

# To Realize a Zero Environmental Impact Society | Environmental Strategy

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

### Honda Environmental and Safety Vision / Honda 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 NO<sub>x</sub>\*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 organizes and clarifies 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.



BLUE SKIES FOR  
OUR CHILDREN

#### 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 where people can enjoy life (blue skies).” 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.

### 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’ life cycle—from research, design, production and sales to service 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 NO<sub>x</sub>: Nitrogen Oxides

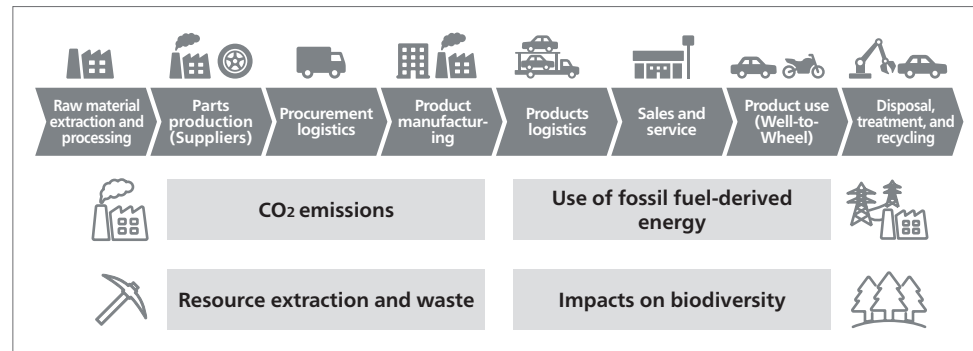
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## Actions to Take Towards Achieving a Zero Environmental Impact Society

### 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<sub>2</sub> 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 address environmental impacts comprehensively, Honda has established four materialities to guide its efforts.

#### Priority Issues

- Zero Environmental Impact Society

#### Materiality

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

### Triple Action to ZERO

The activities aimed at achieving a “Zero Environmental Impact Society” are centered around “Triple Action to ZERO,” a concept that consolidates three key initiatives: “Carbon Neutrality,” “Clean Energy,” and “Resource Circulation.”

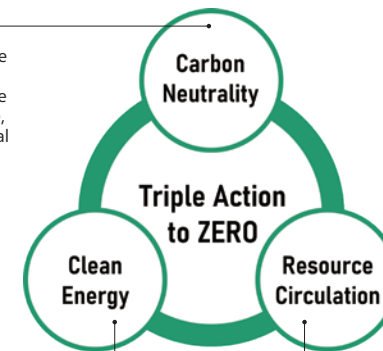
The three initiatives of “Triple Action to ZERO” are closely related and we aim to maximize synergistic benefits by considering their linkages.

The “Triple Action to ZERO” initiative is also linked to the international demand for preserving biodiversity and fostering harmony with nature. In advancing this initiative, we will consider “nature-based solutions\*” as well.

\* Nature-based Solutions (NbS) involve advancing societal challenges while conserving and restoring natural ecosystems.

#### Net zero CO<sub>2</sub> emissions

In “addressing climate change,” we aim to achieve net-zero CO<sub>2</sub> emissions from both our corporate activities and the product lifecycle, with the goal of limiting the global average temperature rise to 1.5°C 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.

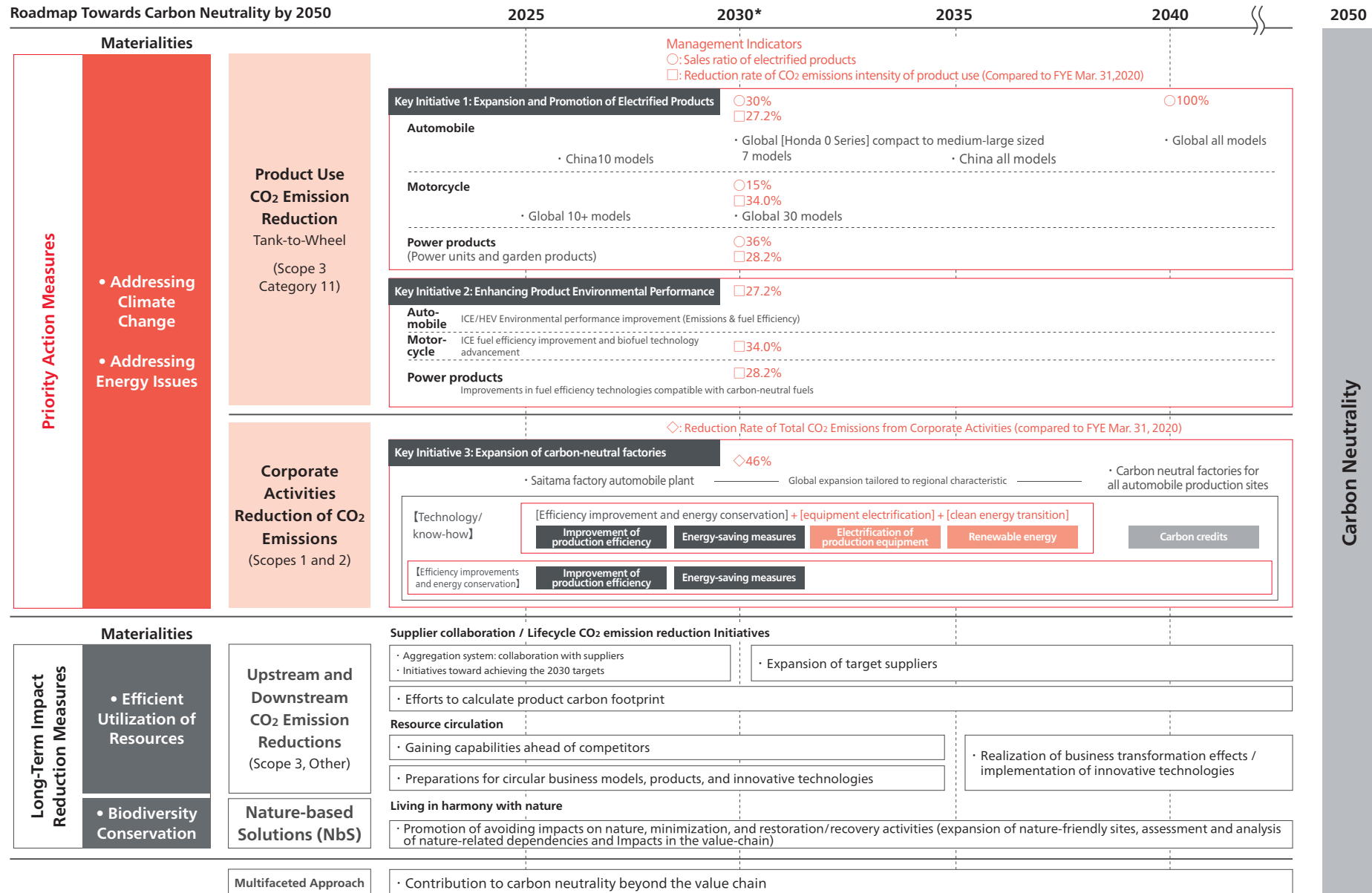
### Efforts Towards Achieving Carbon Neutrality by 2050

Honda has set the Fiscal Year Ending March 31, 2031 goals related to the materialities of “addressing climate change” and “addressing energy issues” and is prioritizing efforts to achieve these CO<sub>2</sub> reduction targets as part of its commitment to achieving “carbon neutrality by 2050” across the entire product lifecycle.

Initiatives related to the materiality of “efficient utilization of resources” are in the early stages of development, aiming to reduce CO<sub>2</sub> emissions in future upstream and downstream processes. We recognize the importance of considering natural impacts, such as the materiality of “biodiversity conservation,” while advancing these efforts. Honda is committed not only to achieving “carbon neutrality by 2050” but also to pursuing long-term actions to realize a zero environmental impact society.

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Roadmap Towards Carbon Neutrality by 2050



\* ○, □, ◇ for 2030 is the target value for the Fiscal Year Ending March 2031

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## Efforts to Achieve Carbon Neutrality by 2050

### Key Initiatives and Milestones for Achieving Materiality

Honda is focusing on achieving the four materialities through key initiatives. As priority actions, the Company is working on reducing CO<sub>2</sub> emissions from product use and corporate activities. For long-term impact reduction measures, Honda is addressing upstream and downstream CO<sub>2</sub> emissions and implementing nature-based solutions.

Priority initiatives are classified into specific measures and further broken down into more specific initiatives. Targets for the Fiscal Year Ending March 2031 have been set, and progress is being monitored. Specifically, CO<sub>2</sub> 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<sub>2</sub> reduction amounts for each product and factory.

Long-term initiatives for reducing environmental impact include measures that require business transformation to achieve carbon neutrality. Honda is currently in the phase of preparing and implementing various strategies to reach this goal by 2050.

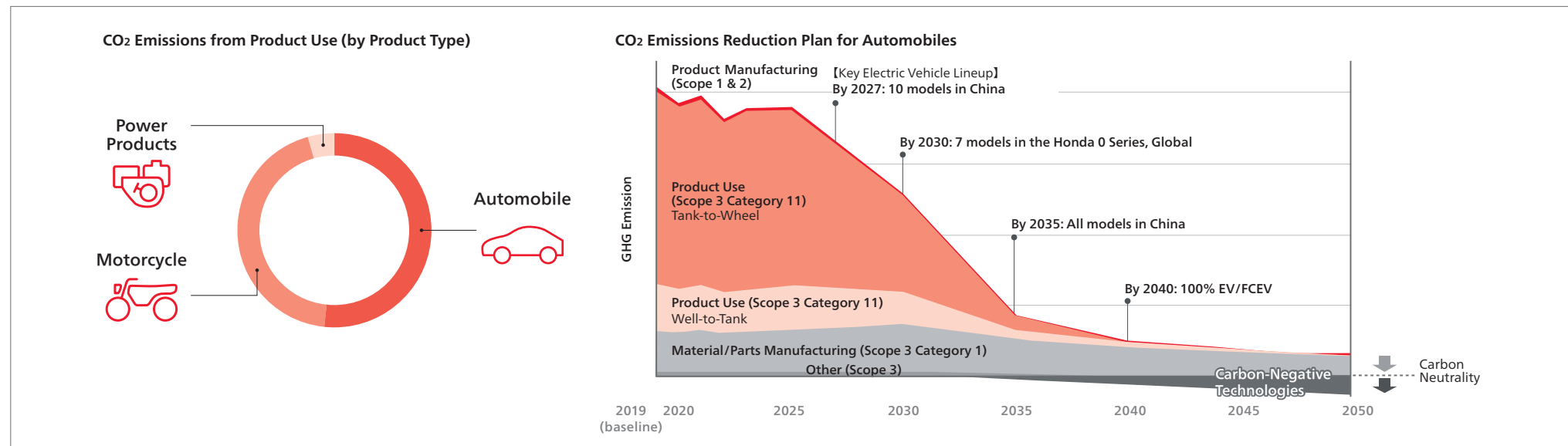
To achieve carbon neutrality, multifaceted initiatives are also being promoted in addition to the electrification of mobility.

### Plan for Reducing Total CO<sub>2</sub> Emissions from Products

Honda has established a plan for reducing the total CO<sub>2</sub> emissions across all business segments as part of its priority initiatives. The plan involves calculating the total CO<sub>2</sub> emissions reductions expected from implementing specific measures within each segment. These reductions are aggregated to form the overall CO<sub>2</sub> emissions reduction plan for the entire company. The CO<sub>2</sub> reduction strategy is closely tied to the initiatives outlined in the milestones and will be achieved through efforts across all business domains.

In the automotive business, Honda aims to achieve a 100% sales ratio of electric vehicles by 2040. Consequently, we expect that CO<sub>2</sub> emissions from product use (Tank-to-Wheel) will reach zero by that year.

To reduce CO<sub>2</sub> beyond 2040, it will be necessary for Honda to undertake significant business transformations to achieve carbon neutrality by 2050. Therefore, as part of our long-term efforts to reduce environmental impact, we are also focusing on developing innovative technologies and preparing for business expansion to facilitate these changes.



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## Initiatives for Carbon Neutrality and Clean Energy

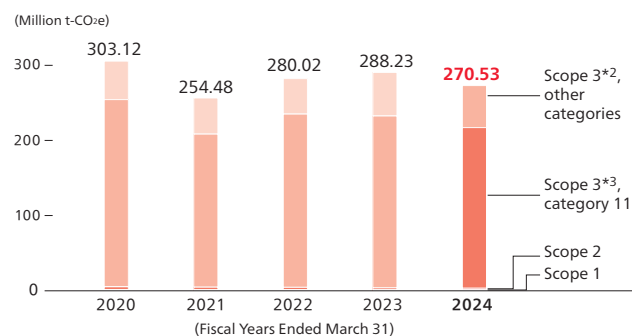
Honda, as a comprehensive mobility company, believes it is essential to actively promote GHG emissions reduction efforts by calculating and disclosing GHG emissions from its global business activities. To achieve this, Honda follows "GHG Protocol,"\*1 which is the most commonly used standard for GHG accounting worldwide. Since 2012, Honda has been calculating GHG emissions across its entire supply chain and converting these emissions into CO<sub>2</sub> equivalents for disclosure.

In FYE Mar. 31, 2024, Honda's total GHG emissions worldwide exceeded 270 million t-CO<sub>2</sub>e. Scope 3 Category 11, which pertains to CO<sub>2</sub> 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 with the goal of reaching net-zero CO<sub>2</sub> emissions by that year. To achieve this, the Company is prioritizing reductions in CO<sub>2</sub> 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.

\*1 GHG Protocol: The Greenhouse Gas Protocol was developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

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



\*2 The calculation for Scope 3, Other Categories (Category 1) was revised in FYE Mar. 31, 2023.

\*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.

## Reduction of CO<sub>2</sub> Emissions from Product Use (Scope 3 Category 11)

CO<sub>2</sub> 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<sub>2</sub> emissions from product use. By increasing the sales ratio of electric products, Honda aims to achieve reductions in CO<sub>2</sub> 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<sub>2</sub> emissions.

While the electrification of products will contribute to reducing CO<sub>2</sub> emissions, some emissions 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<sub>2</sub> emissions from the use of electric products.

## Reduction of CO<sub>2</sub> Emissions from Corporate Activities (Scope 1 and 2)

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

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## Reduction of CO<sub>2</sub> 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 monitor progress in the expansion of electric products, Honda has set a target for the sales ratio of electric vehicles by the Fiscal Year Ending March 31, 2031. To meet this target, Honda is focusing on expanding its lineup of electric products while simultaneously developing and producing attractive electric products that offer value and are designed to appeal to customers.

For automobiles, Honda will focus on the core Honda 0 series. Starting with the North American market launch in 2026, Honda plans to offer seven models globally, ranging from small to midium-large sized vehicles, by 2030. In the Chinese market, Honda aims to offer ten models by 2027 and to achieve full electrification of all models by 2035. Additionally, in the Japanese market, Honda will expand its lineup with the launch of the small commercial N-VAN e: in October 2024, and will continue to enhance the sales ratio of electric products.

The "Honda 0 Series," which spearheads Honda's EV strategy, 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**

For its motorcycles, Honda plans to offer over 10 models by 2025 and aims to introduce 30 models by 2030. In 2023, Honda launched the "EM1 e:" in Japan and Europe, and the "Honda Cub e:" in China among other models. 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.

The electrification of motorcycles, automobiles, and power products is seen as a way to create synergies through parts sharing among different business segments. Honda will continue to actively advance its electrification efforts.

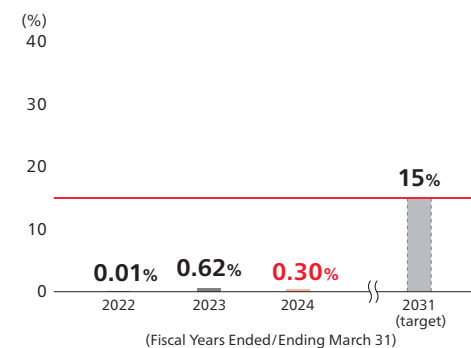
Honda monitors progress in the expansion of electric products by setting the "Sales ratio of electrified products" as a key performance indicator (KPI) and advancing efforts towards the targets.

#### Metrics and Targets / Achievements

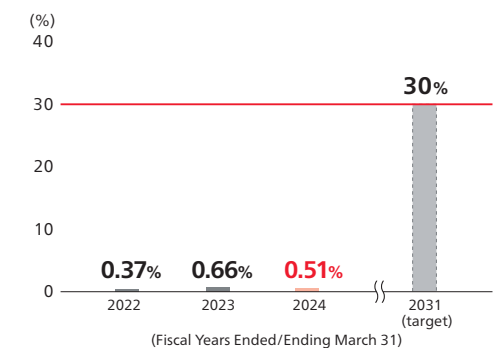
Management Indicators (KPI)	Targets		
	Fiscal Year Ending March 31, 2031		
Sales ratio of electrified products	Motorcycles <b>15%</b>	Automobiles <b>30%</b>	Power products <b>36%</b>

#### Sales Ratio of Electrified Products

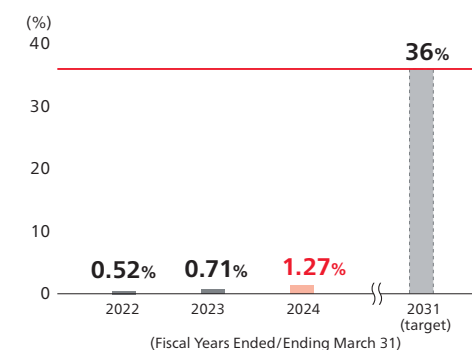
##### Motorcycles



##### Automobiles



##### Power Products



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Reduction of CO<sub>2</sub> Emissions from Product Use (Scope 3 Category 11)

## Key Initiative 2: Enhancing of Product Environmental Performance

### Reduction of CO<sub>2</sub> Emissions through Improved Environmental Performance

Honda is advancing product electrification while also reducing CO<sub>2</sub> 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)”.

