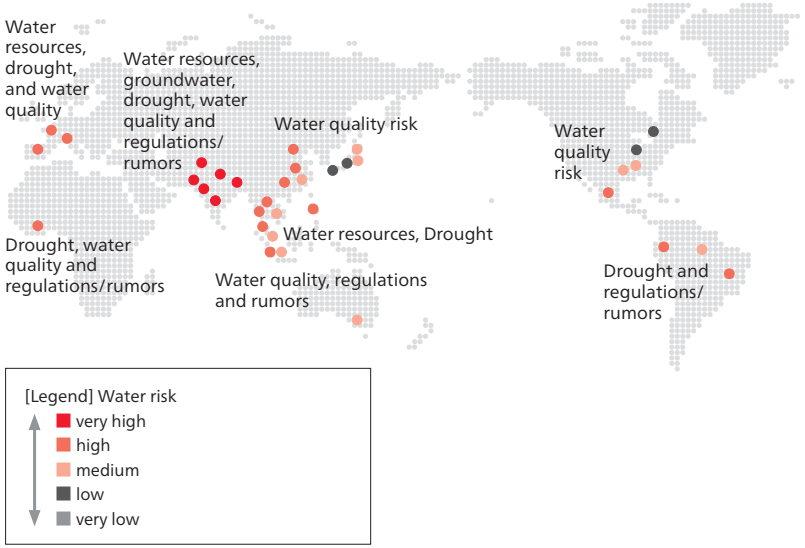
**Metrics and Targets / Target for 2050**

| Management Indicator (KGI) | Category | Target: Fiscal Year Ending March 31, 2031 | Target for 2050 |
|---|---|---|---|
| Reduction rate of total water intake in corporate activities | Consolidated (compared to BAU) | - * | **Zero industrial water withdrawal** |

* The previously disclosed management indicators (KGI and KPI) for the fiscal year ending March 31, 2031 are currently under review due to changes in the business environment. Honda is in the process of recalculating these targets and plans to disclose updated target figures in its integrated report, "Honda Report 2025."

Water is a resource that is unevenly distributed by region and season, etc. At our production sites that use a large amount of water, we verify and identify risks in terms of water resources, groundwater, drought, water quality, regulations/rumors, etc. in the site areas using evaluation indicators such as AQUEDUCT and Water Risk Filter. We are thus promoting risk-based initiatives.

**Operational risk: Water heat map**



3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
> Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Water

## Initiatives

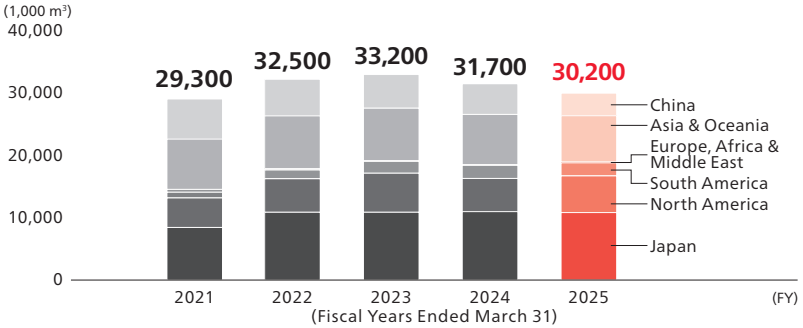
Honda has prioritized the introduction of a water recycling system at the Celaya Auto Plant of Honda de Mexico S.A. de C.V. in Mexico, the Tapukara Plant of Honda Cars India Ltd. in India, and the No. 2 Plant of GAC Honda Automobile Co., Ltd. in China, where the water risk is particularly high.

■ **Recycled water consumption (global manufacturing sites)**
3.16 million $m^3$/year (approximately 14% of the total amount used)

Regarding wastewater, 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 the amount of wastewater is appropriately being managed.

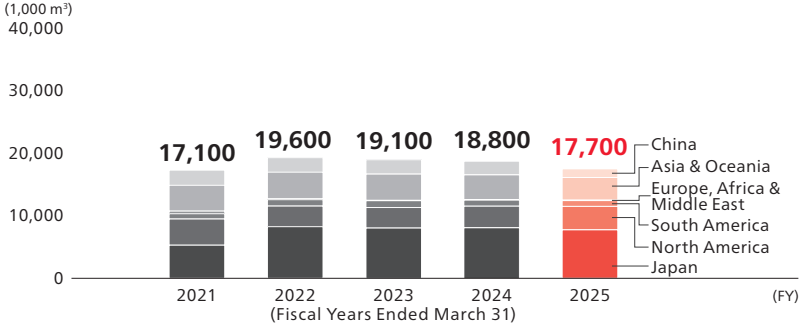
Honda will continue to introduce its water recycling system around the world and strive to reduce the environmental impact.

**Amount of water intake** ☑




Calculation method: Amount of water intake = Σ (Purchased from water utilities + Groundwater intake + Rainwater utilization + Intake of surface water, such as from rivers)
· Expressed in three significant digits

**Wastewater volume** ☑




Calculation method: Wastewater volume = Σ (Wastewater processed through sewerage systems or other treatment facilities + Discharge directly into public waters)
· Figures include some estimated values.
· Expressed in three significant digits

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
> Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Biodiversity and Ecosystems

## Basic 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 restore and rehabilitate them.

### Honda Biodiversity Guidelines

**Basic Statement**

We recognize, under the Honda Environment Statement, that biodiversity conservation initiatives are an essential part of our commitment to the preservation of the global environment. We will continue to work toward harmony between this commitment and our activities.

**Priority Activities**

**1.** Development of Environmental Technology
We will contribute to the conservation of biodiversity by developing and disseminating technologies for fuel-efficient vehicles, next-generation cars, and energy-production and other technologies for the reduction of environmental impacts.

2. Initiatives Based on Corporate Activities
We will work to reduce environmental impacts and ensure the effective use of resources through efficiency improvements.

3. Cooperation with Communities
We will implement community-based activities in cooperation with stakeholders, using expertise accumulated by Honda through its initiatives to protect ecosystems, such as the Community Forests and Hello Woods initiatives.

4. Disclosure and Sharing of Information
We will share information with society by disclosing the outcomes of our activities.

Established in May 2011

201-2, 304-1, 304-2, 304-3, 304-4

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
> Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Biodiversity and Ecosystems

## Approach

### Priority Site Assessment

In concretizing biodiversity initiatives at our production sites, we use indicators from the Integrated Biodiversity Assessment Tool (IBAT) to perform a comprehensive evaluation of biodiversity risks at these sites.

Specifically, the evaluation was conducted from the following six perspectives:"number of Protected Areas," "number of Key Biodiversity Areas (KBAs)," "number of endangered species on land," "number of endangered species in watersheds," "potential to reduce extinction risk through conservation activities," and "effectiveness of environmental restoration / nature rehabilitation through conservation activities." We then identified sites with relatively high risk.

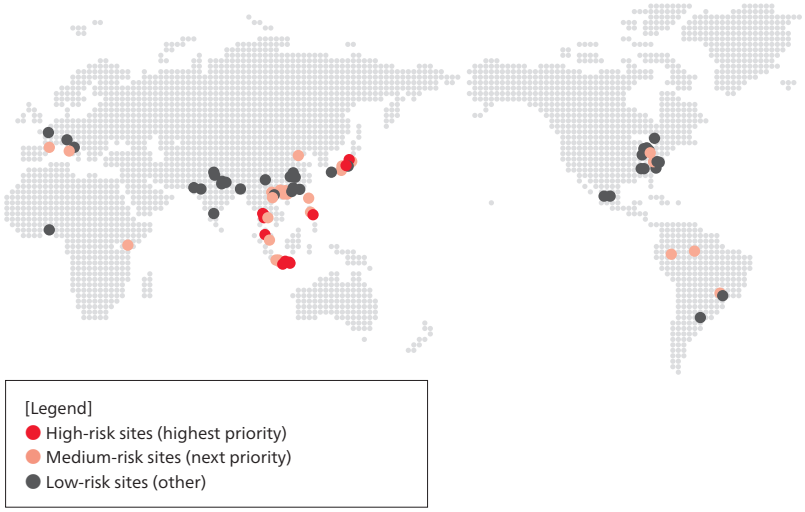
Based on the results, we identify priority sites and consider specific measures for biodiversity conservation.

