

Social

Supply Chain

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## Basic Approach

### Strengthening Supply Chain Sustainability

In order to provide customers with a timely, stable supply of better products and services, it is necessary to put significant effort into developing and optimizing supply chains with suppliers around the world while also taking into account environmental and human rights issues.

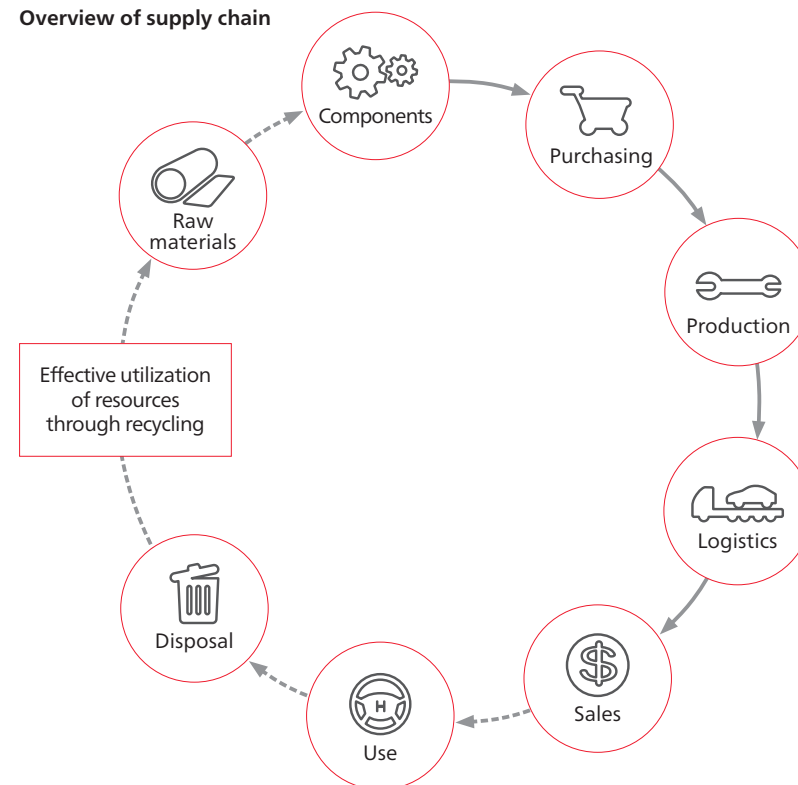
Honda is striving to strengthen supply chain sustainability, mainly in the areas of purchasing and logistics.

In the area of purchasing, Honda shares its sustainability policies with suppliers in the form of the Honda Supplier Sustainability Guidelines and works with suppliers on key issues such as product safety and quality, human rights and labor, the environment, responsible procurement, compliance, and information disclosure.

In the area of logistics, Honda aims to achieve carbon neutrality and is promoting efficiency in logistics and reduction of CO<sub>2</sub> emissions. Honda is also working with its suppliers to promote initiatives to optimize logistics and improve productivity, and to enhance sustainable logistics throughout the supply chain.

Honda strives to enhance sustainability in its supply chain by collaborating globally on these initiatives.

#### Overview of supply chain



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\* A newly established partnership to promote sustainability in the automotive industry.

## Basic Approach to Purchasing

### Purchasing Belief, Three Purchasing Principles, and Code of Conduct for Purchasing Associates

Honda's goal is to achieve a sustainable society across the supply chain. The Company implements initiatives with consideration for the environment, safety, human rights, compliance and social responsibility, among others, in partnership with its suppliers worldwide. Based on the Honda Philosophy, the Company established the Purchasing Belief and Three Purchasing Principles and engages in fair, equitable, and highly transparent business practices.

Honda has also compiled points that should be followed by each and every associate engaging in purchasing activities as the Code of Conduct for Purchasing Associates. By following these Rules, the Company ensures trust both internally and externally and builds sound relationships with suppliers.

#### Purchasing Belief and Three Purchasing Principles

We do fair and equitable business with transparency based on the "Purchasing Belief" and the "Three Purchasing Principles."

#### Purchasing Belief

We sustain the procurement of good products at reasonable prices and in a timely manner.

#### Three Purchasing Principles

##### Fair and open trade

We do business with suppliers who can satisfy the requirements of quality, quantity, price and timing and who can share the concept of sustainability with us, based on open competition.

##### Equal partnership

We conduct business on an equal footing regardless of the business size of the supplier or their nationality and other factors.

##### Respect for suppliers

We respect suppliers' management and independence.

## Supplier Sustainability Guidelines

The automotive industry, which is supported by a broad network of many suppliers, needs to pursue environmental impact reduction not only by individual companies but also throughout the entire supply chain.

Additionally, as awareness of compliance and human rights issues grows worldwide, companies are expected to verify working conditions and legal compliance not only for themselves but also for their suppliers, as well as make efforts to take corrective action if required.

Honda aims to achieve a sustainable supply chain in its global components procurement activities in collaboration with its suppliers. Honda has set forth this mindset as its Sustainability Vision and issued the Honda Supplier Sustainability Guidelines (see the link below) as specific policies for working together with suppliers to realize this vision.