#### Honda Environmental Performance Standards (HEPS)

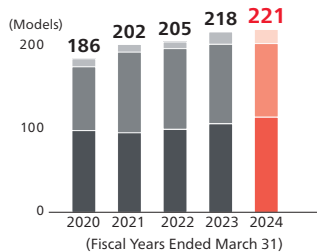
- Improving the efficiency of internal combustion engines
- Applying environmental innovation technologies and adapting to diversifying energy sources
- Utilizing renewable energy and total energy management systems



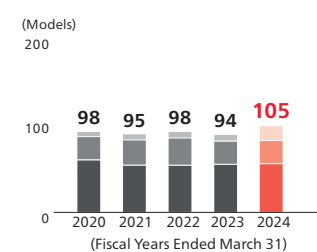
To track the progress of electric product adoption and environmental performance improvements, we established the “product CO<sub>2</sub> emission intensity reduction rate (compared to FYE Mar. 31, 2020)” as a key performance indicator (KPI). We have set target values and are actively working to achieve them.

#### Global Number of HEPS-Compliant Models

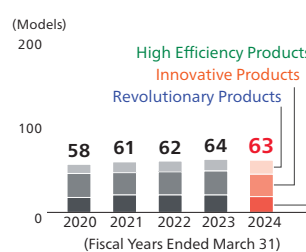
##### Motorcycles



##### Automobiles



##### Power Products



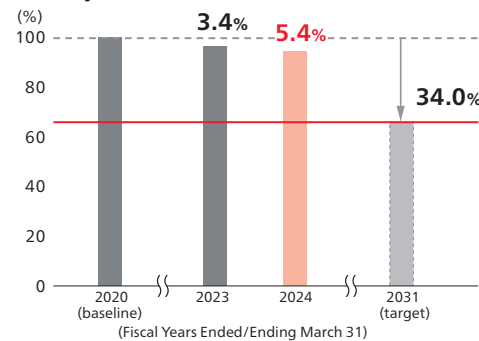
In 2011, Honda established the “Honda Environmental Performance Standards (HEPS)” and set operational guidelines to ensure continuous efforts in this area. The number of HEPS-compliant models across various business sectors has been increasing as of the FYE March 2024. Additionally, the FYE Mar. 31, 2024 performance for product CO<sub>2</sub> emission intensity reduction rate (compared to FYE Mar. 31, 2020) has generally shown a decrease compared to the previous fiscal year, indicating steady progress in improving the efficiency of internal combustion engine products, among other advancements.

#### Metrics and Targets/Achievements

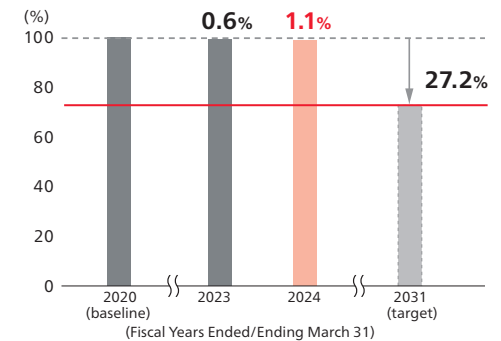
Management Indicators (KPI)	Targets		
	Fiscal Year Ending March 31, 2031		
Reduction rate of CO <sub>2</sub> emissions intensity of product use (compared to FYE Mar. 31, 2020)	Motorcycles <b>34.0%</b>	Automobiles <b>27.2%</b>	Power products <b>28.2%</b>

#### Reduction rate of CO<sub>2</sub> emissions intensity of product use (Compared to FYE Mar. 31, 2020)

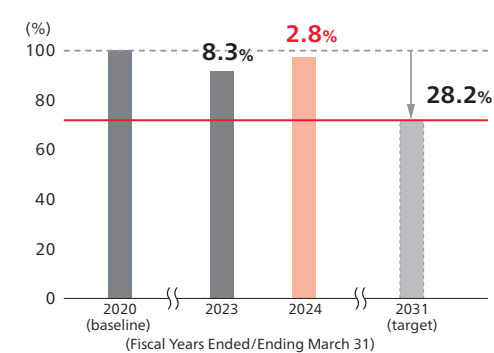
##### Motorcycles



##### Automobiles



##### Power Products



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Reduction of CO<sub>2</sub> Emissions from Corporate Activities (Scopes 1 and 2)

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

The starting point for reducing CO<sub>2</sub> 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<sub>2</sub> 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.

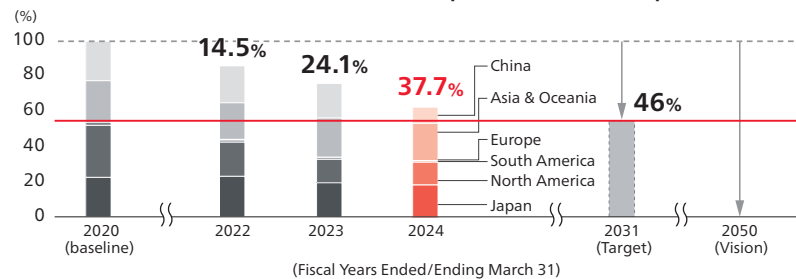
Furthermore, to address CO<sub>2</sub> emissions from the use of fossil fuel-based electricity, we are working on reductions through the procurement and utilization of renewable energy, including the installation of solar panels on factory premises. As a result, the FYE Mar. 31, 2024 performance has reached 37.7% vs. the 46% reduction target for 2030 (compared to FYE Mar. 31, 2020), with CO<sub>2</sub> emissions amounting to 3.14 million t-CO<sub>2</sub>e.

Honda sets a key management indicator (KGI) for the reduction of Scope 1 and 2 emissions, namely the “reduction of total CO<sub>2</sub> emissions from corporate activities (compared to FYE Mar. 31, 2020),” and establishes target values to continuously monitor and advance its efforts toward achieving these goals.

**Metrics and Targets/Achievements** (Million t-CO<sub>2</sub>e)

Management Indicator (KGI)	Target Values		Achievements			
	FY Ending Mar. 31, 2026	FY Ending Mar. 31, 2031	FYE Mar. 31, 2021	FYE Mar. 31, 2022	FYE Mar. 31, 2023	FYE Mar. 31, 2024
Reduction rate of total CO <sub>2</sub> emissions from corporate activities (compared to FYE Mar. 31, 2020)	Company-wide	46%	4.50	4.30	3.82	3.14

**Reduction rate of total CO<sub>2</sub> emissions from corporate activities (compared to FYE Mar. 31, 2020)**



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

Honda is implementing CO<sub>2</sub> emissions reductions from its corporate activities using three main technologies/know-how and defines production sites that have effectively achieved zero CO<sub>2</sub> emissions as “carbon neutral factories.”

Honda is designating its Saitama Factory’s automobile plant, which is a key production site for automobiles, as a leading facility for carbon neutrality. The plant is applying three main technologies/know-how in this effort. By advancing these initiatives, the goal is to achieve Honda’s first carbon-neutral factory by Fiscal Year Ending Mar. 31, 2026. Through these efforts, the accumulated technologies/know-how 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

### “Canada EV-Only Factory” Aiming for Both Minimal Environmental Impact and World-Class Production Efficiency

The Canada EV-only factory, scheduled to begin operations in 2028, will utilize the carbon-neutral factory technologies and know-how developed at the Saitama Factory. It aims to achieve both minimal environmental impact and world-class production efficiency. As part of our efforts, the plan is to utilize renewable energy sources, such as hydroelectric power, which are becoming more prevalent in Canada, to advance the use of clean energy.

We will also progressively implement measures at other production sites, tailored to the renewable energy characteristics of each region.



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## Reduction of CO<sub>2</sub> Emissions from Corporate Activities (Scopes 1 and 2)

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

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

Honda believes that the key actions for reducing CO<sub>2</sub> 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 consumption and lower CO<sub>2</sub> emissions.

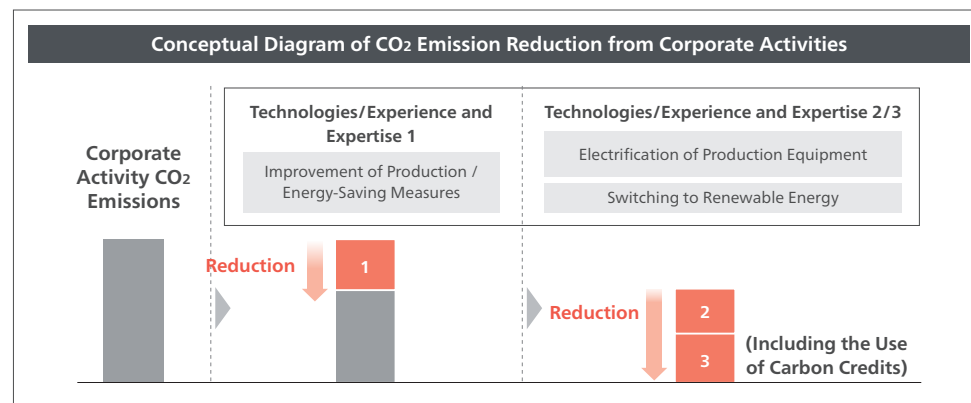
For example, we are advancing efforts to recover and reuse waste heat generated in the painting process in other equipment. These efforts are not limited to the painting process and are continuously applied across various processes.

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

Electrifying equipment is an effective measure to reduce CO<sub>2</sub> emissions from production processes. For example, we have electrified gas-burning equipment used for drying, which has helped reduce CO<sub>2</sub> 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<sub>2</sub> emissions.

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



#### Technology/Experience and Expertise 3: Switching to 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<sub>2</sub> 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, with plans to start utilizing it from 2025.

#### Rusutsu Wind Power Plant (Rusutsu Wind LLC)



#### Utilization of Carbon Credits

Honda is implementing various strategies and innovations to reduce and mitigate CO<sub>2</sub> emissions. However, even with these efforts, we anticipate that achieving complete zero CO<sub>2</sub> emissions may still be challenging. Therefore, we consider the use of carbon credits, among other options, as part of our strategy to achieve net-zero emissions.

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### Shinichi Miyaguchi

Saitama Factory Automobile Plant  
Production Unit

Involved in the establishment  
of the Yorii Factory and  
the promotion of material  
introduction, currently serving as  
the leader of the painting sector  
for the Yorii Carbon Neutral  
Factory Realization Project.

#### Favorite motto

"Learn from yesterday, live for  
today, hope for tomorrow."

**Honda-ism which he has empathy**

"Work for yourself first."



### Interview

## From Yorii to the World: Driving Honda's Carbon Neutrality Forward

Saitama Factory Automobile Plant (Yorii Factory) represents the forefront of Honda's carbon neutral technology in the automobile production sector. Here, we are continuously pursuing our mission to achieve a carbon neutral factory by the Fiscal Year Ending March 31, 2026, through efforts such as optimizing manufacturing energy efficiency and utilizing clean energy.

When the Yorii Factory began operations in 2013, the Chemical Module team I belong to embarked on an initial effort to reduce volatile organic compounds (VOCs) and CO<sub>2</sub> emissions. This included transitioning from solvent-based to water-based paints and eliminating the "intermediate coating" process, a first for Honda. However, we faced new challenges, such as pinholes in the paint film caused by water vapor in water-based paints. To overcome these issues and achieve high-quality painting, my team and I brainstormed and went through a process of trial and error to address each problem.

Currently, we are striving to achieve zero direct CO<sub>2</sub> emissions from the factory by electrifying our painting equipment as part of our efforts to further reduce environmental impact. The Yorii Factory plays a crucial role as a mother factory, establishing mass production technologies for horizontal deployment to other production sites. If our efforts succeed, they will significantly advance Honda's overall carbon neutrality. Initially, I felt pressure and anxiety about the important mission, which greatly contributes to Honda's future strategy. However, the goal is clear. It's now a matter of "how to overcome the obstacles that stand in our way." I've come to realize that if there are things I lack, I should learn openly from those around me and focus on "working together with my team to reach the goal."

Working in the painting domain is a continuous process of trial and error. We learn from yesterday's failures and successes, apply that knowledge today, and hope for better results tomorrow. I believe that continuous effort and learning is the path to growth both as a technician and as a person. My current dream is to become an expert in the environmental field within the painting domain and to contribute to global environmental conservation.

## Efforts to Reduce Lifecycle CO<sub>2</sub> Emissions

### Advancement in Aggregating Corporate GHG Emissions

While the expansion and adoption of electric products are advancing the reduction of CO<sub>2</sub> emissions from product use (Scope 3 Category 11), CO<sub>2</sub> 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<sub>2</sub> emissions (hotspots), Honda has developed and implemented a method for calculating CO<sub>2</sub> emissions for each component by decomposing approximately 20,000 parts into about 50 types of constituent materials.

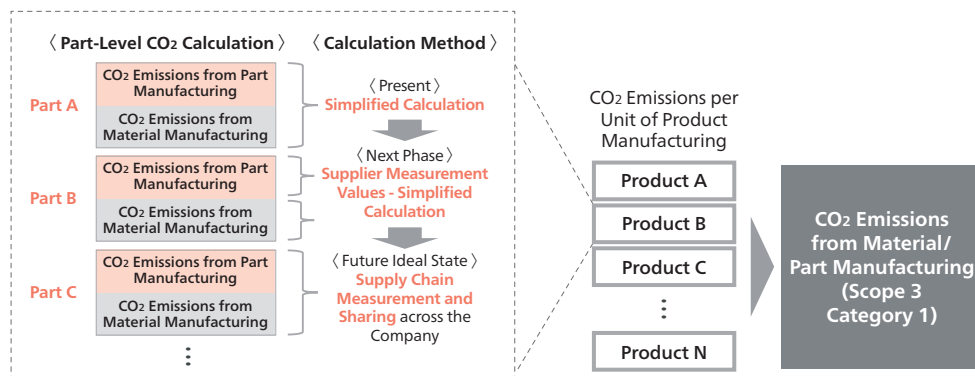
Currently, CO<sub>2</sub> emissions during the manufacturing of materials and components are calculated using simplified methods based on industry averages. However, moving forward, it will be possible to more accurately assess CO<sub>2</sub> emissions reduction efforts by measuring the actual energy consumption during the manufacturing process.

On the other hand, it is the suppliers who can accurately calculate CO<sub>2</sub> 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<sub>2</sub> emission data calculated by our suppliers along the supply chain. This will enable us to more accurately assess the CO<sub>2</sub> 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<sub>2</sub> emissions enables more effective measures, we are advancing the implementation of a system that can aggregate and analyze CO<sub>2</sub> emissions data across the entire Honda value chain, including not only our own corporate CO<sub>2</sub> 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<sub>2</sub> emission reductions, aiming to achieve carbon neutrality.

### Scope 3 Category 1 Aggregation: Concept Diagram



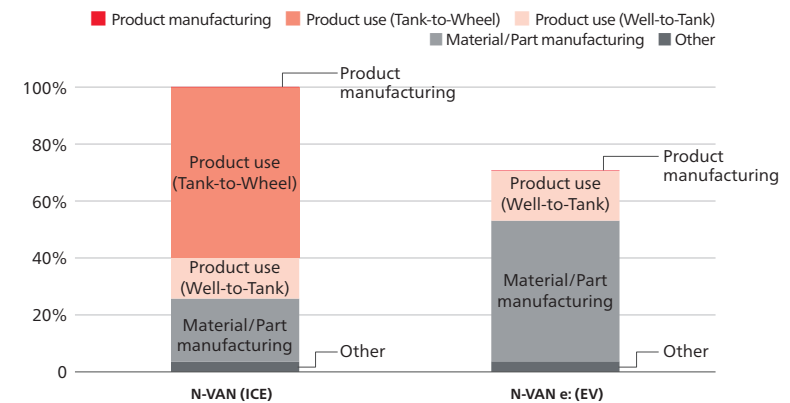
### Efforts to Calculate Product Carbon Footprint

To achieve carbon neutrality by 2050, we are focusing on effective CO<sub>2</sub> 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<sub>2</sub> emissions compared to traditional products. We are also developing technologies and improving product specifications to enable CO<sub>2</sub> 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)



### Efforts to Achieve the Fiscal Year Ending March 31, 2031 Goals

In March 2024, to accelerate efforts toward achieving carbon neutrality by 2050, Honda communicated the Fiscal Year Ending March 31, 2031 interim target (a 46% reduction compared to FYE Mar. 31, 2020) to its suppliers. Honda is working together with its suppliers, engaging in communication and collaboration to achieve carbon neutrality.