The assessment and identification of endangered species and priority sites are conducted with the support of BirdLife International Tokyo, a specialized organization in biodiversity evaluation.

We also believe that water risk is also crucial to biodiversity conservation and will consider initiatives linked to water risk.

## Priority Site Assessment: Heat Map

### Priority Analysis for Biodiversity Conservation




201-2, 304-1, 304-2, 304-3, 304-4

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
> Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Biodiversity and Ecosystems

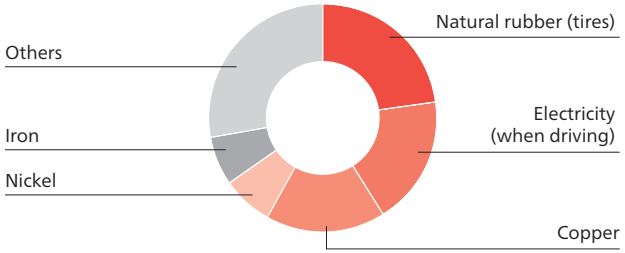
## Approach

### Product Evaluation

Products incorporate a variety of materials, some of which may potentially impact biodiversity.

Therefore, Honda is undertaking initiatives to conduct a preliminary assessment of the potential impacts of materials used in our products on biodiversity. Based on the evaluation results, we will conduct more detailed analyses for materials that have a potential for significant impact. We will also consider measures to reduce the effects of our products on biodiversity.

**Results of the Primary Assessment of Biodiversity Impacts of Products**




[Calculation Conditions]
· Vehicles evaluated: compact electric vehicle
· Energy consumption during production: in Japan in 2020
· Lifetime mileage: 200,000 km
· Inventory data: IDEA v2.3
· EINES assessment (biodiversity impact): LIME2

## Initiatives

### Biodiversity Conservation Activities

In April 2022, Honda joined the "30by30 Alliance for Biodiversity," led by the Ministry of the Environment in Japan, and is working towards obtaining certification for areas recognized as "Nature Symbiosis Sites*," where biodiversity conservation is achieved.

Since its opening in 1997, Mobility Resort Motegi has been conducting corporate activities in harmony with the environment under the theme of symbiosis between people, nature, and mobility, and was certified as a Nature Symbiosis Site in October 2023.

In addition, Saitama Factory Automobile Plant, (Yorii Factory), which has been maintaining a natural environment in consideration of biodiversity and preserving endangered species by installing a biotope on the plant site, was also certified as a Nature Symbiosis Site in September 2024.

Moving forward, in addition to the above two locations, Honda aims to obtain Nature Symbiosis Site certification at other priority domestic sites based on biodiversity assessments, and to promote biodiversity restoration and regeneration activities.

In the future, we plan to establish internal standards equivalent to the Nature Symbiosis Site certification and expand these efforts to our overseas facilities.

30by30 Alliance Logo


Saitama Factory Automobile Plant (Yorii Plant)
Nature Symbiosis Site Certification

Rice planting activity by local residents and associates (Yorii Factory)

* Natural Symbiosis Sites: Areas that the government certifies as "areas where biodiversity is being conserved through private sector efforts, etc."

201-2, 304-1, 304-2, 304-3, 304-4

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
> Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Biodiversity and Ecosystems

## Initiatives

### U.S.A.: Honda Power of Dreams Forest

On the premises of our production site in Union County, Ohio (Honda Development & Mfg. of America, LLC), we planted 85,000 trees in April 2024 to establish the "Honda Power of Dreams Forest." This is an extensive 40.5 hectares project along Flat Branch Creek near Honda's Marysville Factory and East Liberty Automobile Plant. It is intended to improve riparian buffers and increase biodiversity by providing habitat for a variety of animals, birds, insects, and plants.

Tree planting activities

### 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

### 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

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
> Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Biodiversity and Ecosystems

## Initiatives

### Indonesia: Conservation of Flora and Fauna with Emphasis on Biodiversity

P.T. Honda Prospect Motor, an automobile production plant, is working with the local community to conserve biodiversity on its premises.

Sixty-five animal species have been identified, including native species such as the Javanese black chicken and a variety of endangered species. In addition, as part of its plant conservation efforts, the company has established a plant nursery on its premises to cultivate and conserve local plant species, further strengthening the efforts to conserve the rich biodiversity of the region.

Protection and breeding of animals

## 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. In the activities, production sites protect and manage the forest watersheds from which they receive benefits and implement optimal initiatives tailored to each region.

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

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

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

3 Environment

Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
> Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Resource Use and Circular Economy

## Basic Approach

### Environmental Impact of Mining Scarce Resources Associated with Product Electrification

Our lives involve production, consumption, and disposal, relying on various resources. Driven by global population growth and economic development, the demand for resources continues to rise, and extensive resource extraction has become a societal issue. This is because, in addition to consuming limited resources in large quantities, resource extraction entails energy consumption, $CO_2$ emissions, and land alteration, resulting in environmental impacts that depend on and affect natural capital.

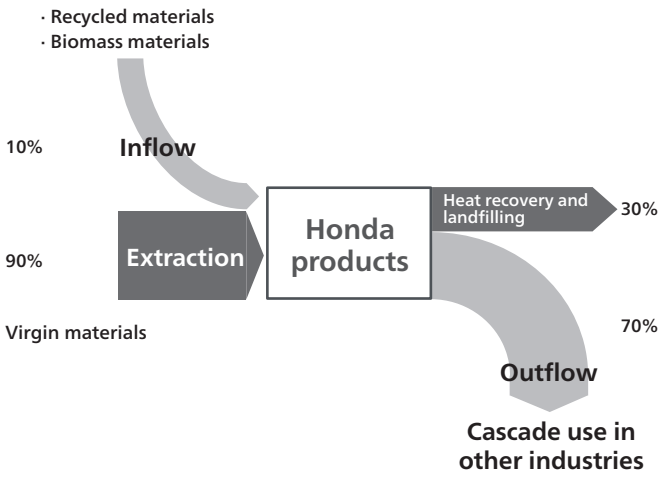
Electrification of products is an effective means of reducing $CO_2$ emissions during product use. However, compared to traditional internal combustion engine vehicles, electric vehicles use larger amounts of scarce resources such as copper, nickel, cobalt, lithium, and rare earth elements.

The extraction of scarce resources involves substantial energy consumption and significant $CO_2$ emissions. Therefore, it is crucial to focus on efficient resource use (referred to as resource circulation) that enables low-energy and sustainable recycling.

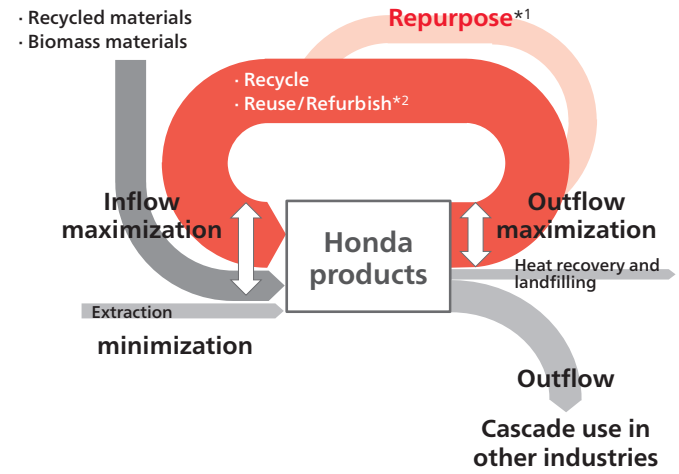
Currently, approximately 90% of the resources used in new car manufacturing rely on newly mined materials. Although about 70% of the resources from dismantled vehicles are recycled and reused, they are often cascaded to other industries, with the remaining 30% either incinerated for heat recovery or landfilled. The high-quality requirements for automotive materials make the use of recycled materials costly. Moreover, advancing the electrification of products increases the demand for scarce resources, leading to potential risks of rising resource prices and supply shortages, which could affect the availability of products and services. Therefore, it is essential to promote resource circulation that provides economic feasibility to recycled materials.

In a traditional linear business model based on production and disposal, the recycling process is not included in the supply chain. We are working to go beyond the conventional business model and achieve resource circulation by collaborating with relevant industries. Alongside our efforts towards carbon neutrality, we are addressing societal challenges related to resource utilization, striving to continuously provide the "joy and freedom of mobility" through our mobility solutions.