The Guidelines specify the basic items to be promoted together with primary suppliers regarding product safety and quality, human rights and labor, the environment, responsible mineral procurement, compliance, and information disclosure.

The Guidelines are based on international standards (the Supplier CSR Guidelines by the Japan Automobile Manufacturers Association (JAMA), the Sustainability Guiding Principles by the Automotive Industry Action Group (AIAG) and Drive Sustainability Partnership\*, etc.) and reflect Honda's Fundamental Beliefs, and are revised as necessary according to social trends and regulatory changes.

#### Honda Supplier Sustainability Guidelines

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

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# Global Management of Purchasing

## Promotion Structure

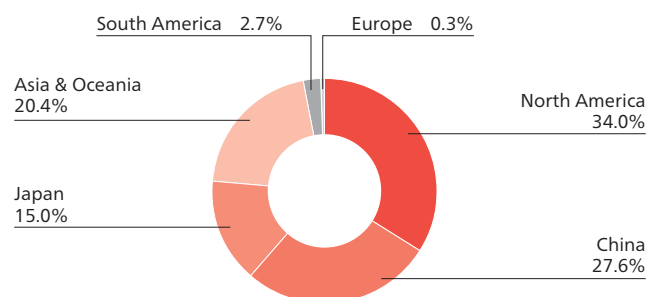
Honda conducts business in six regions worldwide and has respectively established purchasing functions. In line with Honda's corporate philosophy of "producing where there is demand," each region is encouraged to source locally. The rate of local procurement in North America, Honda's primary production base, reaches 80% for major global models.

To discuss and examine the global direction of Honda over the medium- to long-term, and to strengthen the collaboration of respective companies operating in each region, Honda holds periodic meetings of the management teams.

The Company also launched the Environmental Purchasing Meeting in 2011 to promote low-carbon initiatives across the entire global supply chain. In the fiscal year ended March 31, 2017, Honda expanded the agenda of this meeting to include human rights and compliance initiatives and developed it into the Sustainability Purchasing Meeting, which is held on a regular basis.

Through these initiatives, companies operating in each region are promoting collaborative activities while aligning their direction on a global basis.

### Regional distribution of purchasing volume (FYE Mar. 31, 2025)



## Responsibility for Promotion

In Japan, Honda has a department that supervises the overall global purchasing function, with the Chief Officer for Supply Chain Purchasing Operations (Managing Executive Officer) responsible for oversight. The department provides coordination across regions and businesses and formulates sustainability policies and goals. In 2016, the Company established a department dedicated to reinforcing and accelerating sustainability initiatives.

Sustainability initiatives in cooperation with suppliers are regularly reported to and approved by the Chief Officer for Supply Chain Purchasing Operations regarding policies and progress, including consistency with Honda's Purchasing Belief and the Three Purchasing Principles. In addition, important matters related to company-wide business policies and risk management are reported to the members of the Executive Council.

## Training for Associates

To ensure that every associate involved in Honda's purchasing operations promotes fair, equitable, and transparent transactions in accordance with its purchasing philosophy, Honda has prepared manuals and training programs and promotes personnel development through on-the-job training (OJT).

In Japan, in addition to these initiatives, Honda has established training and e-learning programs to deepen understanding of Quality, Cost, Delivery, Development and Environment (QCDDDE) operations, including programs to increase understanding of ESG initiatives in the supply chain area.

Furthermore, Honda regularly disseminates information on social trends regarding sustainability and its initiatives with suppliers to raise awareness throughout the organization. The latest information is shared within the purchasing divisions through the in-house news report, which helps instill a sustainability perspective in daily operations and builds knowledge among the divisions.

In this way, Honda has developed programs that take into account cultural and social backgrounds to promote capacity building for purchasing associates in each region of the world. To strengthen its sustainability initiatives throughout the supply chain, the Company also focuses on engagement with its suppliers and actively provides information and training opportunities for the suppliers (➡p.140).

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## Purchasing Initiatives

### Supplier Selection

In response to the international demand for corporate social responsibility throughout the supply chain, Honda shares its sustainability policies with its direct and indirect material suppliers and is working to strengthen responsible procurement throughout its business.

Particularly for direct material suppliers, Honda strictly requires them to comply with local competition laws, anti-bribery laws, and other laws and regulations in each country when conducting business since they have a significant impact on customers and business through the quality and safety of their products. The Company has also concluded with its suppliers the Basic Agreements on Component Procurement that specify considerations for safety, disaster prevention, environmental preservation, and the protection of resources, ensuring the transparency and sustainability of transactions.

In addition, as part of its sustainability promotion efforts, Honda confirms its suppliers' agreement to the Honda Supplier Sustainability Guidelines and works with them on key issues such as product safety and quality, human rights and labor, the environment, responsible procurement, compliance, and information disclosure.

Based on these policies, when selecting suppliers for components and raw materials, Honda confirms their initiatives on not only Quality, Cost, Delivery, Development and Environment (QCDDDE) but also human rights, labor, safety, compliance, risk management, protection of information and other aspects to determine the best and most sustainable suppliers.

If a problem occurs after a transaction, Honda will immediately receive a report from the supplier, request the supplier to analyze the cause and submit a corrective action plan, set a response period, and work to prevent recurrence.