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## Efforts in Resource Circulation

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

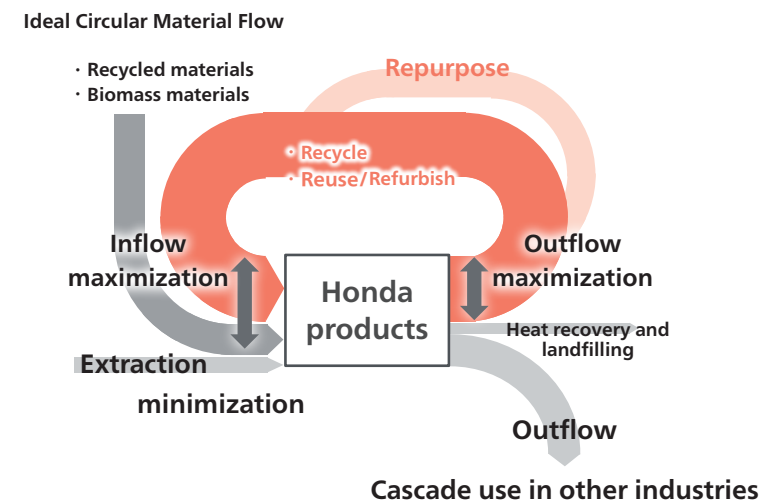
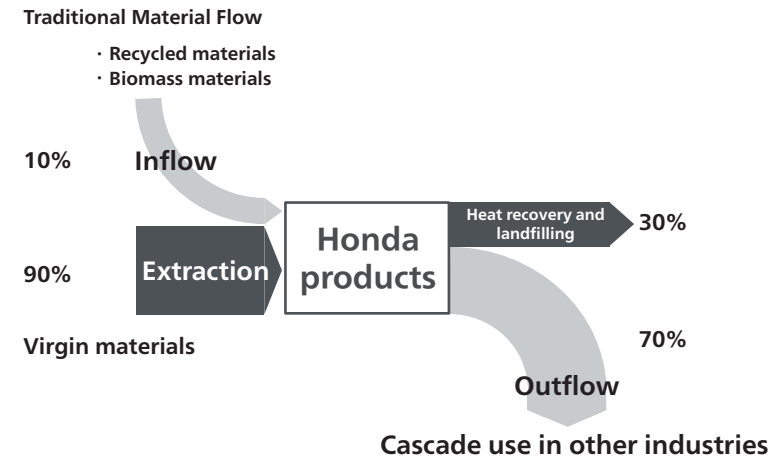
Our lives involve production, consumption, and disposal, relying on various resources. Driven by global population growth and economic development, the demand for resources continues to rise, and extensive resource extraction has become a societal issue. This is because, in addition to consuming limited resources in large quantities, resource extraction entails energy consumption, CO<sub>2</sub> 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<sub>2</sub> 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<sub>2</sub> 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 implement resource circulation with economic feasibility to make recycled materials more viable.

In a traditional “take-make-dispose” business model, 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.



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### Efforts in Resource Circulation

## 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.

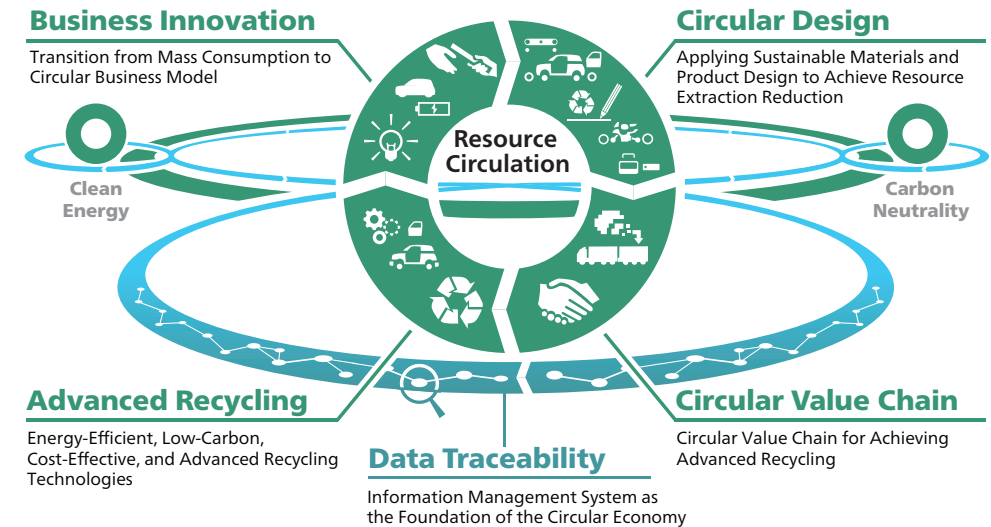
We will also utilize data to "visualize value" throughout the product lifecycle, facilitating regulatory compliance, proper transactions of products and components, and promoting their effective use.

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 end-of-life vehicles (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 incorporating these strategies into product design, we will also focus on expanding future horizontal recycling efforts. To achieve both environmental sustainability and economic viability, we are working with our partners to develop advanced recycling technologies, including those for dismantling, shredding, sorting, and reprocessing materials.

## 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<sub>2</sub> 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

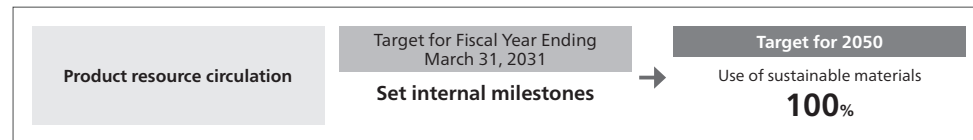
Honda will work on optimizing specifications across the entire supply chain involved in resource circulation, including material manufacturers and dismantling and shredding industries, to build a circular value chain that maximizes economic efficiency.

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### Efforts in Resource Circulation

## 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.



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>

For details on ALTNA’s initiatives, please refer to [p. 43](#)

### 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)

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### Efforts in Resource Circulation

## 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\*1 and other environmental impacts in its corporate activities, with a focus on effective resource utilization and environmental load reduction. We are working on resource reduction, including minimizing scrap in production processes, and engaging in the 3Rs (Reduce, Reuse, Recycle). Our goal is to achieve a 14.5% reduction in the total amount of waste generated by all Honda activities by the Fiscal Year Ending March 31, 2031 compared to the Business As Usual (BAU)\*2 scenario.

### Water Resources

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.

We are also working to minimize water use, such as utilizing recycled water. With a focus on mitigating supply risks and addressing depletion risks that could affect local communities, we aim to achieve a 14.5% reduction in the total amount of water withdrawn across all Honda activities by the Fiscal Year Ending March 31, 2031 compared to the BAU scenario.

\*1 The total amount of waste and recoverable resources based on GRI standards

\*2 Estimated value assuming no measures or actions are taken towards reduction based on the 2030 production plan (Business As Usual)

Management Indicators (KPI)	Consolidated (compared to BAU)	Targets		Target for 2050
		Fiscal Years Ending March 31		
		2026	2031	
Reduction rate of total waste generation in corporate activities		–	14.5%	Zero industrial waste
Reduction rate of total water intake in corporate activities		–	14.5%	Zero industrial water withdrawal

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## Biodiversity Conservation Initiatives

### Approach to Initiatives

In advancing our efforts towards nature positive and promoting harmony with nature, Honda has identified “biodiversity conservation” as a materiality.

Honda’s operations benefit from natural and mineral resources. We recognize our dependence and impact on numerous natural capitals throughout the entire value chain, from raw material procurement to research and development, manufacturing, usage, and post-use disposal. Our fundamental approach is to strive for harmony with corporate activities and promote efforts accordingly.

In 2011, we established the “Honda Biodiversity Guidelines.” Following these guidelines, we work not only to avoid and minimize impacts on the environment, including air, water, and biodiversity but also to engage in restoration and regeneration efforts.

### Priority Analysis for Biodiversity Conservation

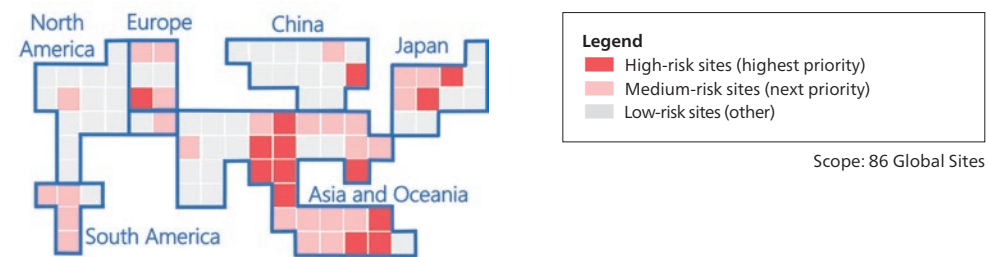
Honda conducts analyses to identify potential impacts of its business activities on biodiversity and prioritize areas of focus.

For these analyses and evaluations, we utilize methods recommended by the Taskforce on Nature-related Financial Disclosures (TNFD).

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

### Assessment of Biodiversity Priorities at the Company’s Production Sites



### Endangered Species Assessment

We investigate areas within a 50 km radius of our production sites and evaluate the proximity to areas where IUCN\* Red List endangered species are known to inhabit. In order to concretize our biodiversity initiatives, we use indicators from IBAT, including Key Biodiversity Areas (KBAs), the World Database on Protected Areas (WDPA), IUCN Red List endangered species, and Species Threat Abatement and Restoration (STAR) to perform a comprehensive assessment of biodiversity risks at our production sites.

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. (2023 assessment)

\* IUCN: International Union for Conservation of Nature and Natural Resources

### Endangered Species Assessment around the Company’s Production Sites

Region	Endangered Species Category		
	CR (Critically Endangered)	EN (Endangered)	VU (Vulnerable)
Japan	60	292	607
North America	75	187	294
Europe	62	136	305
Asia & Oceania	647	1,547	4,538
China	189	404	755
South America	29	97	212
Africa & the Middle East	36	64	90
Total	1,098	2,727	6,801

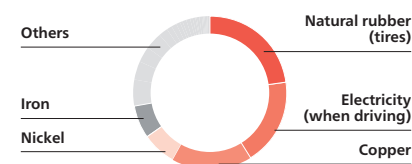
Number of species (total)  
Scope: 86 sites (global)

### 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



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## Biodiversity Conservation 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.

Mobility Resort Motegi, located in the nature-rich town of Motegi in Tochigi Prefecture, has long engaged in environmental conservation activities and next-generation development efforts aimed at harmonizing people and nature.

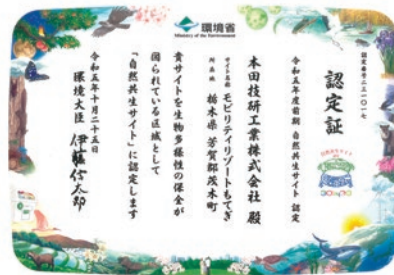
Due to the achievements of these efforts, 415.1 hectares of forest at Mobility Resort Motegi have been certified as a Nature Symbiosis Site.

Moving forward, 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



Mobility Resort Motegi's Certificate of Nature Symbiosis Site

### Terraced rice paddies inhabited by a wide variety of organisms (Mobility Resort Motegi)



The terraced rice fields within Mobility Resort Motegi use traditional farming methods that avoid pesticides, supporting a diverse range of species.

The site also offers cultural services, as one of the venues for visitor programs aimed at observing flora and fauna and fostering interest in environmental conservation.

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## Multifaceted Approaches toward Carbon Neutrality

Honda is committed to achieving carbon neutrality across society through a multifaceted approach, which includes not only the electrification of mobility but also various other strategies.

### Efforts to Promote Sustainable Aviation Fuel (SAF)

Honda anticipates that achieving carbon neutrality for aircraft, which require long-distance and high-speed travel, will take more time with battery replacement alone. Therefore, we believe that Sustainable Aviation Fuel (SAF) is an effective solution. SAF is a next-generation fuel that significantly reduces CO<sub>2</sub> emissions by blending with or replacing existing jet fuel, and it is positioned as a crucial technology for achieving carbon neutrality in aviation.

Honda aims to become a frontrunner in the promotion and expansion of SAF by advancing activities from three perspectives: "Regulate," "Use," and "Create."

- **Regulate:** In Japan, Honda participates in ACT FOR SKY, an organization dedicated to promoting SAF. In the United States, we are a member of the FAA/OEM Review Panel, composed of the Federal Aviation Administration (FAA) and aircraft and engine manufacturers, working with industry groups to build SAF supply network and value chains. Additionally, from our position as a developer and manufacturer of aircraft and aircraft engines, we evaluate the safety of newly developed SAF through test data reviews with other participating companies and support SAF standardization.

- **Use:** From the perspective of usage, Honda, in collaboration with General Electric Company (GE), has successfully completed the compatibility evaluation of the HF120 engine with 100% SAF.

- **Create:** In the realm of fuel production, we are advancing research on SAF's third generation, known as PTL (Power-to-Liquid), which synthesizes fuel directly from CO<sub>2</sub> and hydrogen, rather than using traditional bioresources or waste. This involves research into catalysts and catalytic reaction processes for this innovative SAF.

There are very little examples worldwide of direct synthesis from CO<sub>2</sub>. However, leveraging our expertise in exhaust gas purification catalysts developed through ICE technology, we are committed to contributing towards the stable supply of SAF.

### Honda's Approach to SAF

#### 1. Regulate:

- Participate in activities to evaluate SAF.
- Support the standardization of SAF.

#### 2. Use:

- Research the impact of SAF on engines.
- Transition to using SAF in test fuels.

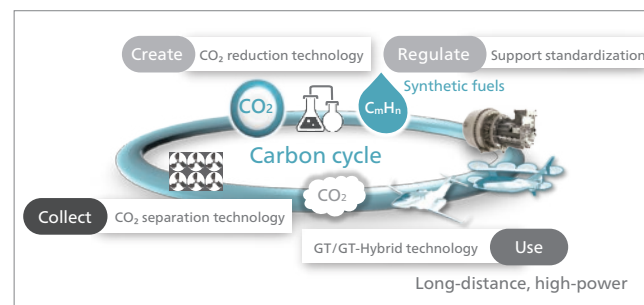


#### 3. Create:

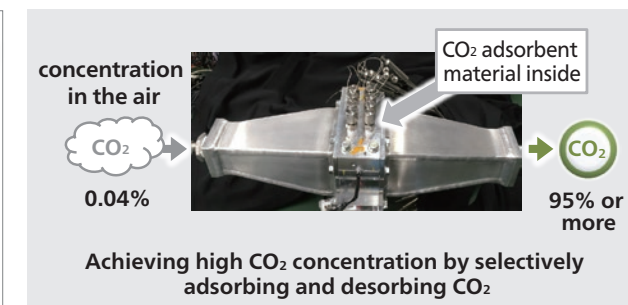
- Conduct research on SAF production.



### Efforts in the Carbon Cycle



### DAC Test Module



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## Multifaceted Approach toward Carbon Neutrality Expansion of Hydrogen Utilization

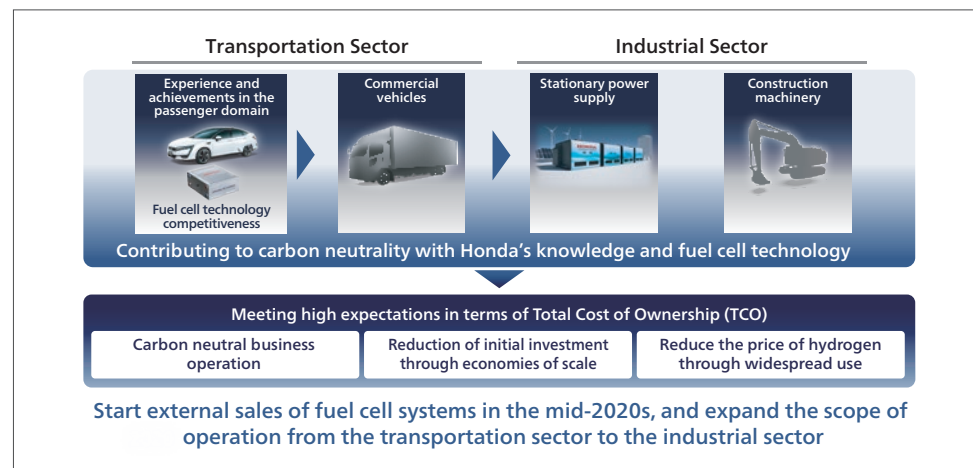
For the power sources used in medium and large commercial mobility, construction machinery, and large infrastructure power systems—where high efficiency, long-range operation, continuous running, high output, and quick refueling are required—complete battery replacement is challenging. Honda views fuel cell (FC) systems using hydrogen as an energy carrier as a valuable solution for achieving carbon neutrality in these areas and is accelerating its efforts to expand hydrogen utilization.

Recently, Honda has joined a demonstration project for stationary fuel cells for data centers with Tokuyama Corporation and Mitsubishi Corporation (NEDO\*-approved, June 2023). Additionally, Honda has begun a public road demonstration of heavy-duty fuel cell trucks in collaboration with Isuzu Motors Limited (December 2023). We have also started mass production of a new FC system in a joint venture with General Motors Company (January 2024). This new system significantly reduces costs by one-third, improves durability twofold, and greatly enhances low-temperature resistance compared to the “CLARITY FUEL CELL” system (2019 model). The new system is incorporated into the new CR-V e:FCEV (launched in the U.S. and Japan in July 2024) and is planned for external sales for B2B applications.

Honda has long recognized the potential of hydrogen and has been engaged in research and development of hydrogen technology and fuel cells for over 30 years. Currently, we are expanding the application of our core FC technology beyond our own Fuel Cell Vehicles (FCEVs) to the transportation sector and industrial applications. As a front-runner in FC adoption, we actively collaborate with other companies to broaden the “Use” of hydrogen, contributing to the overall goal of carbon neutrality.