**Traditional Material Flow**




**Ideal Circular Material Flow**




*1 Repurpose: Secondary use of own products for other purposes after primary use
*2 Refurbish: To add new value to used vehicles by improving performance and service through the latest updates

3 Environment

Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
> Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Resource Use and Circular Economy

## Approach

### Achieving Horizontal Recycling by Maximizing the Use of End-of-Life Products

Honda aims to achieve resource circulation through horizontal recycling*, which maximizes the use of End-of-Life Vehicles (ELVs). This approach requires the development of a new "circular value chain." To build this value chain, Honda is working to acquire capabilities beyond its current corporate activities. The insights and technologies gained from this effort are expected to support new businesses and products designed with a circular economy in mind, as well as the innovative technologies to achieve them. Consequently, we focus on transforming our business from a mass consumption model to a circular one.

### Creating Economic Viability in Resource Circulation

Fully utilizing the value of products and parts during their lifecycle and highly efficient recycling of used products while ensuring economic viability throughout a product are both vitally important for resource circulation.

To fully utilize the value of products and components, we will focus on reusing and repurposing them.

We will also utilize data to "visualize value" throughout the product lifecycle, facilitating regulatory compliance, proper transactions of products and components, and promoting their effective use.

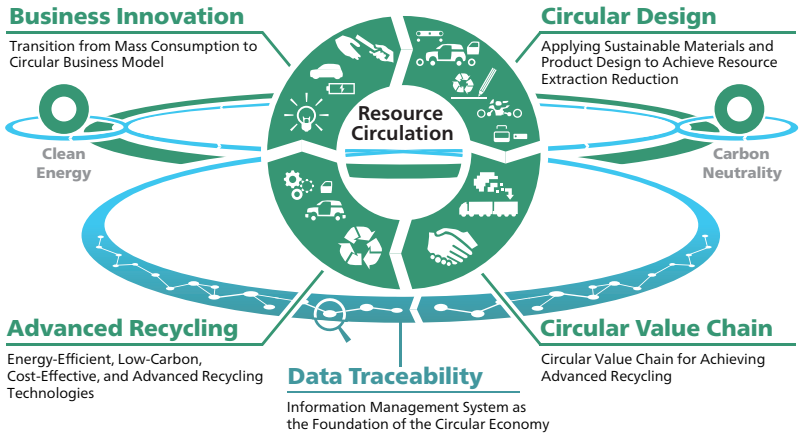
To efficiently recycle used products, it is crucial to incorporate "circular-oriented materials and design" into the products. For the products currently under development, we are advancing the replacement of materials with those designed for circularity, integrating material types, and adapting material specifications and manufacturing methods to accommodate the use of recycled materials. Additionally, we are working on designs that facilitate easy disassembly of ELVs and transforming components made of multiple materials into structures that allow for easy separation into single materials, avoiding the inclusion of contaminants during the recycling process.

In addition to embedding these approaches into products, we will also focus on expanding future horizontal recycling efforts. For this purpose, we are working with our partners to develop advanced recycling technologies, including those for dismantling, shredding, sorting, and reprocessing materials, all aimed at balancing environmental impact reduction and economic viability.

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

## Five Key Principles of Resource Circulation

**Resource Circulation Concept Diagram**




**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.

**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 $CO_2$ 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 through the extensive use of digital technologies.

**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 on optimizing specifications across the entire supply chain involved in resource circulation, including material manufacturers and dismantling and shredding industries, to build a circular value chain that maximizes economic efficiency.

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
> Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Resource Use and Circular Economy

## Approach

### Path to Business Transformation Considering the Product Lifecycle

Honda has set "efficient utilization of resources" as a materiality and aims to achieve "100% sustainable material usage" by 2050.

**Product resource circulation**

| Target for Fiscal Year Ending March 31, 2031 | Target for 2050 |
|---|---|
| Set internal milestones | Use of sustainable materials **100**% |

Generally, automobiles, after being manufactured and sold, reach customers and undergo around a decade of use before reaching the end of their lifecycle. Therefore, efforts related to resource circulation require time to realize their benefits. To achieve "100% sustainable material usage" by 2050, it is essential to implement initiatives with the entire product lifecycle in mind.

Honda is addressing the realization of product resource circulation by dividing the period up to 2050 into two major phases. Specifically, until the early 2030s we are focused on "acquisition of pioneering capabilities" and "preparation of circular business models, products, and innovative technologies." The latter half from late 2030s is anticipated to be the period when the effects of these preparations begin to manifest, focusing on "business transformation effects and the implementation of innovative technologies." Recognizing that achieving the envisioned 2050 goals requires more than just in-house business areas and technology development, Honda is collaborating with partners in fields outside its current business scope. This approach aims to acquire capabilities to expand business areas ahead of competitors. Additionally, Honda is engaging in technology development with various manufacturers of materials, components, and parts, focusing on circular business models and innovative technologies. The goal is for these preparations to result in business transformation effects in the latter half of the 2030s and to enable further implementation of innovative technologies.

### Acquisition of Pioneering Capabilities and Preparation of Circular Business Models, Products, and Innovative Technologies

Looking ahead to the period when the effects of upcoming business transformations will manifest in over a decade, we are considering collaborations with various partners to construct a circular value chain.

**Acquisition of Pioneering Capabilities**

To build a circular value chain, we have established a joint venture, ALTNA Co., Ltd., with Mitsubishi Corporation.

ALTNA will not only engage in smart charging and repurposed energy storage businesses but also start offering leasing products using Honda's EV vehicles. During the lease period, we will monitor the battery's usage, and collect batteries that are no longer in use. By continuously monitoring the battery's condition from vehicle use, we will leverage the data obtained to maximize the utility of collected batteries, contributing to long-term and stable operations. The leasing prices are set with the premise of long-term utilization of batteries from vehicle to stationary use, which helps reduce the economic burden for EV owners.

Additionally, batteries that have completed their use in vehicles and stationary applications will be recycled as part of our efforts to achieve a circular value chain.

**For information on the establishment of ALTNA, please refer to**
https://global.honda/en/newsroom/news/2024/c240613aeng.html

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
> Resource Use and Circular Economy ..... 50
Environmental Data ..... 58

# Resource Use and Circular Economy

## Approach

### Preparation of Circular Business Models, Products, and Innovative Technologies

As part of our efforts to establish circular business models, products, and innovative technologies, we are collaborating with various manufacturers handling different materials, components, and parts. Achieving horizontal recycling in the resin sector is particularly challenging due to economic feasibility issues. Therefore, we have initiated demonstration experiments on horizontal recycling with Mitsubishi Chemical Corporation and the Hokkaido Auto Dismantler Corporation for acrylic resins, and with Idemitsu Kosan Co., Ltd. for plastics.

In partnership with Toray Industries, Inc., we have successfully developed a technology to return nylon resin to its monomer state. This technology uses subcritical water as a solvent, eliminating the need for traditional acid catalyst waste treatment and allowing for the conversion of recycled materials into products with performance and quality equivalent to virgin materials with high yield in a short time. The reduction in reaction time has enabled continuous processing equipment, which helps lower capital investment costs. This is expected to reduce the cost of providing recycled materials.

Honda is committed to developing advanced recycling technologies that balance low energy consumption with economic feasibility.

Mitsubishi Chemical Corporation (Acrylic resins)

Toray Industries, Inc. (Nylon resins)

Idemitsu Kosan Co., Ltd. (Plastics)

### Efficient Use of Resources in Corporate Activities that Are Part of the Product Life Cycle

Honda focuses on waste reduction and water conservation in its corporate activities.

#### Waste

Honda is committed to reducing waste and other materials*1 in its corporate activities, with a focus on effective use of resources and reduction of environmental impact. We are working on the 3Rs (Reduce, Reuse, Recycle), including resource reduction, such as reducing scrap materials in the production processes, and aim to reduce the amount of waste generated in all Honda corporate activities.

**Metrics and Targets / Target for 2050**

| Management Indicator (KGI) | Category | Target: Fiscal Year Ending March 31, 2031 | Target for 2050 |
|---|---|---|---|
| Reduction rate of total water intake in corporate activities | Consolidated (compared to BAU) | - *2 | Zero industrial waste |

*2 The previously disclosed management indicators (KGI and KPI) for the fiscal year ending March 31, 2031 are currently under review due to changes in the business environment. Honda is in the process of recalculating these targets and plans to disclose updated target figures in its integrated report, "Honda Report 2025."