If the submitted corrective action plan is determined to be insufficient, Honda will consider whether or not to maintain business relations with the supplier in the future, including suspension of transactions, in consideration of the social impact of the problem.

### Key Suppliers

For suppliers that have agreed to Honda's sustainability policies and have begun doing business with Honda, the Company comprehensively evaluates the amount of business with them, the importance of materials and components supplied by them, and the status of related risks and issues to strengthen ongoing sustainability efforts, and designates those suppliers with particularly large impacts as key suppliers.

These key suppliers include primary suppliers that account for about 80% of the total purchases, as well as a portion of secondary suppliers. Honda regularly shares its policies with these suppliers through supplier conferences and other means.

At sustainability policy briefings, Honda explains its ESG policies and initiatives to primary suppliers, including CO<sub>2</sub> reduction targets, data management and evaluation systems, resource recycling, sustainable logistics, and ESG performance evaluations by external organizations, to promote understanding and deepen implementation among suppliers. (➡ p. 140)



Sustainability policy briefing (July 2024)

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Purchasing Initiatives

Supplier Monitoring

ESG Surveys

Honda requests direct material suppliers in each global region to conduct voluntary inspections of their compliance with the Honda Supplier Sustainability Guidelines, and thereby promotes an understanding of the actual status of their sustainability initiatives.

In addition, for suppliers with large transaction volumes, periodic checks and evaluations of inspection results are conducted to identify high-risk suppliers based on the likelihood of a problem occurring and the degree of impact on the company if a problem were to occur, and to take action toward improvement.

In Japan, Honda has, in the past, conducted its own ESG surveys for key suppliers accounting for more than 80% of total purchases. To further enhance objectivity, transparency, and comprehensiveness, the company has initiated supplier ESG surveys utilizing a third-party evaluation organization.

A trial operation began in 2024, with full-scale implementation starting in the fiscal year ending March 31, 2026.

Furthermore, Honda aims to expand these surveys to all direct material suppliers globally by the fiscal year ending March 31, 2028.

The third-party ESG surveys for suppliers will involve the following actions.

- Conduct SAQ (Self-Assessment Questionnaire) based on international standards and evaluation by a professional organization
- Provide information on industry benchmarks and suggest improvement items
- Jointly promote improvement activities with suppliers identified as high-risk suppliers

The SAQ verifies suppliers' efforts based on a broad range of evaluation items, including the environment, labor and human rights, ethics, and sustainable material procurement.

In addition to evaluating the performance of individual suppliers, the results of benchmark comparisons with industry standards are fed back to each supplier to identify their strengths and areas for improvement.

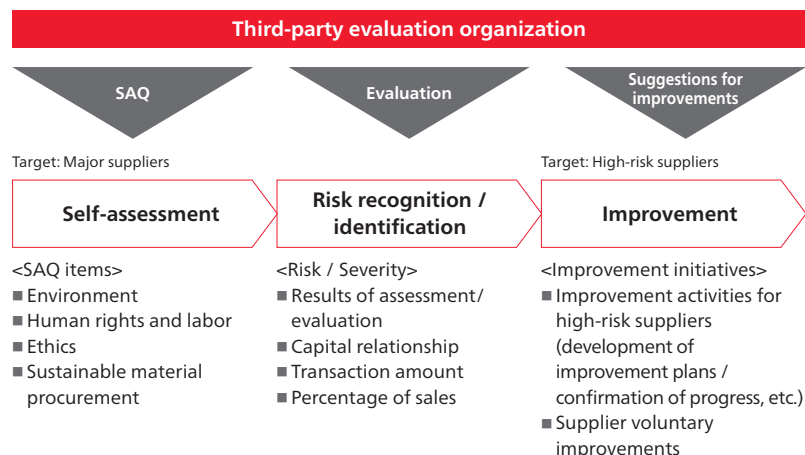
Based on the results of the surveys, risks are identified, and according to the degree of risks, interviews with suppliers, on-site inspections, etc. are conducted as necessary.

The following checks and verifications are performed, and for issues identified in the improvement activities, the Company requests suppliers to make improvements and promote improvement activities together with them.

- Check relevant records, actual production processes and related facilities
- Verify the progress through a report on the improvement plan and results
- Conduct a follow-up assessment or audit (including an on-site check as necessary)

Honda will continue to conduct sustainability activities on a global basis in collaboration with its overseas purchasing bases, while enhancing training programs within the Company with the goal of strengthening internal capabilities in sustainability.

Sustainability monitoring flow



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## Purchasing Initiatives

### Measures to Counter Procurement Risk

Honda views all phenomena that can impact production as risks, including disasters, fires, supplier financial issues, labor issues, and cyber incidents, etc. Accordingly, the Company works to reduce these risks and prevent the spread of any impact if they materialize throughout the supply chain, beginning with the procurement of components and materials. For example, Honda defines all components and materials whose procurement is dependent on a single facility as at-risk Parts, and inspections and countermeasures are implemented continually around the world. As part of this initiative, Honda has established a scheme for suppliers in Japan starting in 2021 to promptly register information on new supply chains (production sites below Tier 2) in its procurement risk management system when such information is generated. Through the operation of this system, the Company established structures to ascertain in a short time the extent of damage to suppliers in the affected areas and whether production has been affected in the event of a major disaster. Honda also performs annual evaluations based on supplier surveys in order to minimize financial risk. In addition, the Company checks risk every month by referring to information from third-party organizations.