\* NEDO: New Energy and Industrial Technology Development Organization

### Core Domains and Value Offerings



## Expansion of Renewable Energy Utilization

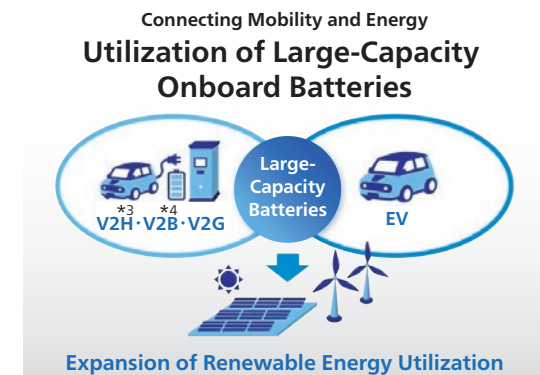
Global electricity demand is expected to increase in the future. As Honda advances the electrification of mobility, our electricity demand will also rise. Thus, it is crucial to replace the electricity used by various electric products, including mobility, with clean renewable energy. However, renewable energy sources like wind and solar power are affected by weather and seasonal variations, and is challenging to control according to power supply/demand and grid capacity. Therefore, to increase the share of renewable energy in the power mix while ensuring stable electricity supply, it is essential to have buffering capabilities, or "regulation power," to cover the variability in generation.

Honda is working on providing regulation power to the power grid through the use of large-capacity batteries installed in EVs, stationary batteries derived from second-life vehicle batteries, and energy management technologies.

In North America, Honda, along with BMW Group and Ford Motor Company, has agreed to establish “ChargeScope.” This information platform connects automakers with numerous utility companies in the U.S. and Canada, aiming to stabilize the power grid through extensive power regulation capabilities provided by a large number of vehicles. This stabilization effort is designed to maximize the use of renewable energy, while also helping to reduce charging costs for EV owners and operational costs for utilities.

In Japan, Honda has established a joint venture “ALTNA Co., Ltd.” with Mitsubishi Corporation. This company aims to lower the total cost of EV ownership through new mobility services and to develop a new power business by extending the use of EV batteries. ALTNA offers V1G\*1 smart charging services to reduce customer charging costs, and at the same time, aims to provide V2G\*2 services in the future, allowing EV batteries to exchange and store power with the grid. Additionally, ALTNA will repurpose used vehicle batteries as grid storage batteries to supply regulation power, contributing to the domestic recycling of rare resources and the further expansion of renewable energy.

- \*1 V1G (Vehicle-One-Grid): unidirectional charging control, charging from the power grid to EVs
- \*2 V2G (Vehicle-to-Grid): technology for not only charging EVs from the power grid but also supplying power stored in EVs back to the grid
- \*3 V2H (Vehicle-to-Home): technology for supplying power from EVs to homes
- \*4 V2B (Vehicle to Building): technology for supplying power from EVs to business premises and factories



To Realize a Zero Environmental Impact Society | Environmental Strategy

## Climate-Related Financial Disclosures Based on TCFD

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Honda regards addressing climate change and energy issues as one of the most critical environmental challenges. In April 2021, we declared our commitment to achieving carbon neutrality across all products and corporate activities by 2050. Our group supports the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), and we adhere to the information disclosure framework recommended by TCFD.

WEB

"Form 20-F"

[https://global.honda/en/investors/library/form20\\_f.html](https://global.honda/en/investors/library/form20_f.html)

# To Realize a Zero Traffic Collision Society | Safety Strategy

## A Society Where Everyone Can Move Freely and Safely

For many, mobility is not just a convenience but a cornerstone of a better quality of life. Motorcycles and automobiles are vital, serving as tools for work and essential social infrastructure.

While advancements in online services make a life without physical movement increasingly feasible, Honda believes the desire for mobility remains unchanged. This is because the joy of expanding one’s range of activities, guided by curiosity and experiencing the real world with all five senses, is a natural part of life from childhood.

A secure society is essential for this joy to flourish, making “Safety” a crucial element.

Honda’s slogan, “Safety for Everyone,” reflects their commitment to individualized safety measures that enhance societal well-being.

Historically, Honda has pioneered new technologies, setting higher targets beyond regulatory requirements and creating what did not exist.

While restricting mobility could enhance safety, Honda envisions a society where free movement is a joy for everyone. As part of its social responsibility, Honda will continue to actively pursue safety measures.

### Honda Environmental and Safety Vision

**Realizing the joy and freedom of mobility and a sustainable society where people can enjoy life.**

### Global Safety Slogan

**Safety for Everyone**

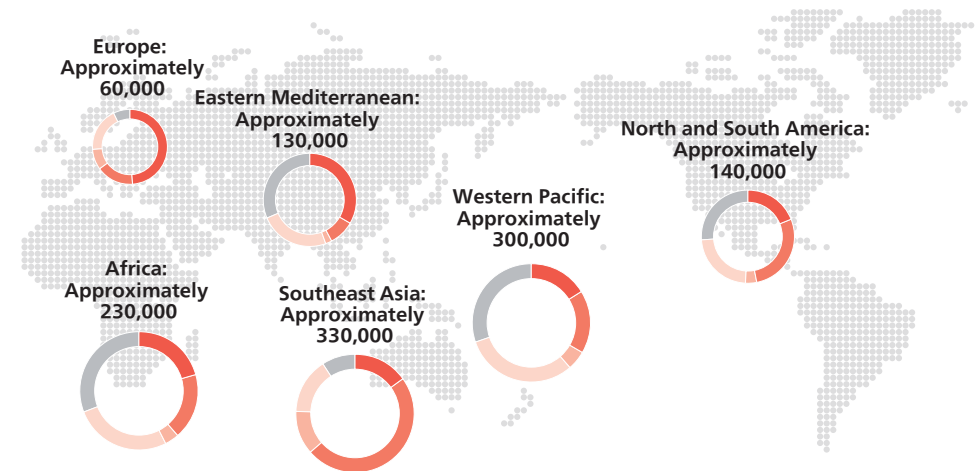
Honda wants to build a collision-free society where not only drivers and riders but everyone sharing the road can safely and confidently enjoy the freedom of mobility

## Environmental Awareness

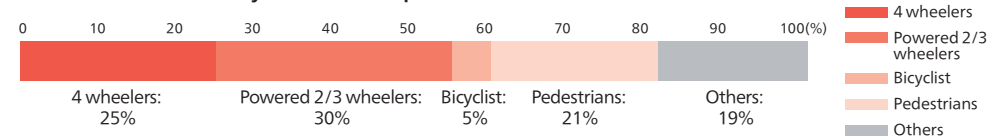
Global road traffic fatality remains a serious issue, with approximately 1.19 million annually. Breaking down the fatalities by mode of transport, automobiles account for 25%, pedestrians 23%, motorcycles 30%, and bicycle users 5%. Regionally, Southeast Asia accounts for 28% and Africa about 19%, highlighting the crucial need to address the safety of vulnerable road users such as motorcyclists and pedestrians in emerging countries\*.

Eliminating traffic fatalities is a societal responsibility for mobility manufacturers. Honda, as the leading company in the motorcycle industry, is particularly committed to spearheading safety initiatives for all road users, including motorcyclists.

### Global Traffic Accident Statistics (WHO)



### Global Traffic Fatalities by Mode of Transport



\* Source: "WHO Global Status Report on Road Safety 2023"

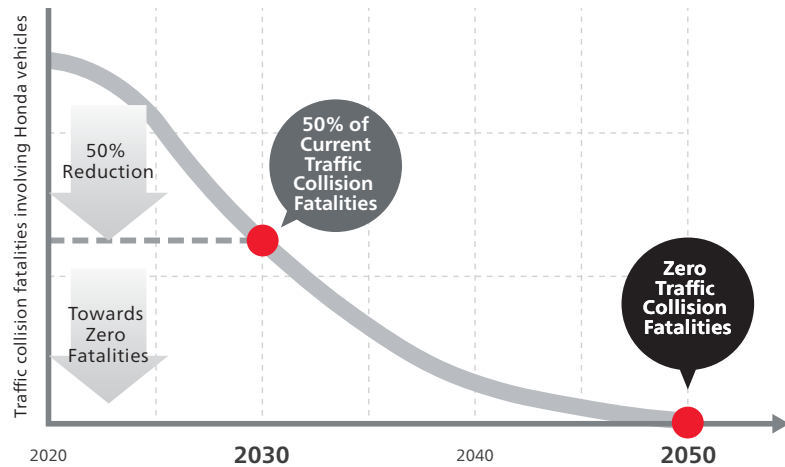
To Realize a Zero Traffic Collision Society | Safety Strategy

## Honda's Vision

Honda aims for zero traffic collision\* fatalities involving Honda motorcycles and automobiles globally by 2050. As a milestone, Honda targets reducing world-wide traffic fatalities involving its vehicles by half by 2030 compared to 2020 levels. This includes not only new vehicles but all existing motorcycles and automobiles on the market.

\* Traffic collision involving Honda motorcycles and automobiles: Traffic collision involving Honda motorcycles and automobiles, as well as pedestrians and bicyclists (excluding those involving intentional malicious rule violations or individuals lacking responsibility)

**Honda Safety Goals Scenario for Zero Traffic Collision Fatalities by 2050**



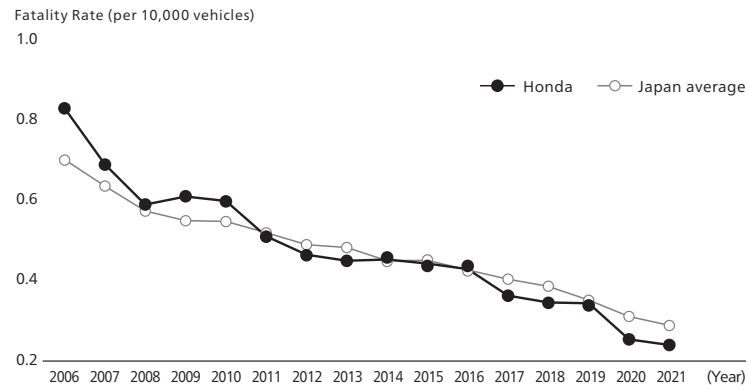
Honda has set achieving a “society with zero traffic accidents” as one of its important non-financial issues. As a key goal indicator (KGI) for tracking progress, we have adopted “traffic fatalities involving Honda automobiles in Japan and the U.S.” and are advancing efforts towards achieving the quantitative target (currently confidential).

The focus is on these two countries due to the limited availability of OEM-specific traffic accident data in other countries. The reason for limiting the scope to automobiles is the lack of traffic accident data for certain types of motorcycles. However, Honda’s safety efforts are not limited to these regions nor to vehicle types. Within Honda, we estimate traffic accident fatalities involving its motorcycles, in addition to automobiles, in various countries and develop countermeasures accordingly. On the other hand, accurate data, including traffic accident fatalities, is essential for planning countermeasures. Since acquiring these data is a significant challenge, we emphasize its importance to international organizations, national agencies, and industry stakeholders, and advocate for their cooperation in addressing it.

### Indicators, Goals, and Achievements

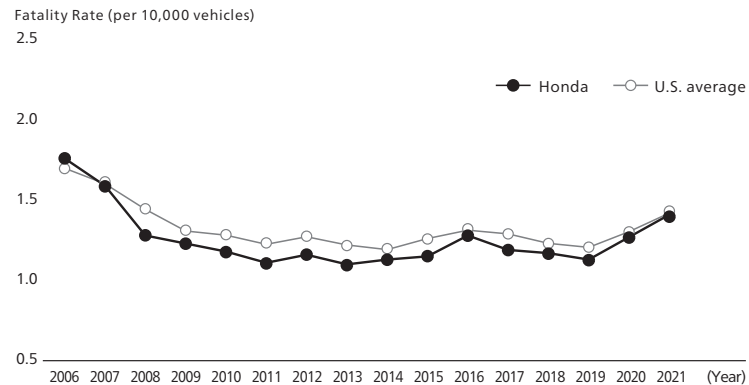
Key Goal Indicators (KGI)	Corporate-wide	Target Values	
		Fiscal Years Ending March 31	
		2026	2031
Traffic Collision Fatalities Involving Automobiles in Japan and the U.S.		(Not disclosed)	

### Trends in Fatality Rates Involving Automobiles per 10,000 Registered Vehicles in Japan



Source: Honda’s analysis based on the Institute for Traffic Accident Research and Data Analysis (ITARDA). The national average for Japan is based on annual traffic statistics for automobiles and motorized bicycles.

### Trends in Fatality Rates Involving Automobiles per 10,000 Registered Vehicles in the U.S.



Source: Honda’s analysis based on NHTSA Fatality Analysis Reporting System (FARS) data. The U.S. totals are based on the TSF Fatality Rate per Registered Vehicles.

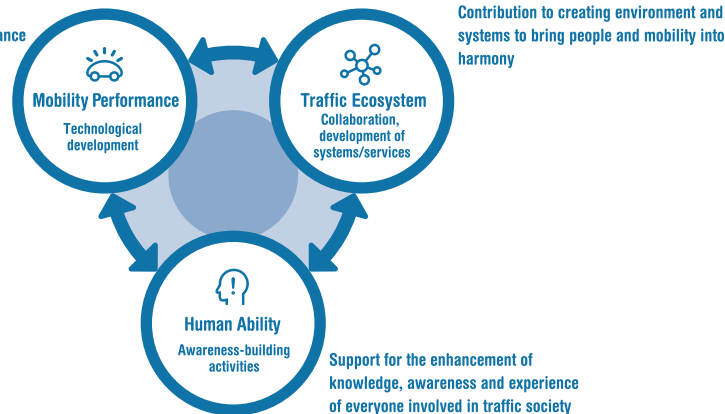
To Realize a Zero Traffic Collision Society | Safety Strategy

## Approach Towards the Vision

Honda is addressing various factors leading to accidents by evolving and combining “Human Ability (awareness-building activities),” “Mobility Performance (technological development),” and “Traffic Ecosystem (collaboration with others and system/service development)” —collectively referred to as the three elements of safety. These measures align with the “Safe System Approach” recommended by the United Nations to various countries. Additionally, these three elements of safety are established as materiality issues that Honda must address.

### Honda’s Three Elements of Safety

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



### Towards 2030

Honda recognizes the need to reduce fatal accidents involving motorcycles in emerging countries as a major challenge towards 2030. To address this issue, Honda is advancing efforts primarily in “Human Ability (awareness-building activities)” and “Mobility Performance (technological development).”

Honda will actively develop instructor training programs, corporate training at traffic education centers, and schools for individuals in “Human Ability (awareness-building activities).” In “Mobility Performance (technological development),” for motorcycles, Honda will expand the application of advanced braking systems such as “ABS” and “CBS (Combind Brake System),” as well as lights with high visibility for both riders and other road users. For automobiles, Honda will actively promote the functional evolution and widespread use of advanced driver-assistance systems (ADAS), such as “Honda SENSING” with motorcycle detection functionality in emerging countries and “Honda SENSING 360” in advanced countries, tailored to the accident realities of each region.

### Towards 2050

Honda acknowledges the critical challenge of reducing traffic collision fatalities among pedestrians, bicyclists, and motorcycle riders, those considered as vulnerable road users worldwide by 2050. To address this challenge, Honda will focus primarily on advancing the evolution of the “Traffic Ecosystem (collaboration with others and system/service development).”

Specifically, Honda is advancing the research and development of “Safe and Sound Network Technology” and promoting the standardization of these technologies for social implementation. “Safe and Sound Network Technology” evaluates the risk status of drivers in real-time, such as decreased concentration, and detect early signs of accidents. It then instantly transmits this information to surrounding traffic participants, helping them prepare and respond before risks materialize. This technology allows all traffic participants, including vulnerable road users, to not only prevent accidents proactively, but also take suitable responses and actions in a coordinated manner, by paying attention to each other’s movements.

## Process for Implementing Initiatives

Honda develops effective measures based on the three elements of safety for each region, constructs traffic accident reduction scenarios, manages the progress of these measures, and monitors the number of fatalities. This process includes early analysis of potential accidents due to changes in road environments and the introduction of new mobility options. When identifying issues that may occur in multiple regions, Honda addresses them as global common challenges and promptly considers countermeasures to further advance the three elements of safety.

Information sharing and discussions between regions are conducted at the “Global Safety Representative Meeting,” which consists of safety practitioners from each region. The PDCA (plan-do-check-act) cycle of measures, including management indicators (KGI, KPI), is conducted at the “Safety Strategy Committee” (a cross-departmental task force), where safety strategies are developed and aligned with each business division. Important matters raised are reported to the Executive Council, where discussions are held by management members.

Traffic accident reduction scenarios are regularly updated through these initiatives.

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## Human Ability: Awareness-Building Activities

The cornerstone of traffic safety is “people.” Therefore, Honda believes that human abilities are important not only in terms of driving skills and cognitive judgment but also in aspects such as empathy and consideration for others. For example, Honda’s programs are based on the principles of “safety handed from person to person” and “practical experience-based learning.” As of March 2023, Honda is actively developing instructor training programs, corporate training at traffic education centers, and schools for individuals in 43 countries and regions worldwide, including Japan. Additionally, Honda collaborates with local businesses, schools, and Honda dealerships to provide programs tailored to all age groups, from children to the elderly. Moving forward, we will strive to expand opportunities to support all participants in the traffic community through higher-quality programs.

### Countries and Regions Where We Conduct Traffic Safety and Driving Education



### Providing Learning Opportunities to More People through ICT Tools

Honda is strengthening its traffic safety awareness activities through instructor training, traffic education centers, and dealers, as well as advancing initiatives utilizing ICT tools such as smartphones. This allows everyone to deepen their learning regardless of time and place. In June 2023, Honda released a mobile app called “Honda Driver Coaching” in the U.S., which supports young drivers learn safe driving through driving diagnostics and real-time voice advice.