*1 Total amount of waste and valuable resources based on GRI standards

201-2, 301-3, 306-1, 306-2, 306-3, 306-4, 306-5

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
> Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Resource Use and Circular Economy

## Initiatives

### 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, repurposing, and refurbishing 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 installed in the "N-VANe:" light commercial EV released in 2024, Honda has launched 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

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

Starting in April 2024, Honda 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. As of the fiscal year ended March 31, 2025, the application of this sustainable material has been expanded to three models: CR-V e: FCEV, N-BOX JOY, and N-VAN e:.

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

For the "N-VAN e:" light EV released 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 | SUSTAINABLE MATERIALS | N-VAN e: | Light Vehicle (Japanese only)**
https://www.honda.co.jp/N-VAN-e/susmate/?msockid=3ffe3b2f158a6ff40f3d2e8414f06e2c

Front grille parts made of "recycled bumper material"

**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.

**Honda's official used car search site | Imakore+ (Japanese only)**
https://ucar.honda.co.jp/LP/ImakorePlus

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
> Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Resource Use and Circular Economy

## Initiatives

**Initiatives to Restructure the Aluminum Circulation (Advanced Recycle)**

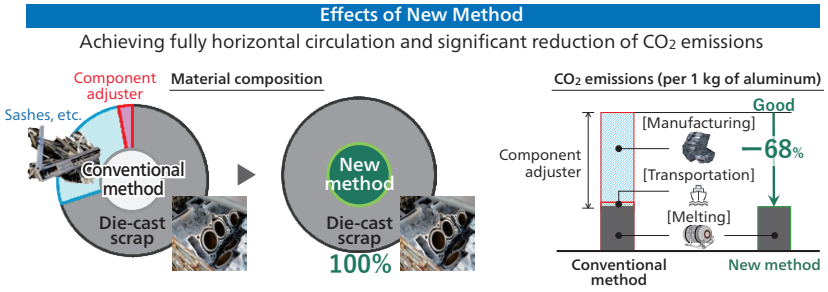
Starting in November 2024, we initiated horizontal recycling of aluminum die-cast parts for engines at the Saitama Factory Engine Plant.

Since aluminum die-cast alloy scrap contains attached iron components, it was necessary to dilute the scrap with high-purity aluminum scrap to reduce the iron concentration in the alloy.

By developing a technology to remove iron components from molten aluminum alloy, we achieved 100% horizontal recycling of scrap of the same material (ADC12 series).

This has enabled us to reduce the use of high-purity aluminum scrap materials, leading to a reduction in $CO_2$ emissions and manufacturing costs.

This initiative not only promotes the horizontal recycling of low-grade scrap, but also provides an opportunity to review the utilization of high-grade scrap that has traditionally been used for cascade recycling. This is expected to lead to a higher level of resource recycling, as high-grade scrap is reused while maintaining its quality. Furthermore, we believe that this will provide an opportunity to reconsider the entire material flow of aluminum resources and contribute to the realization of a sustainable circular society.




Horizontal recycling of aluminum die-cast parts

**Mass Production of Horizontally Recycled Acrylic Resin from ELVs*1 (Circular Value Chain, Advanced Recycle)**

We will begin applying horizontally recycled door visors, which are made from acrylic resin recovered from ELVs, to its automobile products scheduled for launch in 2025.

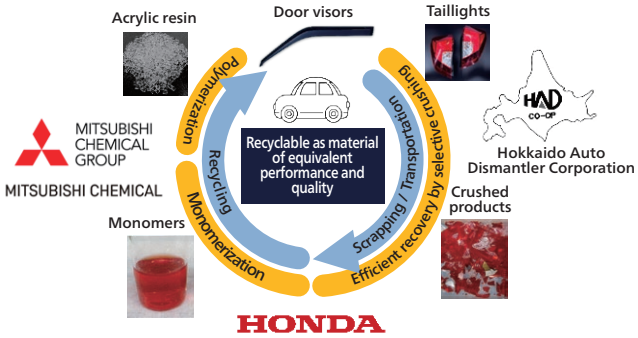
Conventionally, the majority of resin derived from ELVs has been used for fuel and other purposes due to the technical challenges of sorting and recycling, and has not been recycled into products.

Honda, in collaboration with Hokkaido Auto Dismantler Corporation and Mitsubishi Chemical Corporation, conducted a demonstration experiment on the horizontal recycling of acrylic resin (from August 2021 to February 2022), establishing an efficient scheme for the entire operation.

Through this experiment, we developed a recovery method that prevents contamination by foreign materials and a regeneration technology equivalent to virgin materials, paving the way for the world's first*2 mass production of horizontally recycled products.

This initiative will enable a reduction in the use of virgin materials and a 50% reduction in $CO_2$ emissions during the production and disposal of acrylic resin.

Moving forward, we will continue to research and develop advanced recycling technologies that support the creation of value chains and sustainable resource recycling to realize a circular society, and work with partner companies to implement these technologies in society.




Raw materials for aluminum die-casts

*1 ELV: End of Life Vehicle
*2 Based on Honda's research (as of April 2025)

3 Environment

Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
> Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Resource Use and Circular Economy

## Initiatives

**Realizing Resource Circulation through Co-Creation with Customers**

To realize resource circulation, Honda has been conducting activities to communicate and promote resource circulation at regional environmental events since the launch of N-VAN e: in October 2024, with the aim of promoting customer understanding and empathy for the initiative.

At the events, in addition to showcasing products to which sustainable materials are applied, we introduced services for product use based on resource circulation principles and our upcycling initiatives that effectively utilize repair parts scheduled for disposal. We also explained that products and services that make efficient use of resources not only reduce environmental impacts through waste reduction but also lead to new value provision.

Honda sees this initiative as an opportunity to encourage customers to consider how products should be handled after use. By fostering understanding and empathy for Honda's resource circulation philosophy and initiatives, as well as deepening mutual understanding between our customers and Honda, we aim to realize a sustainable society based on resource circulation.


Honda's Vision for a Circular Business (Conceptual Diagram)

Upcycled products

## Initiatives for Motorcycles

From the perspective of reducing environmental impact, we have undertaken efforts in motorcycles, including reducing material usage through lightweight design, adopting recycled materials, and designing structures with recyclability in mind.

In addition to using recycled materials such as iron and aluminum, which can reduce land alteration during raw material extraction and $CO_2$ emissions during material production, we are pursuing new initiatives by applying bio-based materials and recycled resins that contribute to reducing the extraction of fossil resources.

**Application of Recycled Automobile Bumper Materials to Motorcycles (Circular Design, Circular Value Chain)**

We have previously utilized recycled materials made from discarded bumpers of Honda vehicles collected from dealerships, applying them to undercovers and other parts of automobiles.

Through design optimization, we have successfully applied recycled bumper materials from automobiles—previously challenging to use in motorcycles—to components such as the luggage box of the NC series* sold in 2024.

This initiative leverages Honda's distinctive strengths, including the diversity of our sales products and our established recovery scheme.

**Example of Applicable Model**

X-ADV

**Example of Applied Parts**

X-ADV: Luggage Box

* Applicable Models: NC750X, FORZA 750, X-ADV

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
> Resource Use and Circular Economy ····· 50
Environmental Data ····· 58

# Resource Use and Circular Economy

## Initiatives

### Application of Pre-Consumer Recycled Materials to Products (Circular Design)

As part of our efforts to expand the use of recycled resins, we applied pre-consumer recycled polypropylene materials*1 to the exterior parts of the NC series sold in 2024.

Pre-consumer recycled materials, due to their known material properties, allow for physical property adjustments equivalent to virgin materials while mitigating the risk of regulatory chemical substance contamination.

We will continue to apply pre-consumer recycled materials to other models in the future.

**Example of Applied Parts**

Colored Exterior Parts (Yellow Sections)

FORZA 750

### Application of Bio-Engineering Plastics to Products (Circular Design)

As part of our efforts to expand the use of the bio-engineering plastic "DURABIO™"*2, we applied it to the colored exterior parts of the NC series sold in 2024, marking the first such application in motorcycles.

By using colored DURABIO™ with high aesthetic quality, painting becomes unnecessary, contributing to $CO_2$ reduction.

Additionally, following the world's first*3 adoption of DURABIO for the transparent front screen of the CRF1100L Africa Twin, launched in March 2024, we expanded its application to the X-ADV (launched in Europe in September 2024), as well as the NC750X and XL750 TRANSALP, with plans to apply it to other models in the future.