Furthermore, starting in 2024, Honda introduced a comprehensive supply chain mapping tool to enhance global supply chain visibility and risk management. It utilizes data mining technology to visualize the entire supply chain by extracting the linkages between companies from trade data, ownership information, and other data. The visualized supply chain data is then combined with information on local laws and regulations, import/export restrictions, sanctions lists, etc. of each country to detect potential risks in the supply chain. Going forward, Honda will utilize this tool to identify and reduce risks in the supply chain by promoting initiatives such as real-time monitoring of risks, enhancement of supplier risk assessment, and formulation of risk mitigation measures.

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# Purchasing Initiatives

## Environmental Initiatives

### Initiatives to Achieve Carbon Neutrality with Suppliers

Honda aims to realize carbon neutrality (net zero CO<sub>2</sub> emissions) for its all products and corporate activities by 2050.

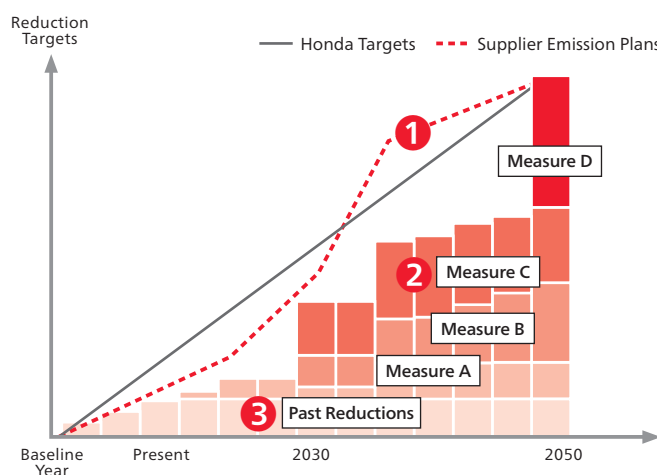
In Japan, in October 2021, Honda asked its suppliers to consider initiatives to reduce total CO<sub>2</sub> emissions, and in December 2022, shared its perspectives on measures to consider specific measures toward achieving carbon neutrality by 2050.

Furthermore, in March 2024, Honda communicated its interim target for 2030

#### Supplier CO<sub>2</sub> Reduction Visualization System

##### Comprehensive Overview of Supplier CO<sub>2</sub> Reduction Performance and Plans

- 1 Visualization of the gap between Honda's targets and suppliers' plans
- 2 Understanding of suppliers' reduction measures, including plans, steps, and items
- 3 Reflection of suppliers' past reduction efforts from the baseline year to the present

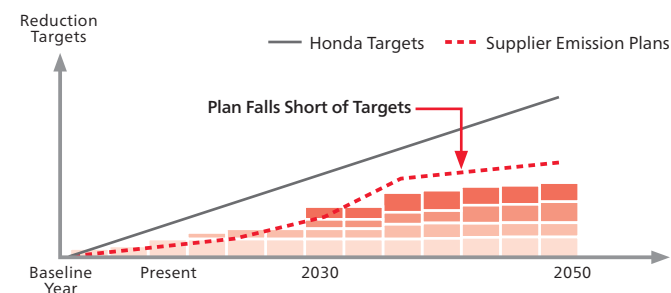


to its suppliers in order to accelerate its efforts to achieve carbon neutrality by 2050. Through co-creation with each supplier, Honda has introduced a new data collection system that enables analysis of suppliers' CO<sub>2</sub> emissions reduction plans and performance since the fiscal year ended March 31, 2025, toward carbon neutrality achieved in collaboration with suppliers.

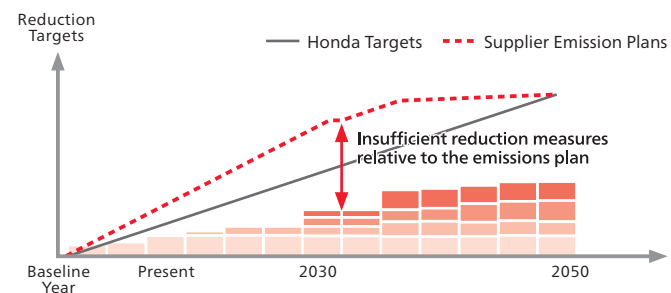
Starting in Japan, the system will be expanded to other regions around the world, where it will be used to implement the PDCA cycle for reducing corporate CO<sub>2</sub> emissions together with suppliers in each global region.