Honda Driver Coaching App (U.S.)

To enhance the ability of traffic participants to anticipate hazards and improve their awareness of traffic safety, in April 2023, Thai Honda signed a memorandum of understanding with the Department of Land Transport (DLT), the Ministry of Transport (MOT) of Thailand for the development of a “Hazard Recognition Program” aimed at preventing traffic accidents. With this initiative, Thai Honda will provide knowledge on traffic accident prevention, accumulated over more than 30 years, to driver’s license applicants and young population to raise awareness and educate.



MOU Signing Ceremony for “Hazard Recognition Program” (Thailand)

### Conducting Safe Driving Training in Collaboration with Other Companies to Prevent Accidents

Honda is strengthening collaboration with other companies. Since most of motorcycle accidents involve automobiles, Honda is promoting initiatives to deepen the understanding of motorcycles among automobile drivers. As part of this effort, in April 2024, Honda collaborated with Toyota Motor Corporation to conduct safe driving training for the public. Instructors from both companies worked together to teach drivers how to prevent accidents between motorcycles and automobiles.

Honda will continue to contribute to the improvement of legal regulations and traffic rules, including the licensing system. To this end, Honda will actively collaborate with international organizations, government agencies, and other companies.



Safe Driving Training Conducted in Collaboration with Toyota Motor Corporation (Japan)



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## Mobility Performance: Technology Development

To further elevate the safety of mobility, Honda believes that integrated performance that complements or expands human capabilities is necessary. Such capabilities include protecting the human body, avoiding collisions, and detecting and sharing driver intentions among vehicles and others.

Moving forward, Honda will particularly focus on enhancing collision safety performance and expanding the evolution and application of advanced driver-assistance systems (ADAS) for automobiles. For motorcycles, Honda will expand the application of advanced braking systems such as ABS and CBS, as well as lights with high visibility for both riders and other road users.

To track the progress of these initiatives, Honda has defined key performance indicators (KPIs) for advanced safety equipment application rates such as of Honda SENSING 360 for automobiles in advanced countries\*1, Honda SENSING for four-wheel vehicles in emerging countries\*2, and advanced braking systems (ABS/CBS) for motorcycles in emerging countries\*3 so as to set target to ensure steady progress.

### Metrics and Targets · Achievements

Management Indicators (KPI)	Targets		
	Fiscal Year Ending March 31, 2031		
Advanced Safety Equipment Application Rate	Automobiles in developed countries*1	Automobiles in emerging countries*2	Motorcycles in emerging countries*3
	Honda SENSING 360	Honda SENSING	Advanced Brakes (ABS/CBS)
	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*1 Japan, the U.S., China, Europe

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

\*3 India, Indonesia, Vietnam, Thailand, Brazil

### Honda SENSING Series Deployment

Honda’s advanced driver assistance systems include Honda SENSING, which has been available since 2014, and the new Honda SENSING 360 designed to handle accident scenarios from all directions. Additionally, Honda is developing the next-generation “Honda SENSING Elite,” aimed at achieving zero accidents caused by human error during driving.

Honda  
**SENSING**



Honda  
**SENSING 360**



Honda  
**SENSING Elite**

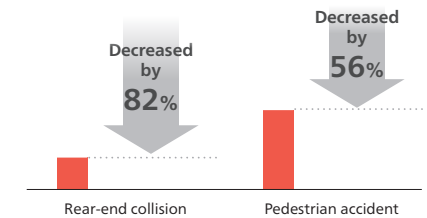


### Honda SENSING

#### Expanding to Emerging Markets for Further Adoption

Honda SENSING is a system that primarily senses the front of the vehicle, detecting pedestrians and other objects to support safe and comfortable driving and accident avoidance. In Japan, the mini-vehicle “N-BOX” equipped with Honda SENSING has shown 82% reduction in rear-end collisions and 56% reduction in pedestrian accidents\*4, showcasing the substantial effectiveness of this innovative technology in accident prevention.

#### Accident Reduction Effect of Vehicles Equipped with Honda SENSING (N-BOX)



As of 2022, the sales ratio of new automobiles that are equipped with Honda SENSING has reached 99% in Japan and the U. S. and 86% globally, with a cumulative total exceeding 14 million units. To reduce the number of motorcycle traffic collision fatalities, Honda is gradually rolling out Honda SENSING with a motorcycle detection capability. The vehicles to be fitted with this technology were rolled out in 2021, aiming to expand this to all automobile models worldwide by the Fiscal Year Ending March 31, 2031. In addition, Honda aims to expand the application of advanced brakes such as ABS and CBS and lights with high visibility for both riders and other road users to more motorcycle models.

\*4 Difference in traffic collision fatalities and injuries per registered vehicle between N-BOX models with and without AEB (Honda SENSING). Based on data from the Institute for Traffic Accident Research and Data Analysis, analyzed by Honda

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### Honda SENSING 360: Aiming to Deploy All Automobile Models in Developed Countries by the Fiscal Year Ending March 31, 2031

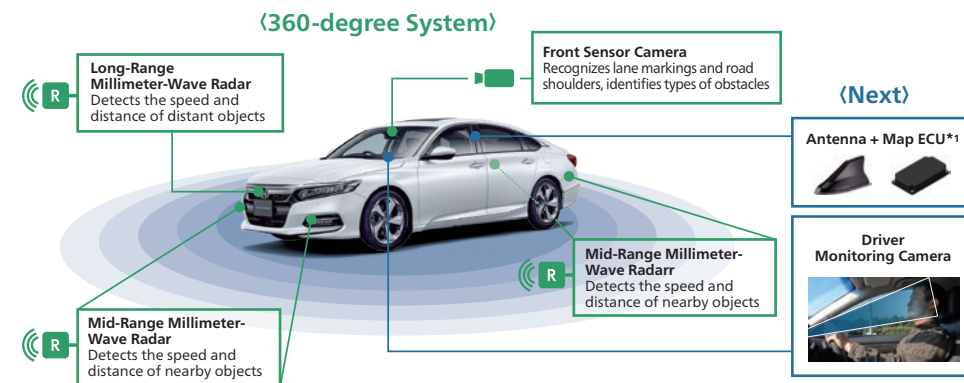
The Honda SENSING 360 all-around safety driving support system expands the response scenarios for accident avoidance to all directions, further enhancing the capability to avoid imminent accidents or mitigate damage. It achieves 360-degree sensing with a total of five millimeter-wave radars equipped at the front and each corner of the vehicle.

The main features of Honda SENSING 360 include collision mitigation braking for cross traffic at intersections and pedestrians crossing while turning, forward cross traffic warning, Cornering Speed Assist, Lane Change Collision Mitigation, and Lane Change Assist. It was first introduced in the "CR-V," which was released in China in 2022, and has also been equipped in the "Accord," which was released in Japan in 2023.

Honda aims to expand this technology to all automobile models in developed countries by the Fiscal Year Ending March 31, 2031 and is further developing new technologies to enhance Honda SENSING 360.

Honda is currently developing various new technologies such as: "Advanced Lane Change Assist" and "Advanced In Lane Driving" to reduce the burden of driving, "Driver Emergency Support System" which assists in deceleration and stopping within the same lane if the driver does not respond to system requests, "Exit Warning" which detects vehicles approaching from behind when parked or stopped, assisting with awareness and avoidance support technology which detects driver condition and forward risks, providing support to avoid hazards. These technologies will be rolled out sequentially from 2024 onwards, tailored to the needs of each region. These technologies aim to enhance safety by reducing the driver's burden and increasing overall safety.

#### Honda SENSING 360 System Configuration



\*1 ECU: Electronic Control Unit

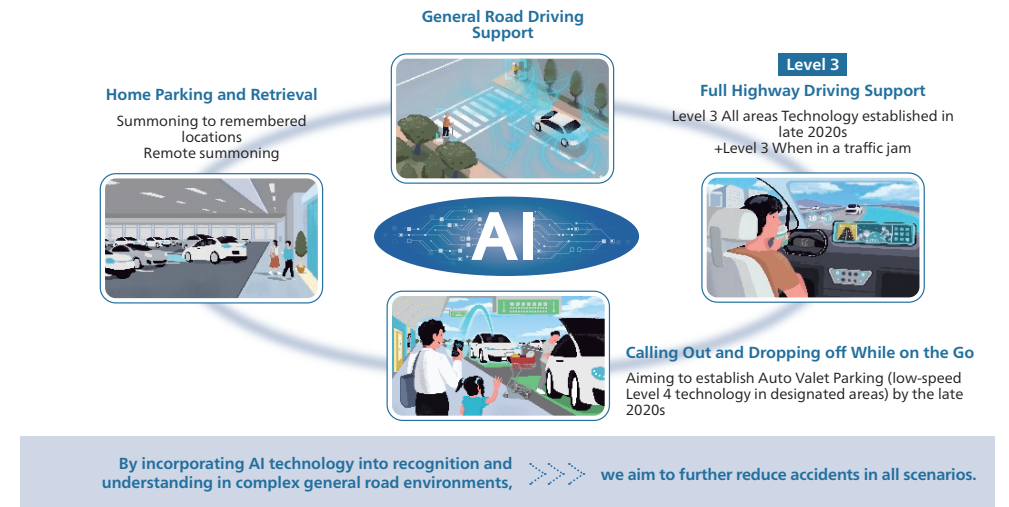
### Honda SENSING Elite - Aiming for Zero Human Error When Driving

Honda SENSING Elite was first introduced in 2021 as a system that incorporates advanced technology called "Traffic Jam Pilot (traffic jam driving function)," which conforms to Level 3 automated driving\*2 as defined by the Ministry of Land, Infrastructure, Transport and Tourism of Japan. This system enables the vehicle to take over driving operations under certain conditions, such as during highway traffic jams.

Further development of new technologies for the next evolution of Honda SENSING Elite is underway. These technologies use Honda's proprietary AI, which grows through experience, just like humans. It recognizes complex scenes and adapts to intricate environments such as general roads. This will enable functions such as hands-off driving during highway traffic jams and support for merging and branching scenes at highway junctions, providing safe and seamless travel from home to destination, including general roads. These technologies are expected to begin deployment in the mid-2020s.

\*2 Definition of automated driving as defined by the Japanese government (compliant with SAE). The system monitors the surrounding traffic conditions and takes over driving under certain conditions.

#### Next Generation Honda SENSING Elite



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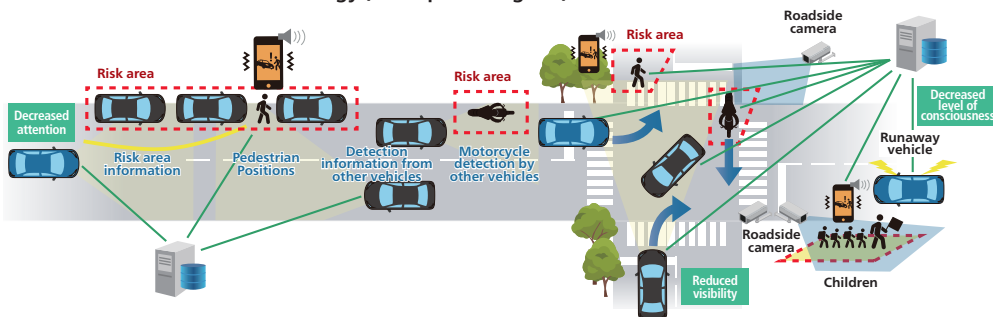
## Traffic Ecosystem

The traffic ecosystem is a dynamic concept where people and mobility interact to create a seamless flow of traffic. Traffic conditions are ever-changing due to factors like weather, tourist season congestion, and rush hour jams. Honda believes that to prevent accidents in these varying conditions, it is crucial to develop technologies and programs that enable smooth interactions among traffic participants, considering their movements and circumstances. These efforts not only safeguard individuals' physical safety but also enhance the overall quality of society.

Honda envisions a society where people can move freely, driven by both safety and a sense of warmth and humanity that inspires movement. Rather than relying solely on autonomous technology, Honda aims to foster safety by enhancing the inherent mutual respect among traffic participants. By harnessing people's intentions and encouraging cooperation, Honda aspires to create a safer society. The traffic ecosystem Honda envisions includes all traffic participants—motorcycles, automobiles, bicycles, urban mobility, and people of all ages—working together to make traffic smoother and safer.

In the future, ensuring the safety of all traffic participants, including vulnerable road users like pedestrians, cyclists, and motorcyclists, will become increasingly important. Honda will continue to enhance its connected technologies and focus on Safe and Sound Network Technology to address these needs. This technology assesses drivers' risks, such as decreased concentration, and detects early signs of accidents. The detected risks are then communicated to surrounding traffic participants, helping them prepare and respond before risks materialize. This approach allows all traffic participants to pay attention to each other's movements, take coordinated actions, and prevent accidents before they occur.

### Safe and Sound Network Technology (Conceptual Diagram)



The Safe and Sound Network Technology consists of three core elements: "Understanding Human Characteristics," "Prediction and Anticipation," and "Collaborative Communication." Currently, research and development are progressing in each of these areas.

<b>Understanding Human Characteristics</b>	— By using technologies such as vital sensing to monitor the driver's condition in real-time, the impact on driving behavior is statistically analyzed, and specific risk factors are systematically identified.
<b>Prediction and Anticipation</b>	— Utilizing Digital Twin technology and comprehensive risk assessment algorithms, predictions and forecasts of traffic accidents are made.
<b>Collaborative Communication</b>	— This technology promotes the understanding of latent risks so that traffic participants can prepare before accidents occur.

### Participation in Demonstration Experiments through Industry-Government-Academia Collaboration for Smooth Social Implementation

Various verifications are being conducted to ensure the smooth implementation of the Safe and Secure Network Technology into our society. In October 2023, we participated in the "Strategic Innovation Creation Program (SIP) Phase 3 / Construction of the Smart Mobility Platform / Research and Development for Supporting Prevention of Traffic Accidents through Pre-Notification of Risks." This initiative includes planning use-case verification needed to prevent traffic accidents and ensure the safety of vulnerable road users. In the same month, we joined efforts in a local government initiative aimed at creating a smart city by utilizing Information and Communication Technology (ICT) in various fields to address regional issues and enhance the convenience of citizens' lives, while also planning to verify social acceptance. Furthermore, in June 2024, we started a collaboration with SoftBank Corporation and participate in the Road-Vehicle Coordination Demonstration Experiment for the Autonomous Driving Era on the Shin-Tomei Expressway, conducted by Central Nippon Expressway Company Limited, to carry out use-case verification. The goal for Safe and Secure Network Technology is to standardize it by the late 2020s and globally deploy it starting from 2030.

### Safe and Sound Network Technology Actual Operation: Real-Time Verification of Actual Equipment (at the Honda test course)



Digital Twin

Risk Judgment Algorithm

Pedestrian Device

## To Realize a Zero Traffic Collision Society | Safety Strategy

**Shinsuke Odai**

Safety Planning Division  
Corporate Planning Unit  
With experience in airbag design and collision safety research, he is currently responsible for planning and formulating safety strategies and promoting initiatives.

**Favorite motto**

"Why not do your best?"

**Honda-ism which he has empathy**

"A00\*\*"

\* "What kind of world are we working to create?" This is the guiding principle and concept first discussed at Honda.

**Interview****Towards a Society Where Children Can Safely Explore Outside**

Having studied biological engineering at university and having an interest in extending and supporting physical functions through technology, I was drawn to Honda's founder, Soichiro Honda's belief that "Honda Technical Research Institute is a place that studies people," and joined Honda. I am currently leading the planning and promotion of strategies to achieve a zero-traffic-accident society.

In pursuing this grand goal, I feel the weight of the founder's belief that our purpose is to benefit people, and technology is a means to that end. For example, achieving "zero accidents" could be approached with fully autonomous driving and remote control by operators, where users simply ride in the vehicle like a train. However, this is not the world Honda aims for. We aspire to create a world where people can freely venture out on their own will, experiencing a sense of empowerment, excitement, and joy from fully engaging with mobility. Honda's goal is to create a world where people can confidently and safely venture out and support their aspirations and dreams. Therefore, Honda is committed to working with countries, regions, companies, and all traffic participants to change society as a whole.

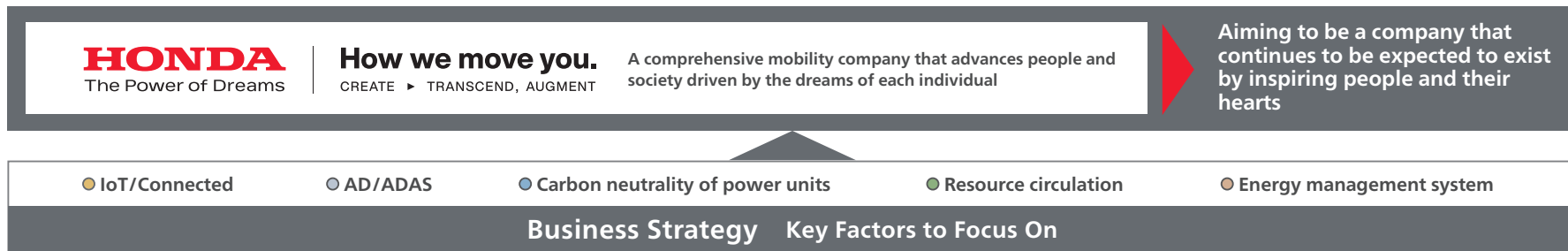
Aiming for zero traffic accident fatalities by 2050 is a highly challenging goal. There have been many times when I felt like giving up, but I was supported by my supervisor's words, "It's not about whether it's possible or impossible. Honda aims for zero with all its might. There is value in what emerges from that." I am now confident that we are making steady progress toward achieving this goal.