**Examples of Applied Parts**

NC750X
Colored exterior parts
(green sections)

X-ADV
Applied part

FORZA 750
Applied part

NC750X
Transparent front screen

### Application of Recycled Aluminum Materials (Circular Design)

We have been applying small-diameter wheels, which are made from market scrap using the High-Pressure Die Casting (HPDC) method to compact models, such as scooters and Cubs in Vietnam, Thailand, Brazil, and China.

Meanwhile, large-diameter wheels, which had previously been difficult to apply due to technical challenges, have also begun to be applied to large models produced in Japan and released from 2024 onward.

With this application to large models, wheels made from recycled materials are now used across our entire product line, from compact to large models.

We plan to continue expanding the use of recycled aluminum wheels to global models in a phased manner.

*1 Pre-consumer recycled materials are derived from scraps generated during the manufacturing or molding processes of products such as automobiles and home appliances.
*2 DURABIO™ is a registered trademark of Mitsubishi Chemical Corporation.
*3 Based on Honda's research (as of October 2023).

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
> Environmental Data ····· 58

# Environmental Data

## Scope of Coverage

### Organizations Covered

Honda Motor Co., Ltd. and its 357 group companies in and outside of Japan (comprising 285 consolidated subsidiaries and 72 affiliated companies accounted for by the equity method). The number of companies is as of the end of December 2024.

### Period Covered

Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

## List of Company-wide Environmental Targets (KGI/KPI)

| Priority Issues | Materiality | | Management Indicators | Category | | Targets: Fiscal Year Ending Mar. 31, 2026 | Targets: Fiscal Year Ending Mar. 31, 2031 |
|---|---|---|---|---|---|---|---|
| Zero Environmental Impact Society | ■ Addressing Climate Change<br>■ Addressing Energy Issues<br>■ Efficient Utilization of Resources<br>■ Biodiversity Conservation | KGI | Reduction rate of total $CO_2$ emissions from corporate activities (compared to FYE Mar. 31, 2020) | Consolidated | | (Unpublished) | - * |
| | | | Total $CO_2$ emissions from products | Consolidated/Business | | | |
| | | | Reduction rate of total waste generation (compared to BAU) | Consolidated (compared to BAU) | | (Unset) | |
| | | | Reduction rate of total water intake (compared to BAU) | | | | |
| | | KPI | Sales Ratio of Electrified Products | Business | Motorcycles | (Unpublished) | |
| | | | | | Automobiles | | |
| | | | | | Power Products | | |
| | | | Reduction rate of $CO_2$ emissions intensity of product use (compared to FYE Mar. 31, 2020) | | Motorcycles | | |
| | | | | | Automobiles | | |
| | | | | | Power Products | | |

* The previously disclosed management indicators (KGI and KPI) for the fiscal year ending March 31, 2031 are currently under review due to changes in the business environment. Honda is in the process of recalculating these targets and plans to disclose updated target figures in its integrated report, "Honda Report 2025."

**Honda Report 2024: Priority Issues and Materiality**
https://global.honda/en/sustainability/integratedreport/pdf/Honda_Report_2024-en-all.pdf#page=24

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
> Environmental Data ····· 58

# Environmental Data

## Total GHG emissions

(million t-$CO_2e$)

| | | | | FYE Mar. 31, 2022 | FYE Mar. 31, 2023 | FYE Mar. 31, 2024 | **FYE Mar. 31, 2025** | |
|---|---|---|---|---|---|---|---|---|
| GHG emissions from the entire Honda value chain | | | (Scopes 1, 2 and 3) | 295.51 | 291.77 | 278.59 | 296.86 | |
| Breakdown | Direct emissions from business activities | All businesses | (Scope 1) | 1.16 | 1.09 | 1.07 | 0.997 | ☑ |
| | Indirect emissions from energy use | All businesses | (Scope 2) | 3.14 | 2.73 | 2.07 | 1.64 | ☑ |
| | Emissions from Honda business activities | All businesses | (Total of Scopes 1 and 2) | 4.30 | 3.82 | 3.14 | 2.64 | ☑ |
| | Purchased products and services | Motorcycle, automobile, and power products businesses | (Scope 3, category 1) | 51.34 | 50.06 | 52.13 | 50.14 | |
| | Capital goods | All businesses | (Scope 3, category 2) | 0.80 | 1.42 | 1.12 | 1.55 | |
| | Fuel and energy related activities | All businesses | (Scope 3, category 3) | 0.47 | 0.45 | 0.49 | 0.45 | |
| | Transportation and distribution (upstream) | Motorcycle, automobile, and power products businesses | (Scope 3, category 4) | 2.89 | 2.79 | 2.95 | 3.14 | |
| | Disposal of business waste | All businesses | (Scope 3, category 5) | 0.22 | 0.20 | 0.21 | 0.19 | |
| | Business travel | All businesses | (Scope 3, category 6) | 0.32 | 0.31 | 0.30 | 0.29 | |
| | Employee commuting | All businesses | (Scope 3, category 7) | 0.17 | 0.16 | 0.16 | 0.16 | |
| | Leased assets (upstream) | - | (Scope 3, category 8) | - | - | - | - | |
| | Downstream transportation and distribution | Automobile business | (Scope 3, category 9) | 0.91 | 0.73 | 0.73 | 0.86 | |
| | Processing of sold products | Power products business | (Scope 3, category 10) | 0.00 | 0.00 | 0.00 | 0.00 | |
| | Use of sold products | Motorcycle, automobile, power products, and aircraft businesses | (Scope 3, category 11) | 228.87 | 226.86 | 212.20 | 232.20 | ☑ |
| | Disposal of sold products | Motorcycle, automobile, and power products businesses | (Scope 3, category 12) | 4.87 | 4.58 | 4.84 | 4.88 | |
| | Leased assets (downstream) | - | (Scope 3, category 13) | - | - | - | - | |
| | Franchise | - | (Scope 3, category 14) | - | - | - | - | |
| | Investment | All businesses | (Scope 3, category 15) | 0.37 | 0.40 | 0.33 | 0.37 | |
| | Other indirect emissions | | (Total of Scope 3) | 291.21 | 287.96 | 275.46 | 294.22 | |

* The data marked with ☑ have received third-party assurance.
* See the next page for the calculation targets for each category in Scope 1, 2, and Scope 3.

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
> Environmental Data ····· 58

# Environmental Data

■ 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 Global Warming Countermeasures and in each region except Japan, emission factors from the 2006 IPCC Guidelines for National GHG Inventories. Global Warming Potential (GWP) is based on the IPCC's Fifth Assessment Report.

■ 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 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. For each category, Honda has defined the following calculation targets.
· Category 1: Materials and parts purchased by Honda for the manufacture of motorcycles, automobiles, and power products, as well as indirect materials such as office supplies used in business activities
· Category 2: Capital investment activities of Honda
· Category 3: Manufacturing activities of various types of energy used in Honda's business activities
· Category 4: Transportation of parts and products from Honda suppliers to dealers
· Category 5: Disposal of waste generated by Honda's business activities
· Category 6: Business travel of employees of Honda
· Category 7: Commuting by employees of Honda and its subsidiaries
· Category 9: Energy used at Honda's automobile dealers
· Category 10: Processing of power products engines sold by Honda to other companies into finished products
· Category 11: Use of motorcycles, automobiles, power products, and aircraft sold by Honda
· Category 12: Disposal of motorcycles, automobiles, and power products sold by Honda
· Category 15: Scope 1 and 2 emissions of Honda's investee companies, equivalent to its equity share
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.

■ For Scope 3 Categories 1, 4, 9, and 12, we have made some changes starting in the fiscal year ended March 31, 2025. These categories are disclosed after recalculating past performance.