##### Promoting the Specification of Supplier CO<sub>2</sub> Reduction Plans (Reduction Amounts and Measures) Note: The following are examples

#### CO<sub>2</sub> Reduction Outlook → Promote revision of reduction plans



#### Insufficient Reduction Measures → Promote the addition of measures



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## Purchasing Initiatives

### Initiatives with Group Suppliers

Honda monitors the CO<sub>2</sub> emissions performance of group suppliers under Scope 1 and 2 on a calendar-year basis, setting interim targets for 2030 to ensure the achievement of carbon neutrality by 2050, while regularly holding strategy and information-sharing meetings to accelerate environmental impact reduction activities. (➡ p. 140)

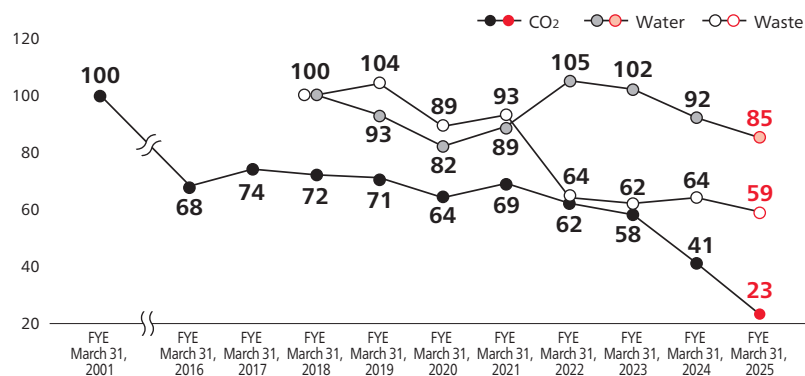
Additionally, regarding water and waste, Honda has been working on target management since the fiscal year ended March 31, 2019. Starting in the fiscal year ended March 31, 2025, the scope of these targets is being narrowed to industrial water usage and industrial waste, with goals set for the fiscal year ending March 31, 2031 and data collection underway.

As part of this, Honda has deployed tools for analyzing the progress and performance of group suppliers, deepening engagement through regular strategy and information-sharing meetings, and implementing a PDCA cycle to collaboratively achieve these targets.

### Chemical Substance Management

The Company has issued the Honda Chemical Substance Management Standard, which aims to ensure that all the components that make up Honda products comply with laws and regulations as well as to reduce their impact on the global environment and ecosystem. Honda asks suppliers around the world to establish a structure for managing chemical substances that meets the standard and to guarantee that the components they supply satisfy the standard. The Company also uses an industry standard management system for specific data on chemicals contained in components, which are evaluated prior to commencing mass production.

Performance in reducing the environmental impact  
Index of CO<sub>2</sub> emissions/water use/waste and related materials generation per million yen



\* Scope of data: all consolidated tier 1 suppliers in Japan

Category	FYE March 31, 2020	FYE March 31, 2021	FYE March 31, 2022	FYE March 31, 2023	FYE March 31, 2024	FYE March 31, 2025
CO <sub>2</sub> (t/millions of yen)	0.95	1.03	0.93	0.86	0.62	0.35
Water (m <sup>3</sup> /millions of yen)	8.19	8.91	10.51	10.16	9.17	8.38
Waste (t/millions of yen)	0.53	0.55	0.38	0.37	0.38	0.35

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## Purchasing Initiatives

### Human Rights Initiatives

Honda has adopted the Honda Human Rights Declaration and promotes respect for human rights throughout its corporate activities. As part of the initiatives, the Company shares the Honda Supplier Sustainability Guidelines with its suppliers, which cover international human rights issues such as the prohibition of child labor, forced labor, and human trafficking, and the guarantee of a living wage, and confirms the status of their efforts through ESG surveys and other means.

Honda also conducts detailed assessments of suppliers' human rights-related efforts through ESG surveys utilizing third-party organizations. The surveys are based on the following items to check the implementation status and evidence, identify risks, and examine measures to address them.

- Health and safety and working conditions of associates (working hours, health management, safety in the work environment)
- Social dialogue, career management, and providing educational opportunities
- Prohibition of child labor, forced labor, and human trafficking
- Ensuring diversity, equality, and inclusiveness (status of implementation of DE&I policies)
- Respect for human rights among external stakeholders (communities, business partners)

Additionally, Honda uses a supply chain mapping tool based on data mining to identify and mitigate human rights risks in the supply chain.

### Due Diligence

As social demands for sustainability increase, companies are required to conduct supplier due diligence not only to reduce environmental impact but also to address human rights. Legislation for supplier due diligence has also been implemented.

In the mobility field, as the electrification of vehicles progresses, there is a need to address environmental and human rights risks, particularly for batteries, and ensuring sustainable procurement has become an important issue.

In light of these social demands and regulatory trends, Honda is strengthening cooperation with relevant internal divisions and primary suppliers to promote transparency throughout the supply chain and responsible procurement.

To make these efforts more effective, the purchasing divisions are taking the lead in promoting environmental and human rights due diligence in the upstream of the supply chain with our target suppliers.

Honda's Approach ➡ p. 74

### Establishing a Hotline to Receive Suggestions and Consultation Requests from Suppliers

Honda has established the Business Ethics Kaizen Proposal Line (➡ p. 200) to accept suggestions and requests for consultation from all suppliers from a fair and neutral standpoint.

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## Basic Approach to Logistics

Honda is also actively working in the field of logistics toward the realization of a sustainable society. The Company aims to reduce environmental impact and improve transportation efficiency by positioning the following three pillars as its vision and guiding its activities accordingly.