As a parent, the desire for a safe society has grown even stronger. I will continue to do my best with my colleagues to create a safe and sound mobility society where I can send our children off to freely go out without worry.

# The Evolution of Human Capital Management | Human Capital Strategy

## Honda's Human Capital Management

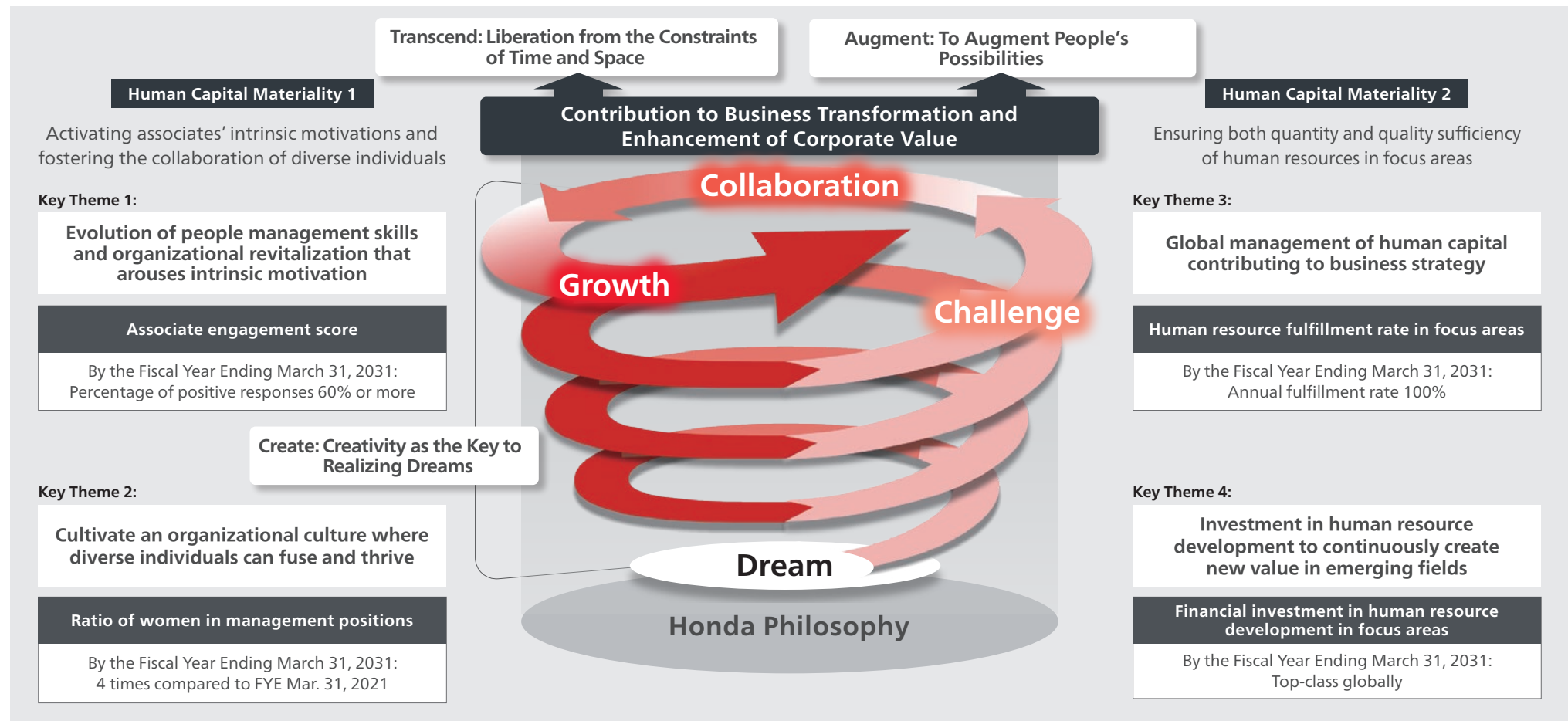
Honda's human capital management involves forming a talent portfolio by backcasting from the desired future state, with the goal of becoming a "comprehensive mobility company that advances people and society driven by the dreams of each individual," as outlined in the company-wide policies. With the power of dreams and speed as competitive advantages, Honda drives transformation in people and organizations through a cycle of challenges, collaboration, and growth, all rooted in the Honda Philosophy. To achieve this, we have identified two key Human capital materiality to focus on: from a midium- to long-term perspective, the themes are activating associates' intrinsic motivations and fostering the collaboration of diverse individuals; and from a short- to midium-term perspective, the focus is on ensuring both the quantity and quality sufficiency of human resources in focus business areas.



## Build an Organization Where Diverse Individuals, Driven by Their Dreams and Full of Passion, Challenge, Fuse, and Grow towards Creating New Value

During this transformative period in mobility, which can be considered the period of the second founding of Honda, Honda believes it is essential to create value starting from each individual's dreams to remain a company that society wants to exist. By cherishing the Honda Philosophy and swiftly executing the cycle of challenge, collaboration, and growth, Honda aims to maximize each individual's creativity, contributing to business transformation and enhancing corporate value.

In Japan, we have already defined four key themes related to human capital materiality, established key goal indicators (KGIs) for each, and set goals to be achieved by the Fiscal Year Ending March 31, 2031. Additionally, we have established measures and KPIs to focus on these key themes and are executing them to achieve our goals. From April 2025 onward, we plan to establish management indicators globally as well, further enhancing a sense of unity in promoting these initiatives worldwide.



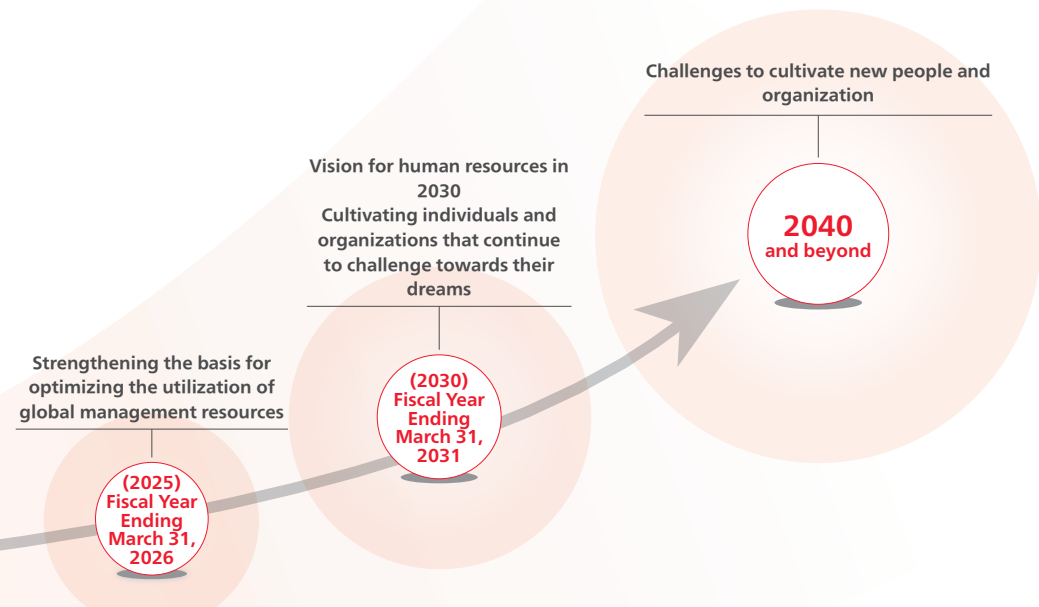
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## Key Goal Indicators (KGIs) for Achieving Human Capital Materiality Domestically and Key Performance Indicators (KPIs) Aligned with the Strategy

From a medium- to long-term perspective, Human capital materiality is defined as "Activating associates' intrinsic motivations and fostering the collaboration of diverse individuals," while from a short- to medium-term perspective, it is defined as "Ensuring both the quantity and quality of human resources in focus areas." We have set target values for the immediate goals of the Fiscal Year Ending March 31, 2026 and the Fiscal Year Ending March 31, 2031. For each target value, we are developing plans to achieve them and designing KPIs that contribute to these goals.

Additionally, we have established a system to monitor the progress of each indicator at the management level on a quarterly basis and make timely decisions based on quantitative evidence. Moving forward, we will expand the scope of KGIs to include international regions and enhance global collaboration in human capital management.

\* The global geographic breakdown, excluding Japan, is divided into five categories. Names of each region and the countries where the headquarters are located are as follows:  
 North America Region: USA / South America Region: Brazil / Europe, Africa, and Middle East Region: UK/Asia-Pacific Region: Thailand / China Region: China



Talent Materiality	Goals	KGIs	Achievements for FYE Mar. 31, 2024	Target Value for the Fiscal Year Ending March 31, 2025	Target Value for the Fiscal Year Ending March 31, 2026	Target Value for the Fiscal Year Ending March 31, 2031	Main Key Performance Indicators (KPIs) for Achieving Goals
Activating associates' intrinsic motivations and fostering the collaboration of diverse individuals	Associates are highly motivated and driven by goals, with their supervisors actively supporting their endeavors	Associate engagement score	Percentage of positive responses 40%	Percentage of positive responses 45%	Percentage of positive responses 50% or more	Percentage of positive responses 60% or more	<ul style="list-style-type: none"> <li>Positive response rate for "Empathy with the Global Brand Slogan"</li> <li>Implementation rate of improvement actions in each division based on engagement results</li> </ul>
	Synergy is optimized through the collaboration of diverse knowledge	Ratio of women in management positions	1.4 times compared to FYE Mar. 31, 2021	1.7 times compared to FYE Mar. 31, 2021	3 times compared to FYE Mar. 31, 2021	4 times compared to FYE Mar. 31, 2021	<ul style="list-style-type: none"> <li>Rate of male associates taking five or more days of paternity leave</li> <li>Positive response rate for managerial support in job assignments and career development</li> <li>Positive response rate among women aiming for higher qualifications</li> </ul>
Ensuring both quantity and quality sufficiency of human resources in focus areas	There are sufficient human resources in focus areas	Human resource fulfillment rate in focus areas (Software domain)	-	Annual fulfillment rate: 100%	Annual fulfillment rate: 100%	Annual fulfillment rate: 100% (To a scale of 10,000 associates)	<ul style="list-style-type: none"> <li>Progress rate of PDCA implementation using the Human Capital Balance Sheet</li> <li>Role and level setting rate in focus areas</li> <li>Recruitment fulfillment rate in focus areas</li> </ul>
	Resources are proactively invested in the development of Human Resources	Financial investment in human resource development in focus areas	-	-	Top-class globally	Top-class globally	Investment amounts in talent development by area

Activating Associates' Intrinsic Motivations and Fostering the Collaboration of Diverse Individuals

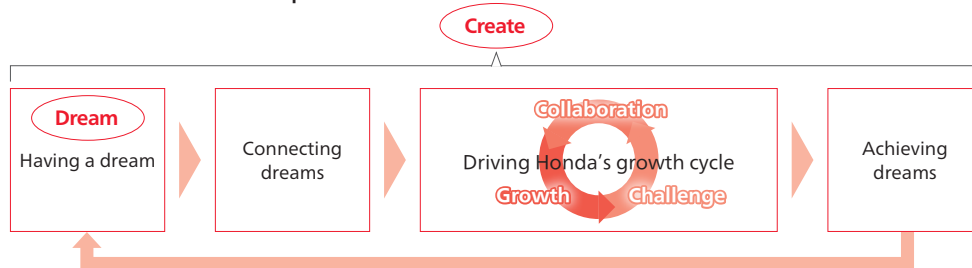
**Key Theme 1: Evolution of People Management Skills and Organizational Revitalization That Arouses Intrinsic Motivation**

Global  
Domestic

To deliver value to our customers, motivated by the dreams of each and every Honda associate, we are committed to deeply recognizing, understanding, and implementing the Global Brand Slogan (GBS) as a common guideline.

We are fostering intrinsic motivation and encouraging challenges to transform individuals and organizations into embodiments of "The Power of Dreams," making dream power and speed our winning strategies. Additionally, we are enhancing support from the organization, including supervisors, to achieve this with a sense of urgency. To measure the results of these initiatives, we have added new questions to our associate engagement surveys and are conducting them globally.

Desired States and Process Implementation



Initiatives in Overseas Regions for Embodying GBS

Efforts to embody GBS are being carried out in each region. Although specific actions vary depending on regional characteristics, we continue to evolve to ensure that all associates globally can align towards the same direction based on GBS.

\* The figures are based on the 2023 associate engagement survey results (regional-specific questions), converted into a 5-point scale for consistency.  
\* Employees are referred to as 'associates' in international locations.

**North America** | **3.5** Points (5-point scale) Leadership Communication and Dialogue, Mission Statement Development in Alignment with GBS

In the United States, the Leadership Engagement Forum convenes annually. Through strategic dialogues between senior executives and management, we set clear expectations of our leadership team and encourage accountability for execution. Additionally, Business Unit Leaders host town hall and round table meetings to align our associates with the organization's objectives and strategic direction, ensuring a cohesive pursuit of our goals. By practicing our philosophy of challenging conventional thinking, innovating

without the fear of failure, and welcoming diverse perspectives will not only drive associate engagement but also catalyzes the transformation of our organization, shaping it into the entity we aspire to become.

At HDMA\*, established in 2021 through the integration of Honda's North American four-wheel production and development functions, we aimed to align the goals and strategic direction of the organization with our associates by formulating and sharing a mission statement after the company's establishment. Discussions were held between leaders and members in each Business Unit of HDMA to relate the mission statement to their roles and work, encouraging each associate to reflect on and deepen their understanding of the mission statement. By doing so, each associate becomes more aware of the connection between their role and the organization's goals, improving engagement and driving us towards the vision we aim to achieve.

\* HDMA: Honda Development & Manufacturing of America, LLC



HDMA's new mission statement

**Europe, Africa and the Middle East** | **Europe: 3.7** Points (5-point scale) **Africa and the Middle East: 3.7** Points (5-point scale) Under the Slogan "Honda in Europe 2.0," We Are Implementing Organizational Culture Reform through Both Soft and Hard Approaches

In Europe, we are enhancing communication with associates to deepen their understanding and strengthen collaboration regarding the "Honda in Europe 2.0" direction. For instance, we hold monthly team meetings led by senior leadership to share associate performance and conduct town hall meetings where senior leaders visit various branches and offices for direct dialogues. Additionally, we have launched the "Internal Culture Project" to reflect associates' feedback in the organizational culture.

On the operational side, we are streamlining and simplifying decision-making by changing from country-specific reporting lines to functional reporting lines. This adjustment allows associates to work without location constraints within Europe, creating a work environment where more talent can thrive.





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## Asia and Oceania

3.8 Points (5-point scale)

## Returning to Honda's Core Principle: "Human Potential" Implementation of Cultural Development and Transformation Measures

At HMSI (Honda Motorcycle and Scooter India PVT. LTD.), we have returned to Honda's core principle of believing in "human potential." Since 2020, we have been implementing the "Rupantan\*" project throughout the company for approximately three and a half years. This project aims to create an environment where diverse associates can reach their full potential and foster a culture that emphasizes cross-divisional discussions. Through this project, we have advanced various initiatives aimed at enhancing associate vitality, including improvements to workplace environments such as manufacturing sites, offices, and cafeterias, as well as revisiting work styles, expanding female recruitment, fostering internal dialogue opportunities, and promoting digital transformation (DX).

Additionally, to strengthen the foundation of "trust" that supports our business, we have actively engaged in traffic safety education programs for local elementary schools, hosted Family Days, and fostered active dialogue and interaction with a variety of stakeholders, including customers, business partners, local communities, and associates' families. These efforts have contributed to building trust and, as a result, have created a positive cycle that enhances associate vitality. Moving forward, we will continue our efforts to create an environment where diverse associates can collaborate with high motivation and close communication.

\* Rupantan: Means "transformation" in Hindi



Workplace Environment (Cafeteria)

## China

4.1 Points (5-point scale)

## Strengthening Relationships between Local Associates and Expatriates through Cross-Cultural Understanding

At the China headquarters, over 400 expatriates are actively contributing to business development in collaboration with local associates. To deepen mutual trust in this work environment, we have conducted communication enhancement training considering cultural and social differences between China and Japan. This training, which has involved approximately 1,000 participants, has significantly improved the workplace environment.



Cross-Cultural Training Session

## South America

4.6 Points (5-point scale)

## Communications to Promote the Penetration and Unified Understanding of GBS and Honda Branding

In South America, the brand division of Honda South America Ltda. (HSA) is leading initiatives to promote the new GBS. For instance, they are redefining how to align all activities with GBS and enhance the Honda brand. To drive this, they have organized 14 brand events with over 600 leaders participating. Additionally, to ensure consistency across all communications, they are also sharing standards for visual identity.



Brand Event Scene

## Grace Loi

Human Resources Division  
Human Capital Unit  
After joining Honda R&D and then American Honda Motor in the United States, Grace Loi worked in various positions within the Human Resources Department. She is currently assigned as an expatriate at Honda's headquarters working on global HR initiatives.

## Favorite motto

"Leave things in a better place than you found it."