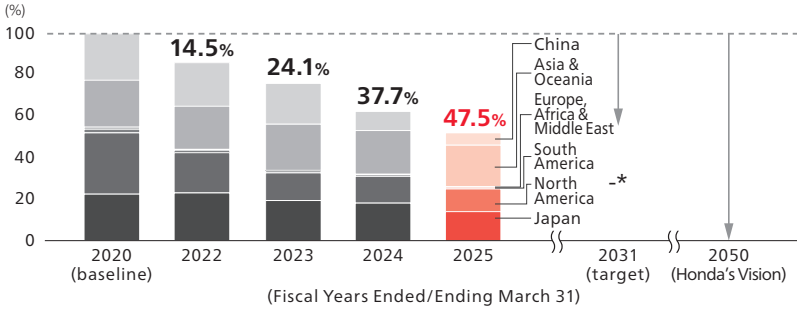
■ The "Scope 3, category 11" figures presented in this report represent the cumulative amount of GHGs that will have been emitted by products sold by Honda in the applicable fiscal year (automobiles, motorcycles, power products and aircraft) as a result of their use by customers from the time they received 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: $CO_2$ emissions intensity x Annual distance traveled or Annual usage in hours x Product lifetime in years x Annual unit sales.
· $CO_2$ emissions intensity: Amount of $CO_2$ emissions per unit driving distance of product use or per unit used time of product use
· Annual distance traveled/Lifetime years of use: Referring to IEA estimation model, "MoMo," etc.
· $CO_2$ emission factor: Refer to GHG emissions calculation guidelines issued by public authorities in each region; if unavailable, refer to Japan's GHG calculation guidelines.

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
> Environmental Data ····· 58

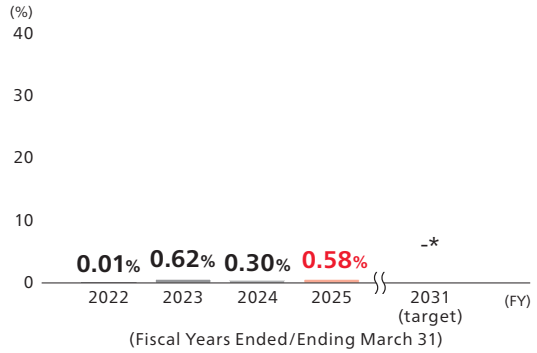
# Environmental Data

**Reduction rate of total $CO_2$ emissions from corporate activities (compared to FYE Mar. 31, 2020)**

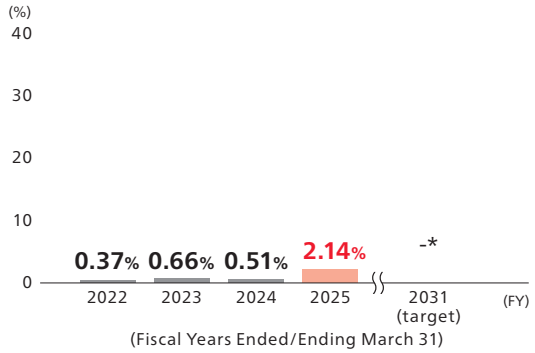



**Sales ratio of electrified products**

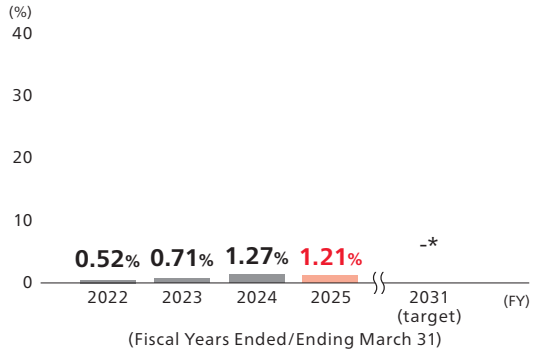
**Motorcycles**




**Automobiles**

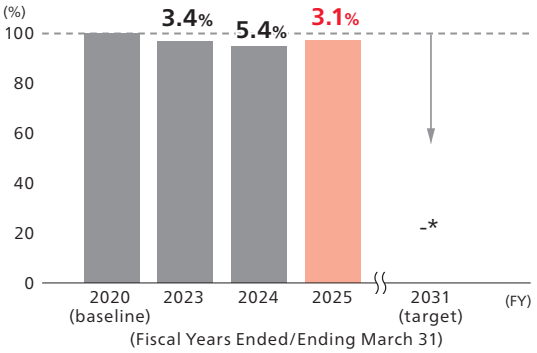



**Power products**

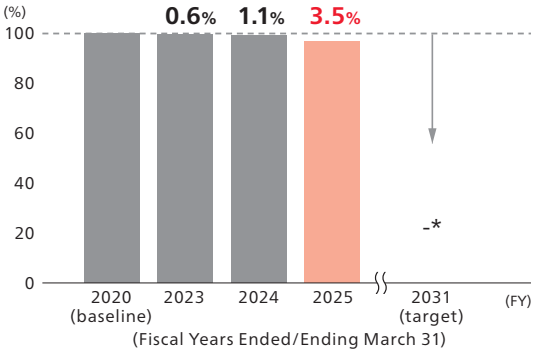



**Reduction rate of $CO_2$ emissions intensity of product use (compared to FYE Mar. 31, 2020)**

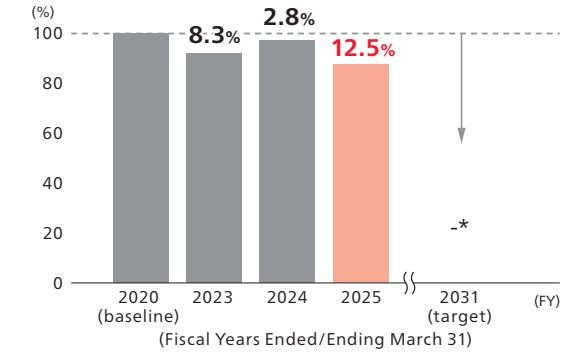
**Motorcycles**




**Automobiles**




**Power products**

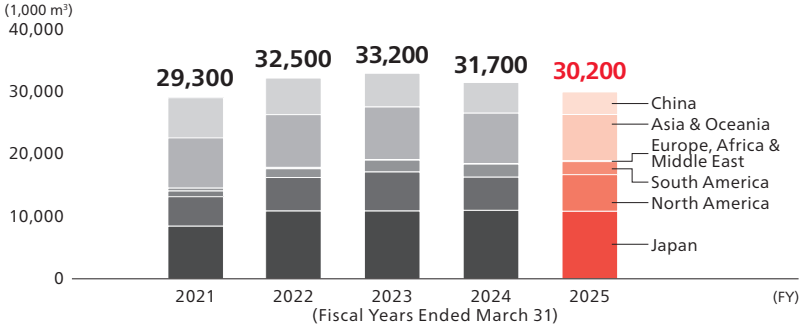



* The previously disclosed management indicators (KGI and KPI) for the fiscal year ending March 31, 2031 are currently under review due to changes in the business environment. Honda is in the process of recalculating these targets and plans to disclose updated target figures in its integrated report, "Honda Report 2025."

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
> Environmental Data ····· 58

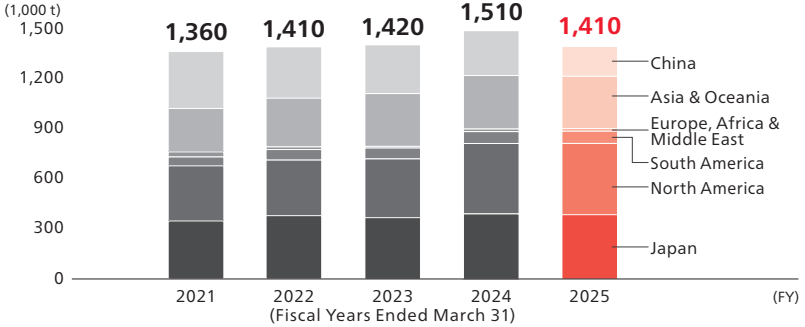
# Environmental Data

## Amount of water intake



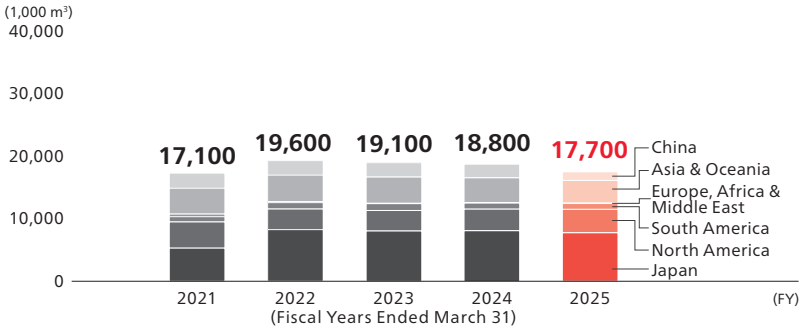

Calculation method: Amount of water intake = Σ (Purchased from water utilities + Groundwater intake + Rainwater utilization + Intake of surface water, such as from rivers)
· Expressed in three significant digits

## Waste generated




Calculation method: Amount generated = Σ (Industrial waste + General business waste + Valuable materials)
· However, regions outside of Japan are beyond the scope of data for industrial waste (excluding hazardous waste defined in accordance with regulations in respective countries) and General business waste.
· Expressed in three significant digits

## Wastewater volume




Calculation method: Wastewater volume = Σ (Wastewater processed through sewerage systems or other treatment facilities + Discharge directly into public waters)
· Figures include some estimated values.
· Expressed in three significant digits

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
> Environmental Data ····· 58

# Environmental Data

## Honda GHG Emissions in the Fiscal Year Ended March 31, 2025

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.