### Energy-efficient logistics:

aim to achieve carbon neutrality by 2050

### Highly efficient logistics:

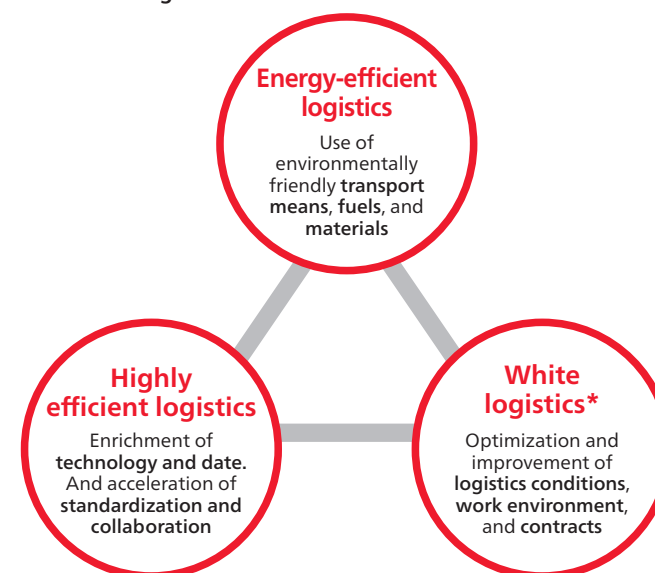
continuously improve logistics efficiency to address the driver shortage

### White logistics\*:

strengthen shipper responsibility and work on a driver-friendly work environment

These three pillars are in a triadic, mutually reinforcing relationship, as improved transportation efficiency leads to energy-efficient logistics, and improved labor environment supports stable and efficient transportation. Under this vision, Honda will accelerate the creation of a sustainable logistics model that both reduces environmental impact, and stabilizes and improves the efficiency of its logistics network.

## Honda's Vision for Logistics



\* White logistics: Sustainable logistics

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# Global Logistics Management

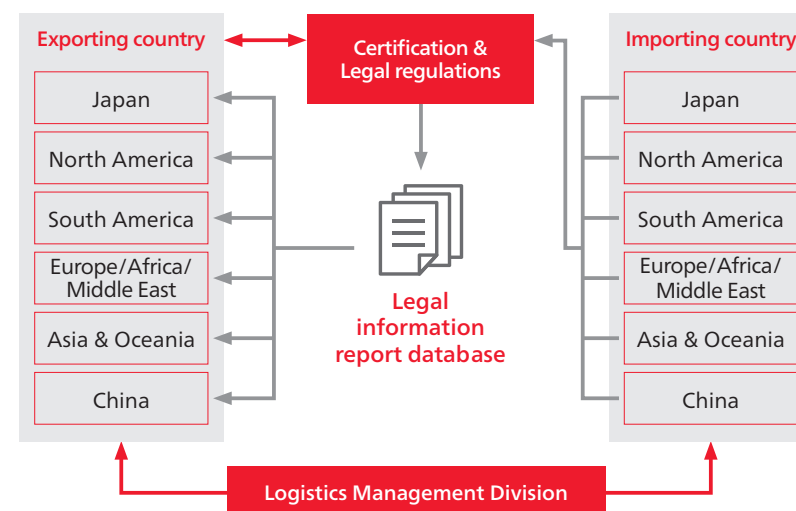
## Initiatives to Strengthen Governance

Honda transports products and components in compliance with logistics-related laws and regulations that vary by country, as well as rules established by relevant international organizations. To ensure this, Honda believes it is necessary to consistently obtain accurate information on logistics-related laws and regulations globally.

Specifically, the Certification & Legal regulations Division works together with the logistics division to regularly monitor trends in each country and international organizations and assess the impact of newly issued regulations on Honda. Based on these assessments, the detailed content of the regulations is communicated to relevant divisions through an internal database. Before the enforcement of the regulations, Honda works in cooperation with its overseas bases and logistics partners to implement appropriate countermeasures and strives to maintain its governance.

In addition, Honda regularly monitors geopolitical risks (natural disasters, strikes, and conflicts) and international conditions (trade friction, diplomatic policies, and internal and external fluctuations in cargo volume) across regions and countries, sharing this information globally. In the event of actual or anticipated risks, Honda issues timely alerts and collaborates with overseas bases and logistics partners to promptly establish alternative transportation routes, thereby minimizing such risks.

### Integrated management framework for legal information



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\* Sustainable Aviation Fuel: fuel produced from sustainable resources such as waste cooking oil and biomass instead of conventional oil refining

## Logistics Initiatives

### Progress in Fuel Cell Truck Demonstrations

Honda has started demonstration tests of fuel cell trucks starting in 2024 to clarify the operability and marketability of fuel cell heavy-duty trucks, with the aim of realizing a carbon neutral society. Fuel cell trucks are expected to be the next generation of transportation since they do not emit CO<sub>2</sub>, are lightweight and compact, and are capable of transporting volume over long distances while maintaining sufficient load capacity.

Honda is currently running fuel cell truck demonstrations in the U.S. and China, as well as joint development with Isuzu Motors Limited in Japan. The Company aims to introduce fuel cell trucks to the market in 2027 after verifying the technology through demonstration tests.

In addition, through the practical application of fuel cell technology, Honda will promote the reduction of CO<sub>2</sub> emissions and sustainable energy use in society, thereby supporting the transition to a carbon-neutral society.