## Honda-ism which she has empathy

"Watching, listening, and trying things out; trying things out is the most important."



## Interview

## Providing Global Opportunities to Many Talents

At Honda, our associates are at the center of everything we do. My goal is to recognize the talents of our associates, provide opportunities to realize their dreams, and match the best fit for each role on a global scale. I have had a long career in human resources, but I have never felt as passionate about my work as I do now. This is because of our unique culture of providing every associate with a place and opportunity to take on new challenges and realize their dreams. I have been fortunate to benefit from this culture. As Warren Buffett has said, "Someone's sitting in the shade today because someone planted a tree a long time ago." My dream is to do the same and extend opportunities to as many associates as possible, and then pass the torch to the next generation.

I am grateful to Honda for providing me an opportunity to work in Japan. The opportunity to move from the USA to Japan and work in an environment that is vastly different in culture, workstyles, perspectives has been challenging, but equally rewarding. The support among Honda associates is engrained in our culture and a legacy we can proudly pass down through generations. With that support from fellow Honda associates in Japan and abroad, I have been able to effect positive change.

At Honda your dreams are only limited by your imagination. Honda is a place where you are encouraged to dream big. HR's mission is simple, how can we best support our talented associates and provide opportunities for them to thrive and accomplish their dreams.

I am humbled to be in a position at Honda where I can leverage my unique perspective in my daily work. I hope to expand on this as we work towards the build out of global HR that empowers a diverse, equitable and inclusive global work environment where every associate can realize the power of dreams.

Activating Associates' Intrinsic Motivations and Fostering the Collaboration of Diverse Individuals

# Key Theme 1: Evolution of People Management Skills and Organizational Revitalization That Arouses Intrinsic Motivation Roadmap and Initiatives for Achieving the Associates Engagement Score

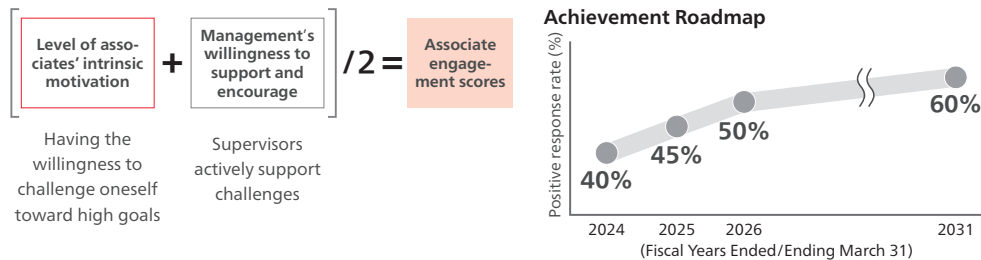


## Concept of Key Goal Indicators (KGIs)

We believe that embodying Global Brand Slogan (GBS) requires stimulating associates' intrinsic motivation and receiving proactive support and encouragement from management. We define a high level of these factors as having a "high associate engagement score," and we set our indicators accordingly.

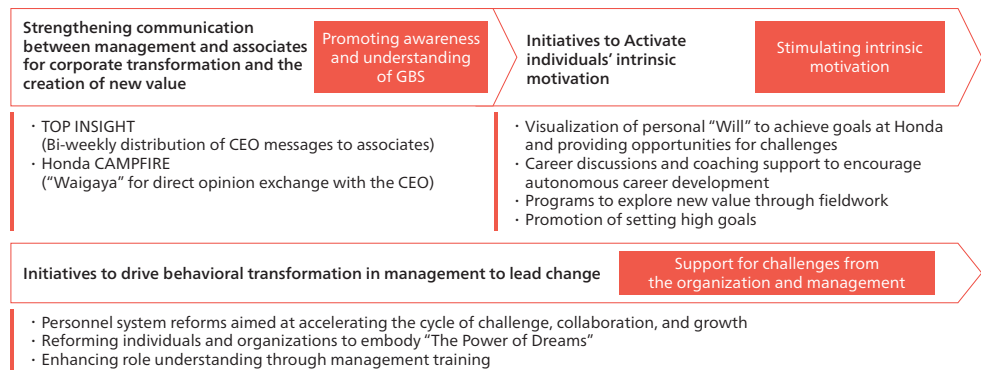
## Calculation Formula

The average positive response rate (answers rated 4 or 5 on a 5-point scale) for the two questions: [Level of associates' intrinsic motivation] and [Management's willingness to support and encourage].



## Initiatives for Achieving KGI Goals

To improve the components of the associate engagement score, namely the level of associates' intrinsic motivation and management's willingness to support, we have developed and are promoting various initiatives under three themes: "Promoting awareness and understanding of GBS," "Stimulating intrinsic motivation," and "Support for challenges from the organization and management."



## Strengthening Communication between Management and Associates for Corporate Transformation and the Creation of New Value

### TOP INSIGHT

#### Bi-weekly Distribution of CEO Messages to Associates

We distribute "TOP INSIGHT" to directly convey the CEO's thoughts and perspectives on recent management decisions and societal trends, aiming to enhance associates' understanding.



Starting in 2024, the total accumulated archive view count has approached 30,000. Going forward, we will continue to share information related to the business environment on a bi-weekly basis to deepen mutual understanding for corporate transformation.

### Honda CAMPFIRE

#### "Waigaya" for Direct Opinion Exchange with the CEO

We hold "Honda CAMPFIRE" sessions to directly explain the background and context behind company-wide announcements related to management policies in the CEO's own words, aiming to enhance associates' understanding, empathy, and personal connection to the changes.



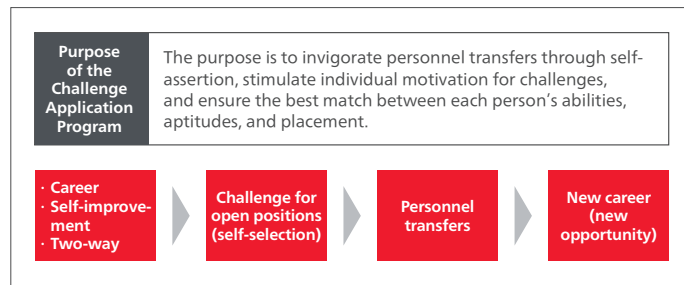
Launched in 2022, "Honda CAMPFIRE" has seen over 5,100 applicants and accumulated more than 52,000 views in the archive. Moving forward, we will continue to deepen two-way communication with associates to enhance understanding of our desired state and promote actions toward their realization.

Additionally, in conjunction with the corporate advertisement campaign "DREAMS," where race drivers and internal sports team athletes declare their dreams under the slogan "How we move you," we are running a campaign for associates to declare their own dreams using the same slogan through internal media. This initiative aims to foster a culture of challenge throughout the Company. To accelerate these initiatives globally, we have established a new committee composed of headquarters and regional representatives to develop implementation plans for each region, ensuring consistent initiatives worldwide.

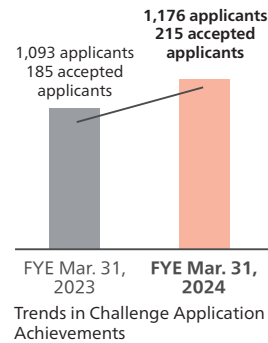
### Initiatives to Activate Individuals' Intrinsic Motivation

#### Visualization of Personal "Will" to Achieve Goals at Honda and Providing Opportunities for Challenges

To activate each individual's intrinsic motivation, we encourage regular two-way meetings with supervisors to clarify what each person wants to achieve at Honda (Will). Additionally, through the Challenge Application Program, we provide opportunities for associates who wish to take on new challenges to demonstrate their abilities. This program has seen a positive trend, with both the number of applications and successful implementations increasing compared to FYE Mar. 31, 2023 thanks to active utilization by various divisions.



Overview Diagram of the Challenge Application Program



Trends in Challenge Application Achievements

#### Career Discussions and Coaching Support to Encourage Autonomous Career Development

We have established a system where all associates can receive career counseling from career consultants who hold national qualifications. Additionally, we offer up to four months of online coaching by external coaches\* to help clarify initiatives toward achieving desired goals and to habituate daily actions.

\* Holds the Professional Certified Coach qualification, a credential awarded by the International Coaching Federation to coaches with proven experience

#### FYE Mar. 31, 2024 achievement

Number of career counseling sessions conducted

**1,600**

Number of coaching participants (general audience)

**897**

#### Programs to Explore New Value through Fieldwork

Starting from the Fiscal Year Ending March 31, 2025, we have launched the new program "MINERVA" to explore Honda's new providing values. This program provides participants with experiences in unknown fields that challenge and expand their values.

Participants will engage in lively discussions (Waigaya) with their peers, challenging each other's ideas and knowledge that emerge through encountering new values. The goal of the program is to transform the "dreams" (i.e., intrinsic motivations) that arise within individuals into new ideas for providing values.

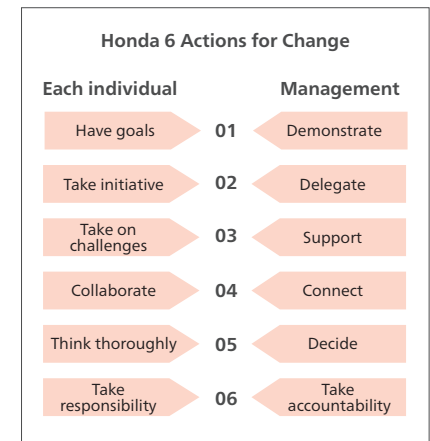
### Initiatives to Drive Behavioral Transformation in Management to Lead Change

#### Personnel System Reforms Aimed at Accelerating the Cycle of Challenge, Collaboration, and Growth

Starting from the Fiscal Year Ending March 31, 2025, we have revised the personnel system for managerial positions, shifting to a system that "rewards those who lead change," regardless of age or years of experience. This change is designed to enable managers to fully utilize their capabilities. Additionally, as part of management, we are introducing a system that not only emphasizes the importance of leaders embodying challenge, collaboration, and growth, but also places greater value on their actions in driving transformation through supporting their team members.

#### Reforming Individuals and Organizations to Embody "The Power of Dreams"

To overcome business transformation, we are undertaking trials to reform our corporate culture, aiming to create individuals and organizations that embody Honda's unique strengths—"the power of dreams" and "speed." Specifically, we are promoting initiatives that support high goal-setting and execution by individuals through enhanced communication with supervisors and organizational collaboration. Additionally, we have established the behavioral requirements for the transformation period, known as "Honda 6 Actions for Change" to clarify the "ideal state" and encourage behavioral change.



Activating Associates' Intrinsic Motivations and Fostering the Collaboration of Diverse Individuals

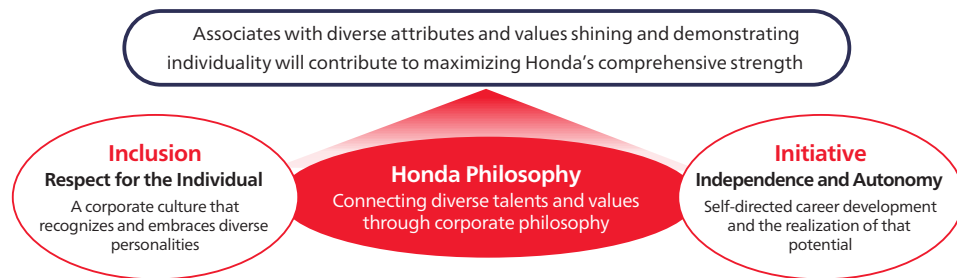
**Key Theme 2: Cultivate an Organizational Culture Where Diverse Individuals Can Fuse and Thrive**

Global  
Domestic

At Honda, based on the pillar of our philosophy, "the Individual," we aim to maximize our collective strength as a company by fully embracing and respecting diverse individualities and attributes, regardless of race, nationality, culture, age, gender, gender identity, sexual orientation, gender expression, background, education, or disability status. By engaging in open communication that embraces individual differences, we foster true trust and generate new ideas, leading to innovation.

Therefore, Honda views its diversity initiatives not as support solely for minority groups but as efforts that involve and benefit all associates.

**Desired State of Diversity & Inclusion**



**Key Initiatives by Region**

**North America | Key KPIs** Ratio of female associates to management positions Diversity ratio among ethnic groups

In the U.S., we have put into practice the pillar of our philosophy, "Respect for the Individual," by strengthening our diversity, equity, and inclusion activities. One of the most emblematic initiatives is the Business Resource Groups (BRGs). These groups, which are voluntarily run by associates, aim to foster an inclusive environment and promote positive change within the company and society. They focus on four key areas: improving business, contributing to the community, raising cultural awareness, and supporting career development.

Additionally, BRGs welcome and encourage participation from all associates, temporary associates, and contract associates. To foster and promote a culture of inclusion, we actively encourage individuals to participate in groups with identities different from their own.

To support and further develop BRGs, we have been hosting the HONDA BRG SUMMIT since 2018. In this summit, the leadership team demonstrates its commitment to BRGs, while BRG leaders build networks by sharing excellent ideas and strategies with one another.

The diversity of our associates, supported by these activities, serves as the driving force that enables us to remain an innovation-driven company.



Four Areas



HONDA BRG SUMMIT

**Europe, Africa and the Middle East |**

**Key KPIs** Ratio of female managers Percentage of foreign nationals (excluding those from the UK, the host country)

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

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

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

Diversity and inclusion have been included in training for managers throughout Europe and are scheduled to be included also in training for all associates in the Fiscal Year Ending March 31, 2025.

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

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

## The Evolution of Human Capital Management | Human Capital Strategy

## Asia and Oceania |

**Key KPIs** Ratio of female associates to management positions Localization rate of management positions

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

Honda aims to increase the mobility of human resources by creating a common HR platform. First, Honda has defined common competencies based on the Honda Philosophy, adding regional characteristics, and has instilled a common set of values for the region.

Then, based on these common competencies, the Company is reviewing its personnel system, salary structure, and other systems. Through these efforts, Honda has gradually reduced barriers to cross-border personnel exchanges. As a result, the number of non-Japanese associates stationed in other country locations, which was small until a few years ago, increased to 41 in FYE Mar. 31, 2024. Honda aims to accelerate personnel exchanges among all locations.



Stationed Associates in the Region

**China | Key KPIs** Ratio of Female Managers

In China, Honda is committed to providing workplaces free of any gender and ethnic discrimination, based on the social principles of gender and ethnic equality in hiring, promotion, granting opportunities, and compensation. Female associates are active in all areas of Honda and actively contribute to the Company's development. China has 55 ethnic minorities in addition to the Han Chinese, but Honda employs and utilizes excellent human resources regardless of ethnicity. Honda's China headquarters employs workers from many ethnic minorities, including Manchu, Tujia, and Hui.



Dancing in Ethnic Costumes

**South America | Key KPIs** Ratio of Female Managers

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



Training in Sao Paulo

Activating Associates' Intrinsic Motivations and Fostering the Collaboration of Diverse Individuals

## Key Theme 2: Cultivate an Organizational Culture Where Diverse Individuals Can Fuse and Thrive Roadmap and Initiatives for Achieving the Ratio of Female Managers

Global  
Domestic

### Concept of Key Goal Indicators (KGIs)

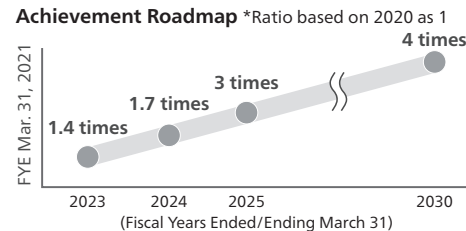
In line with the Action Plan for Promoting Women's Participation and Advancement in the Workplace, we will set targets to expand opportunities for women.

### Calculation Formula

The targets for the Fiscal Year Ending March 31, 2026 and the Fiscal Year Ending March 31, 2031 are set as multiples of the number of female managers FYE Mar. 31, 2021.



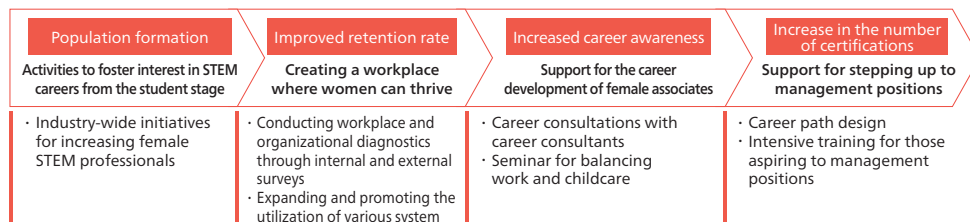
\* At this point, achieving the Fiscal Year Ending March 31, 2026 target of "three times compared to FYE Mar. 31, 2021" appears challenging. However, we will strengthen our efforts to improve the figures moving forward.



### Initiatives for Achieving KGI Goals

We aim to create a workplace where women can thrive and actively shape their careers.

To expand opportunities for women, we engage in activities to increase interest in Honda as a workplace from the student stage. After joining the Company, we provide phased support to help women advance to management positions.



### Activities to Foster Interest in STEM Careers from the Student Stage

#### Industry-Wide Initiatives for Increasing Female STEM Professionals

Since 2014, we have been conducting outreach programs for high school students, both before and after their choice of humanities or STEM fields, as part of initiatives hosted by the Japan Automobile Manufacturers Association (JAMA). In FYE Mar. 31, 2024, female engineers visited seven high schools near Honda facilities, providing lessons on job roles and careers to 439 students (including 205 females). In addition, starting in July 2024, we have been participating in the "Girls Meet STEM Career" program hosted by the Yamada Shintaro D&I Foundation. This initiative involves collaboration across industries with other companies, and includes multiple activities such as workplace tours of research institutes and networking events with female engineers. These efforts aim to enhance understanding of STEM careers, promote their appeal, and create a positive image of working as an engineer.