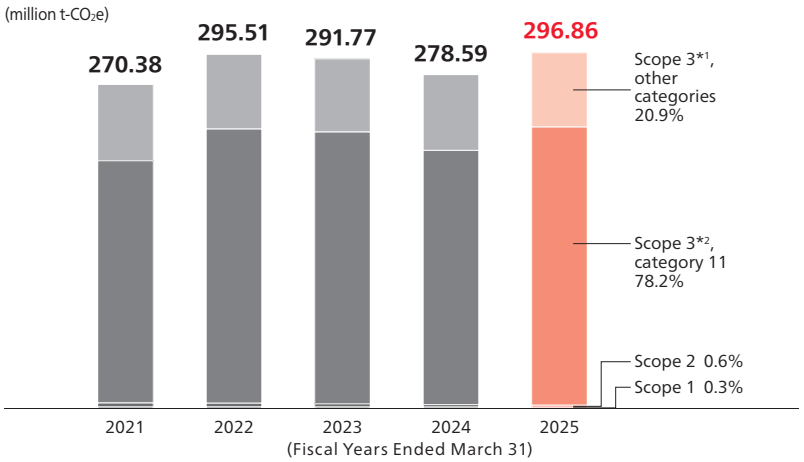
As the first milestone in this endeavor, in August 2012, Honda disclosed estimates of GHG emissions for the fiscal year ended March 31, 2012 across its entire value chain in conformity with the GHG Protocol, currently the world's most widely used GHG emissions accounting standard. The Company became 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.

For Scope3 Category 11, the scope of calculation has been extended from about 90% of global sales to volume to approximately all in total. The conditions used in calculating figures such as annual distance traveled 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 the fiscal year ended March 31, 2025 show that GHG emissions from Honda business activities were 2.64 million t-$CO_2$e, and total emissions from the value chain, including other indirect emissions, were 296.86 million t- $CO_2$e. Honda will continue to monitor and manage data and utilize this information in the actual implementation of emissions reduction measures.

**Total GHG Emissions (Scope 1, 2 & 3)**




*1 For Scope 3 Categories 1, 4, 9, and 12, we have made some changes starting in FYE Mar. 31, 2025. These categories are disclosed after recalculating past performance.

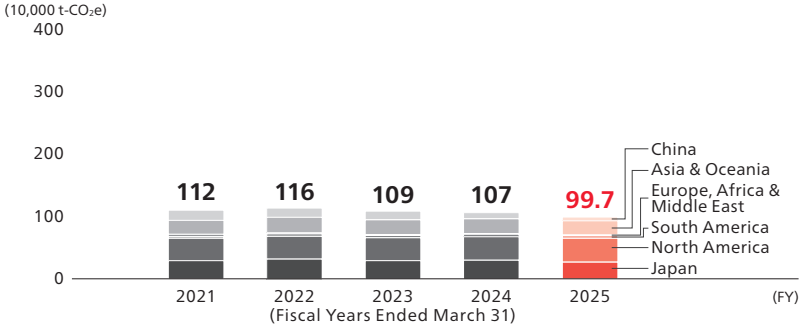
*2 For Scope 3, Category 11, the IEA SMP Model was used for calculations until FYE Mar. 31, 2021, while the IEA Mobility Model (MoMo) has been used since FYE Mar. 31, 2022. Additionally, some calculations have been revised starting from FYE Mar. 31, 2023.

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
> Environmental Data ..... 58

# Environmental Data

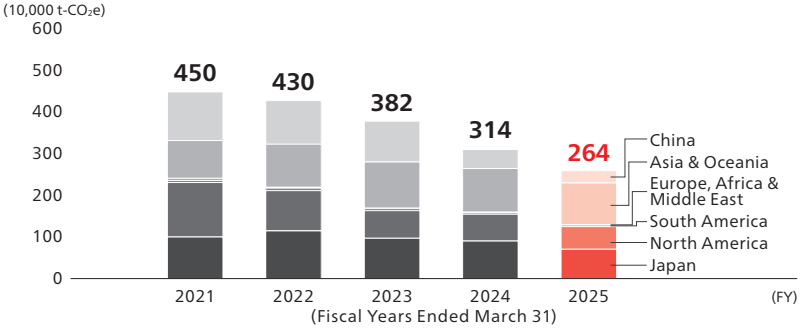
## GHG emissions

### Direct emissions (Scope 1) ☑



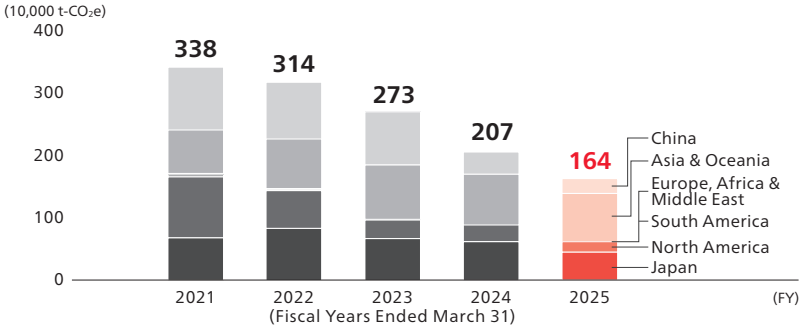

Calculation method: Emissions = Σ (Fuel consumption x $CO_2$ emission factor) + $CO_2$ emissions from non-energy sources + Σ (Volume of non-$CO_2$ GHG emissions x Global Warming Potential (GWP))
Emission factor:
Japan: Emission factors based on the Act on Promotion of Global Warming Countermeasures
Regions outside of Japan: Emission factors from 2006 IPCC Guidelines for National GHG Inventories
Figures for global warming potential coefficient : The IPCC's Fifth Assessment Report
· Figures for GHG emissions from non-energy sources include some estimated values.
· Calculations are mainly based on emissions from stationary sources.
· 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

### Indirect emissions (Scope 2) ☑



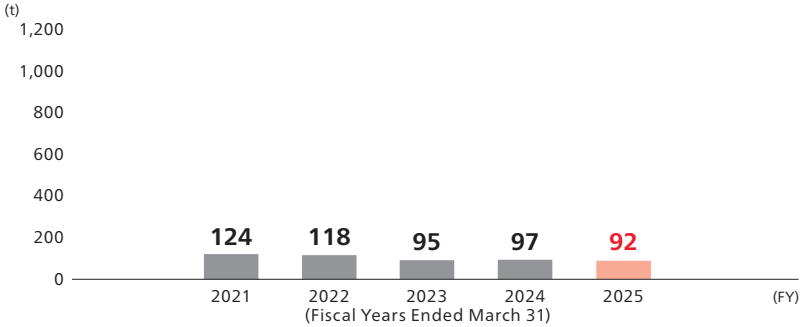

Calculation method: Emissions = Σ (Purchased electricity consumption, etc.* x $CO_2$ emission factor)
Honda adopts the GHG Protocol's standard market-based method.
Emission factor:
Japan: Adjusted emission factors by electric utility based on the Act on Promotion of Global Warming Countermeasures
Regions 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.
* Other includes steam and hot water. Emission factors are sourced from the GHG Emissions Calculation, Reporting, and Disclosure System under the Act on Promotion of Global Warming Countermeasures.
· Expressed in three significant digits

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
> Environmental Data ..... 58

# Environmental Data

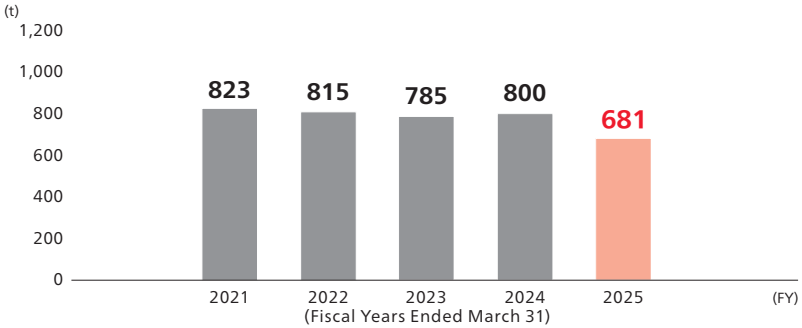
## Air Pollutant Emissions

### SOx emissions ☑




Calculation method: Emissions = Σ (Fuel consumption x Density x Sulfur content x 64/32)
· Calculations are based on fuel consumption.
Density: Based on the conversion factor list in Statistics Information by Japan Petroleum Energy Center (JPEC)
Sulfur content: Specified by mandatory standards under the Act on the Quality Control of Gasoline and Other Fuels for gasoline, diesel, kerosene, and heavy oil, and by the LP gas standard (JIS K 2240) for LP gas.