Commercial truck for the U.S. (market)



Demonstration test under various conditions with commercial truck for Chinese (market) (e.g., test in cold climates)

Completed technical verification on public roads by the end of 2024 and proceeded to driving of monitor truck

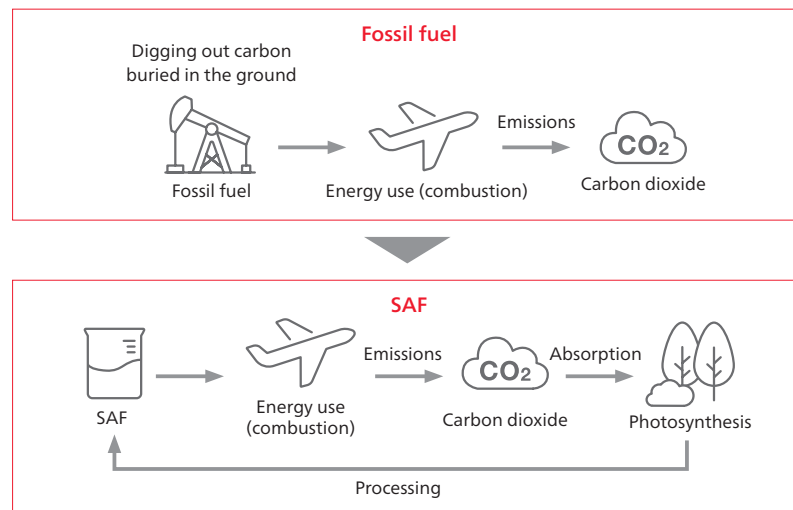


Test vehicle in joint research with Isuzu Motors Limited

### Promotion of SAF\* Utilization in Air Transportation

In October 2024, Honda signed a basic transaction agreement with Nippon Express Co., Ltd. for the SAF program to participate in the Tokyo Metropolitan Government’s SAF Utilization Promotion Project. Through this initiative, Honda contributed to reducing approximately 20 tons of CO<sub>2</sub> emissions between Japan and North America.

To reduce the share of air transportation emissions, which account for 15% of Honda’s total CO<sub>2</sub> emissions in the Japan region, the Company is working to reduce CO<sub>2</sub> emissions by promoting air transportation using SAF, a low-carbon and sustainable fuel-based transportation option.



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## Logistics Initiatives

### Expansion of Modal Shift

Honda is accelerating the modal shift by switching to rail and ship transportation, which have a smaller environmental impact, mainly for components and automobiles requiring long-distance transportation.

In the transportation of components, Honda has switched from truck to rail for battery-related components used in light commercial EVs launched last year, transporting them from the Kanto region to the Chubu region. This initiative is expected to eliminate approximately 400 14-ton truck shipments per year and reduce CO<sub>2</sub> emissions by 74.5%.

In the transportation of automobiles, where the shortage of transportation



Rail Transportation of EV Battery-Related Components



capacity of dedicated carrier trucks has become an industry-wide challenge, Honda implemented its first rail transportation in March 2024, operating between Nagoya Cargo Terminal Station and Minami-Matsumoto Station. Compared to truck transportation, this initiative reduces CO<sub>2</sub> emissions by approximately 30 tons per year and achieves logistics that help mitigate long working hours for drivers.

Looking ahead to the full-scale arrival of the EV era, Honda will optimize its logistics processes, including the proactive expansion of modal shifts, to further reduce environmental impact and ease the burden on drivers.



Rail Transportation of Finished Automobiles Using Containers



## 4 Social

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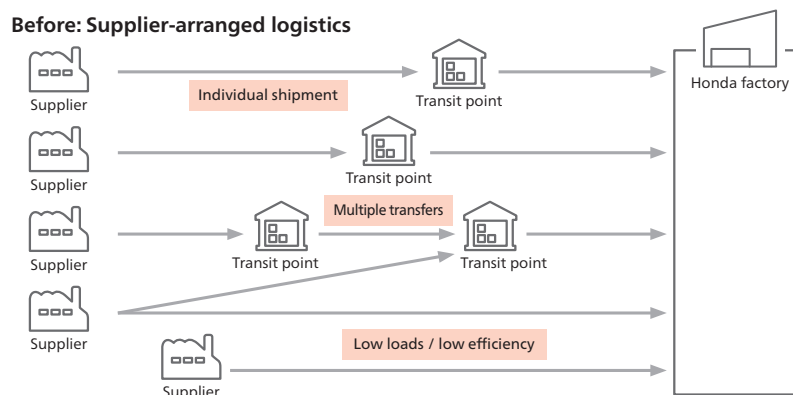
\* Milk-run: A method in which components required by the manufacturer are collected from each supplier on a circular route.

## Logistics Initiatives

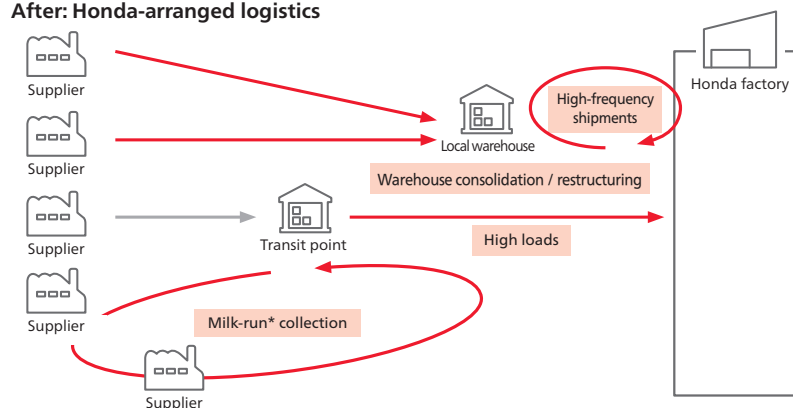
### Initiatives to Transform Procurement Logistics into "Honda-managed logistics"

Honda is shifting the logistics of components delivered from suppliers to Honda's factories from the conventional supplier-arranged transportation to Honda-arranged transportation. By consolidating shipment volumes as the shipper and promoting logistics efficiency from the perspective of overall optimization, Honda accelerates efforts to reduce environmental impact and address social issues. Last fiscal year, the Company switched to Honda-arranged logistics in the Tohoku region, achieving 19% reduction in truck shipments and 24% reduction in CO<sub>2</sub> emissions.

#### Before: Supplier-arranged logistics



#### After: Honda-arranged logistics



[Legend] → Honda-arranged logistics → Supplier-arranged logistics

### Initiatives for Optimizing Logistics and Improving Productivity

Honda made a Voluntary Action Declaration for White Logistics in 2019 and has since been continuously working to improve logistics productivity.

In addressing the 2024 logistics issue, Honda undertook initiatives based on the Voluntary Action Plan for Optimizing Distribution and Improving Productivity announced by the Japan Automobile Manufacturers Association (JAMA) in December 2023. These included identifying the actual conditions of truck waiting and loading/unloading times, clarifying compensation for transportation and handling, and conducting interviews to understand issues faced by logistics companies.

Furthermore, following the promulgation of two new logistics laws in May 2024 (the Act on Advancement of Integration and Streamlining of Distribution Business and the Motor Truck Transportation Business Act), Honda has begun developing internal structure required by laws and regulations and formulating a medium-term plan to further enhance logistics efficiency.

Honda will continue to work with logistics partners and suppliers to improve the efficiency of logistics throughout the supply chain and to create a comfortable working environment for drivers, loading/unloading staff, and other logistics personnel, in response to social demands including relevant laws and regulations.

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# Integrated Supply Chain Initiatives

## Engagement with Suppliers

### Sustainability Policy Briefing

With social demands in the ESG area further increasing, Honda has been holding ESG policy briefings since the fiscal year ended March 31, 2022 for key suppliers accounting for more than 80% of total purchases. Due to the COVID-19 pandemic, the briefings in the fiscal year ended March 31, 2022 and the fiscal year ended March 31, 2023 were conducted via video streaming, but in the fiscal year ended March 31, 2025, Honda held an in-person Sustainability Policy Briefing for approximately 320 suppliers in Japan. At the event, Honda presented its CO<sub>2</sub> emission reduction targets, data management and evaluation systems, resource recycling, sustainable logistics, and ESG resilience evaluations by third-party evaluation organizations.



Sustainability Policy Briefing



### Implementation of ESG Measures Sharing Meetings

Furthermore, Honda has started regular information-sharing meetings with group suppliers beginning in March 2024.

In the fiscal year ended March 31, 2025, through four sessions, Honda is strengthening the overall capabilities of the Honda Group by communicating the direction of ESG activities and sharing the status of initiatives between Honda and suppliers through interactive exchanges.



Policy sharing meeting

## Collaboration with Industry Groups and Suppliers

Honda participates in four working groups established by the Automotive Industry Action Group (AIAG) to strengthen sustainability in the supply chain: the Responsible Materials working group, the Human Rights and Trade working group, the Greenhouse Gas working group and the Chemical Management working group.

AIAG has offered supplier training and encourages participation in training sessions on corporate ethics, environmental regulations, the working environment, human rights and other topics for tier 1 and sub-tier suppliers in North America since 2012.

In addition, Honda participates in AIAG's Corporate Responsibility Steering Committee and Drive Sustainability\* to proactively identify issues, needs and trends in and outside the automobile industry.

In North America, e-learning programs using computer-based training (CBT) are also provided for suppliers to facilitate their understanding of sustainability, on sustainability themes including the environment, export control, social responsibility, safety and health, diversity, governance, compliance and ethics.

## Awards for Suppliers

Honda also regularly holds conferences around the world to share with suppliers the direction of its business and the details of its initiatives. At the regional conferences, Honda presented Supplier Awards to recognize those suppliers who have achieved outstanding results in each aspect of QCDDE and others.

In Japan, Honda has held an annual conference since 1974. Senior management from about 300 suppliers attended the conference in March 2025, which was held in person. At the conference, Honda communicated company-wide policies and measures for working with suppliers for the future. Since the fiscal year ended March 31, 2018, the Company has been presenting the Sustainability Award to suppliers for their outstanding efforts in all areas of ESG.

In North America, Honda presents the Sustainability Award to suppliers who have made the greatest contributions in areas such as compliance, safety and health, community contribution activities, the environment, diversity and human rights.

\* A newly launched partnership to promote sustainability in the automotive industry