### NOx emissions ☑



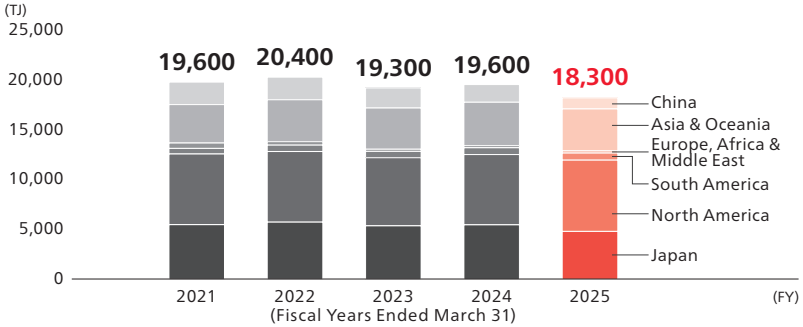

Calculation method: Emissions = Σ (Fuel consumption x Emission factor for each fuel)
· Calculations are based on fuel consumption.
Emission factor for each fuel: Based on the NOx emissions calculation table for non-measured combustion facilities in the Eco-Action 21 program (Ministry of the Environment).

3 Environment
Basic Approach ····· 15
Approach ····· 17
Metrics and Targets ····· 20
Global Management ····· 21
Climate Change ····· 23
Pollution ····· 40
Water ····· 43
Biodiversity and Ecosystems ····· 45
Resource Use and Circular Economy ····· 50
> Environmental Data ····· 58

# Environmental Data

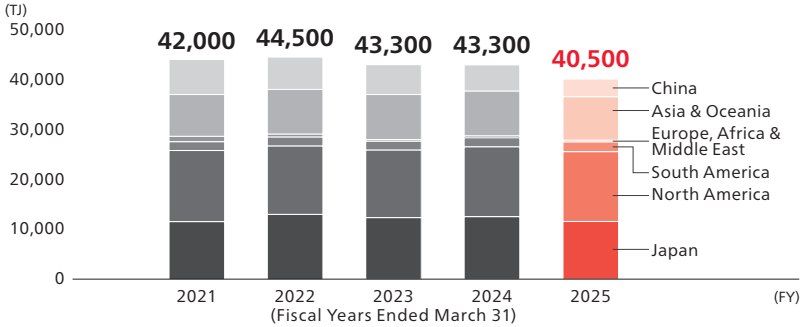
## Energy consumption

### Direct energy consumption ☑



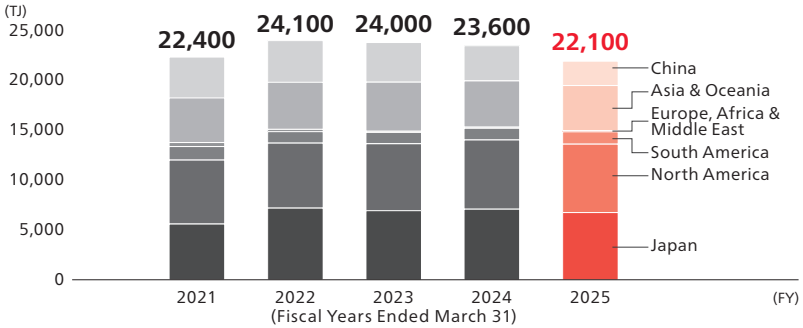

Calculation method: Consumption = Σ (Fuel consumption x Unit calorific value)
Unit calorific value:
Japan: Unit calorific value based on the GHG Emissions Calculation, Reporting, and Disclosure System under the Act on Promotion of Global Warming Countermeasures
Regions outside of Japan: Based on the 2006 IPCC Guidelines for National GHG Inventories
· Calculations are mainly based on energy consumed by stationary sources.
· A terajoule (TJ) is a unit of energy, with 'tera' denoting $10^{12}$.
· 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 ☑



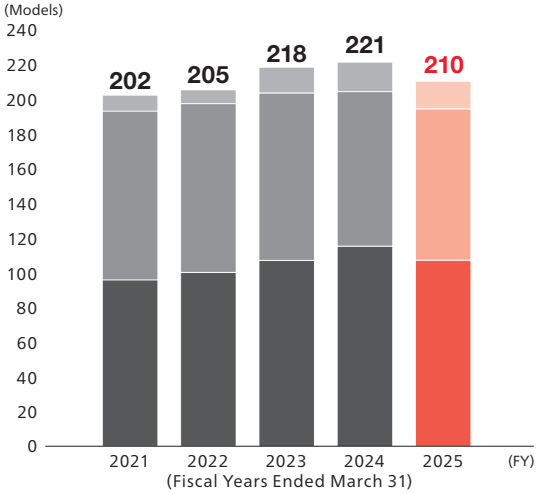

Calculation method: Consumption = Σ (Purchased electricity consumption etc.* x Unit calorific value)
Purchased electricity is converted to gigajoules (GJ) using the international standard 3.6 GJ/MWh.
* Other
Unit calorific value:
Japan: Unit calorific value based on the GHG Emissions Calculation, Reporting,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

3 Environment
Basic Approach ..... 15
Approach ..... 17
Metrics and Targets ..... 20
Global Management ..... 21
Climate Change ..... 23
Pollution ..... 40
Water ..... 43
Biodiversity and Ecosystems ..... 45
Resource Use and Circular Economy ..... 50
> Environmental Data ..... 58

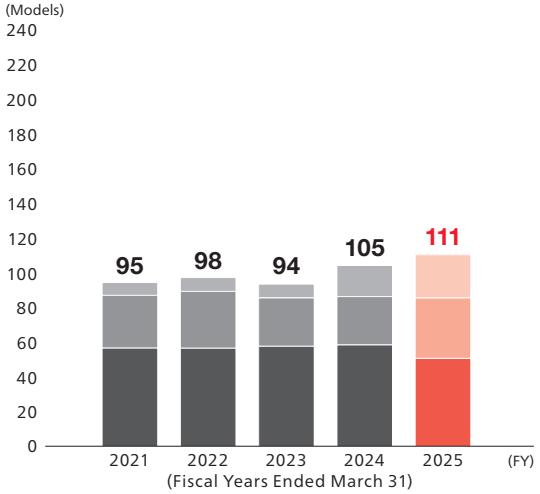
# Environmental Data

## Global Trends in HEPS-compliant models

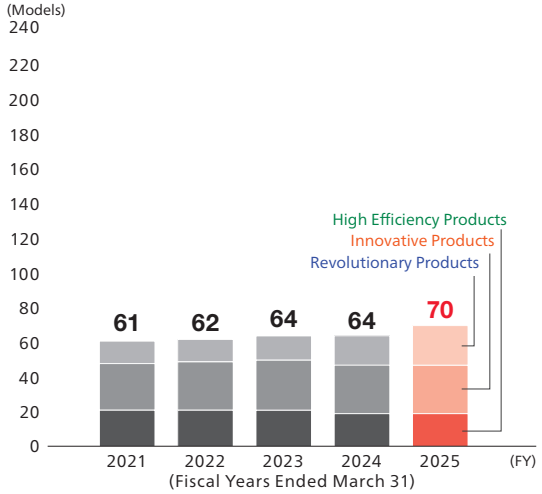
**Motorcycles**




**Automobiles**




**Power Products***




* The figures for the fiscal year ended March 31, 2024 have been corrected due to an error.