### Creating a Workplace Where Women Can Thrive

#### Conducting Workplace and Organizational Diagnostics through Internal and External Surveys

To enhance our initiatives for expanding opportunities for women, we conducted a "Quantitative Survey on Careers, Values, and Working Styles" involving approximately 3,000 general associates from Honda and the manufacturing industry. By comparing Honda with other companies, we identified both strengths and challenges, which are now being incorporated into our future plans.

#### Expanding and Promoting the Utilization of Various Systems

To create a supportive environment for women, we address specific health issues by organizing events and establishing systems in collaboration with external specialized organizations to provide access to medical facilities. In addition to enhancing systems for male participation in household and childcare responsibilities, we promote awareness and share best practices to encourage the use of parental leave. On business days that are public holidays, we offer temporary childcare services at all locations to support work-life balance. Moreover, to accelerate the cultivation of an inclusive culture, we hold company-wide diversity promotion meetings to tailor support and initiatives according to the characteristics of each business unit and region.

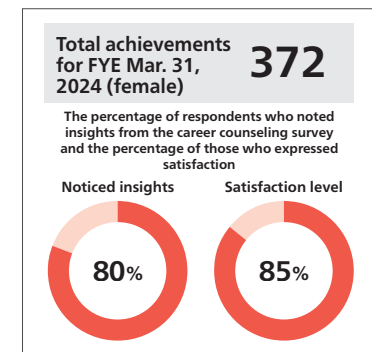


Scenes from Temporary Childcare

### Support for the Career Development of Female Associates

#### Career Consultations with Career Consultants

To empower all associates to proactively and autonomously navigate diverse career paths at Honda, we conduct individual career consultations. The consultants hold national certifications in career counseling and provide comprehensive support tailored to each associate's needs. This includes assistance with balancing work with childcare or caregiving responsibilities, improving workplace communication, and exploring flexible working arrangements.



#### Seminar for Balancing Work and Childcare

To help associates actively pursue their career goals and foster growth during parenting years, we host work-life balance seminars. These seminars are open to both associates and their spouses, encouraging discussions about career development and collaborative parenting strategies. Additionally, the seminars include lectures by external experts and panel discussions with senior associates, providing opportunities to plan and take actionable steps towards long-term career development.

Ensuring both Quantity and Quality of Human Resources in Focus Areas

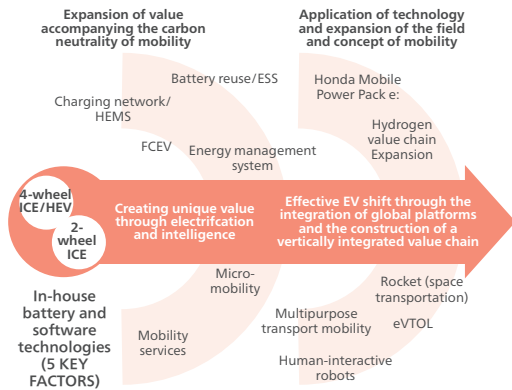
Key Theme 3: Global Management of Human Capital Contributing to Business Strategy



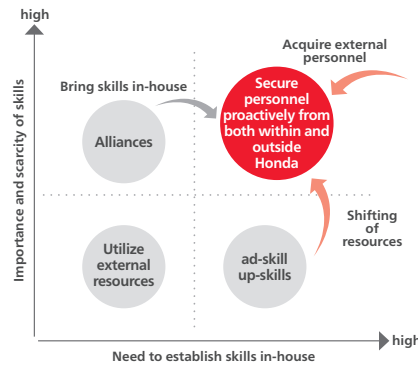
To contribute to the success of the business, we are creating a talent portfolio for focus areas aligned with the business strategy, while also advancing quantitative and qualitative staffing through defining resource management processes, formulating staffing strategies, and undertaking activities to secure talent.

Vision

Honda's Overall Approach as a Comprehensive Mobility Company



Human Resource Portfolio in Focus Areas

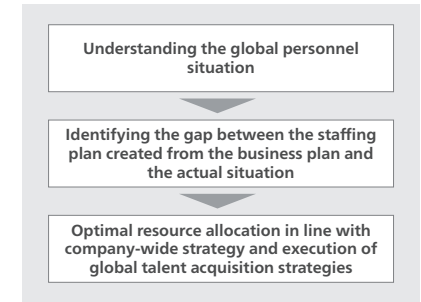


Formulating a Staffing Strategy for Optimal Global Resource Allocation

To develop a staffing plan aligned with business strategy, we are creating a global talent balance sheet (B/S) and establishing a scheme that allows us to consider business plans and budgets together.

By understanding future staffing plans for approximately 40,000 associates in domestic labor agreement-applicable companies and around 100,000 associates in overseas group companies with a shareholding ratio of 51% or more, we enable the examination of medium- to long-term business strategies.

Additionally, by reviewing staffing strategies at a global level in alignment with business strategies, we aim to achieve timely staffing in response to active business investments and monitor associated risks effectively.



Initiatives to Acquire Highly Specialized Global Talent

To attract engineers with advanced expertise in AI and software, we have been continuously conducting global recruitment activities, including initiatives at the Indian Institute of Technology (IIT). Moving forward, we will expand our scope beyond just new graduate recruitment to include career hiring, strengthening our initiatives to acquire more highly specialized engineers globally.

In addition, given the highly competitive landscape for software talent in China, we are addressing this challenge by opening a new office in Shanghai, a hub for software professionals, to enhance our initiatives in acquiring engineers with advanced expertise.

Partner Collaboration for Building a Software Development Framework

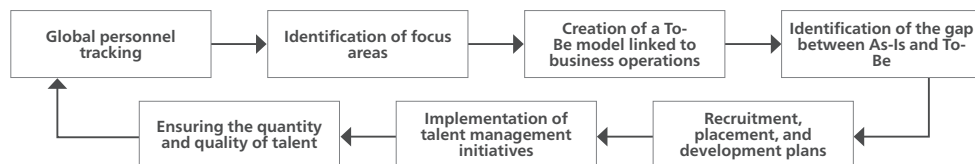
In addition to recruiting talent internally, we are building our automotive software development framework through partnerships with domestic and international partners. Since 2023, we have established partnerships with KPIT Technologies Limited in India and SCSK Corporation in Japan. We will continue to build such collaborative frameworks as needed, aiming to further enhance the quality and speed of our development.

The Process for Achieving Resource Management Aligned with Business

We have defined a resource management process to ensure the necessary talent for achieving our business plans. By integrating each step, we will achieve resource management aligned with our management policies and business plans.

Currently, we are developing a global talent portfolio (To-Be) that is aligned with our business objectives and represents our desired state, while working to identify gaps between this desired state and our current situation (As-Is). We are also defining the skills required for focus areas and visualizing associate skills to identify gaps from both quantitative and qualitative perspectives.

Going forward, we will build a system that organically integrates with talent management measures such as recruitment, placement, and development, creating a process to fulfill talent needs in alignment with business transformations.



Ensuring both Quantity and Quality of Human Resources in Focus Areas

## Key Theme 3: Global Management of Human Capital Contributing to Business Strategy Roadmap and Initiatives for Achieving the Human Resource Fulfillment Rate in Focus Areas

Global  
Domestic

### Concept of Key Goal Indicators (KGIs)

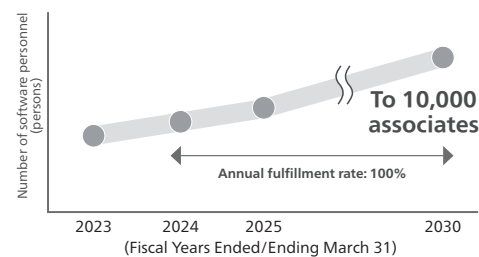
The focus is on monitoring the fulfillment status of necessary human resources in focus areas by using the required number of personnel as the target values. Currently, we are proactively setting and working towards target values for the number of software professionals within these focus areas.

### Calculation Formula

We identify the target organizations within the focus areas and calculate the fulfillment rate by dividing the number of individuals engaged in those organizations by the total number of required personnel.

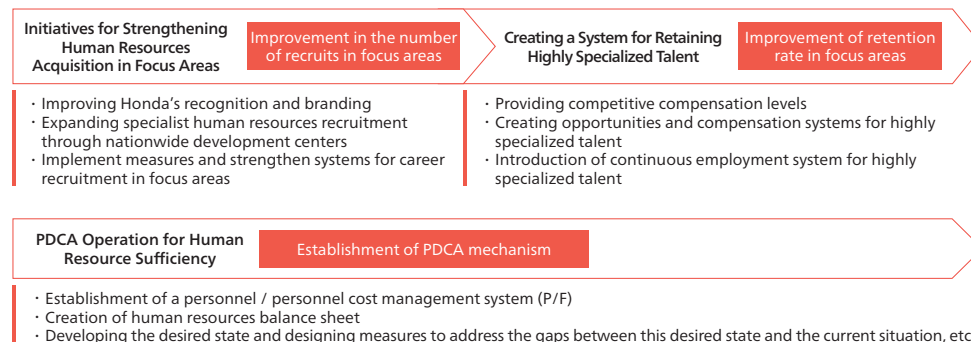
$$\frac{\text{Number of associates engaged in target organizations}}{\text{Total number of required personnel in the target organizations}} = \text{Human resources fulfillment rate}$$

### Achievement Roadmap



## Initiatives for Achieving KGI Goals

To improve the fulfillment rate in focus areas, we are currently focusing intensively on two main initiatives: increasing the number of hires and improving retention rates. Concurrently, we are establishing a PDCA (plan-do-check-act) framework to ensure that our talent portfolio aligns with and supports our business strategy.



### Initiatives for Strengthening Talent Acquisition in Focus Areas

#### Improving Honda's Recognition and Branding

To boost recognition and branding among engineers in key areas such as software and semiconductors, Honda is actively hosting events specific to these fields. Additionally, we are promoting our brand through media articles and leveraging social media to further enhance our visibility and appeal.

Since FYE Mar. 31, 2024,, the "TECH PLAY" event series has featured development leaders and engineers involved in cutting-edge work, who present their achievements and future directions in focus areas. By facilitating interactive exchanges with participants, these events also communicate the appeal of working at Honda and our commitment to innovation.

#### Expanding Specialist Human Resources Recruitment through Nationwide Development Centers

Previously, our development centers were concentrated in the Kanto region, which often made it difficult for potential candidates from other areas to consider Honda as a new workplace due to geographical constraints. To address this issue, we are expanding our development centers to major cities across the country. We have already established centers in Osaka, Nagoya, and Fukuoka and have begun local recruitment. We will continue to open new centers as needed to secure talent in focus areas.

### Creating a System for Retaining Highly Specialized Talent

#### Providing Competitive Compensation Levels

In our new management personnel system, we are designing a framework that not only ensures the retention of essential talent but also aligns with market compensation standards to attract external candidates effectively.

#### Creating Opportunities and Compensation Systems for Highly Specialized Talent

In a rapidly changing business environment, Honda continues to create new value by identifying and providing opportunities for talent with critical technologies for our business strategy.

As a leading example, we have positioned generative AI as a key technology and introduced the "Gen-AI Expert System." This system recognizes internal experts in generative AI and provides competitive compensation to ensure they can fully leverage their abilities.

Details of the Initiative → p.17

#### Introduction of Continuous Employment System for Highly Specialized Talent

At Honda, we are already a pioneer in the industry with our implementation of a flexible retirement system extending the retirement age to 65. As an additional measure, we will introduce a system that allows for the continuation of employment without age limits for individuals with critical expertise and exceptional performance necessary for our business.



Ensuring both Quantity and Quality of Human Resources in Focus Areas

## Key Theme 4: Investment in Human Resource Development to Continuously Create New Value in Emerging Fields Roadmap and Initiatives for Achieving Investment in Human Resource Development in Focus Areas

Global  
Domestic

### Concept of Key Goal Indicators (KGIs)

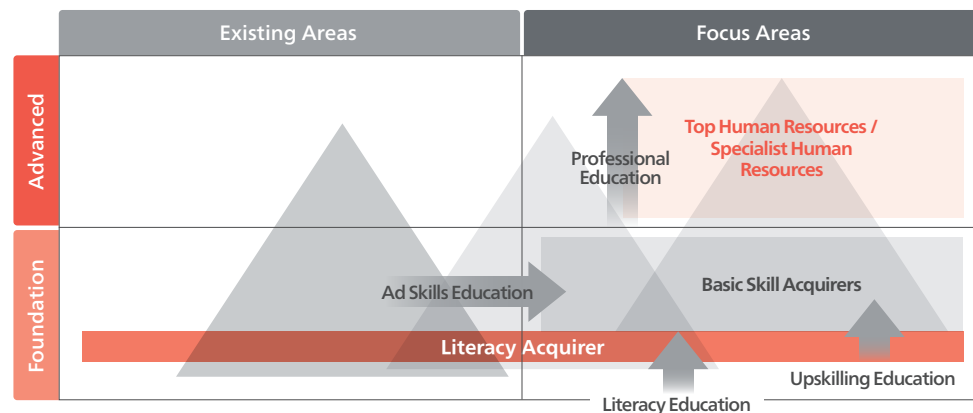
To achieve human resources fulfillment in key areas and secure top-tier technological advantage in new fields, we will implement unprecedented-scale investments in human resources development. Currently, we are building a talent development system for focus areas and deploying education programs tailored to different levels of expertise. Moving forward, we will actively expand investments in specialized education to cultivate top talent and specialists.

### Calculation Formula

The amount of investment in human resources development is calculated by summing the investments made in individual capability enhancement and in improving organizational performance within focus areas.

$$\text{Investment in individual performance development} + \text{Investment in organizational performance improvement} = \text{Investment in human resource development in focus areas}$$

### Human Resource Development System for Focus Areas (Image)



### Expanding Literacy Education to Enhance Organizational Awareness for Business Transformation

To support our challenges in focus areas such as software and electrification, we are providing e-learning programs that equip all associates with essential foundational knowledge, regardless of their role or business unit. In the software literacy education program conducted in FYE Mar. 31, 2024 we defined five types of talent necessary for driving business transformation based on digital skill standards and set learning categories for each type. The goal of this program is to enable associates to understand and articulate new concepts in the software domain in their own words.

For Fiscal Year Ending Mar. 31, 2025, we are expanding literacy education to include the electrification domain, aiming to improve awareness of carbon neutrality and electrification, and are working towards having all employees participate in this initiative.

FYE Mar. 31, 2024 achievement  
Company-wide software literacy education

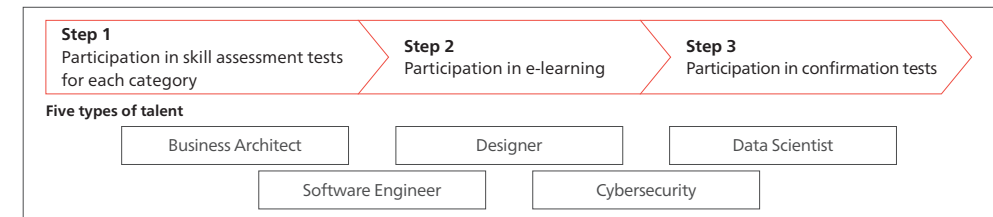
Number of participants  
Approx.

**30,000** associates

Training hours per person

Approx. **16** hours

### Steps for Implementing Literacy Education



### Upskilling Education to Develop Talent for Focus Areas

We will roll out upskilling training programs aimed at acquiring the foundational knowledge and skills necessary for performing tasks in new domains. To ensure that all associates can access the required training at the appropriate time, we will make these programs available through the company-wide e-learning system. Additionally, we will offer face-to-face training sessions alongside the e-learning modules to enhance learning efficiency.

In the future, we will expand common content globally to establish a system that allows for efficient talent investment across different regions.



Scenes of Upskilling Education

The Evolution of Human Capital Management | Human Capital Strategy

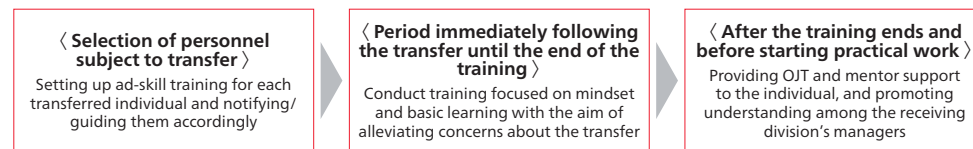
## Supporting Challenges in New Domains with Ad-skill Education

We provide ad-skill education for associates expected to excel in new areas.

With business transformation leading to anticipated changes in specialization and internal transfers, we have designed and implemented a series of ad-skill training programs tailored to the characteristics of focus areas such as software and electrification.

Associates undergoing these transfers can access technical foundational training to acquire necessary expertise, as well as programs focused on developing a mindset to adapt to environmental changes brought about by the move.

After the assignment, in addition to on-the-job training (OJT) supports such as mentor assistance and opportunities for connecting with peers of the same generation, we also conduct training for managers in the receiving division to deepen their understanding of their role as supervisors. This creates an environment where transferees can quickly adapt to their new positions.



## Key Theme 4: Investment in Developing Talent to Continuously Create New Value in Emerging Fields

Global  
Domestic

### North America

Partnership with Ohio State University  
Development of Training on EV and Battery Technologies

In 2023, we developed and deployed company-wide e-learning to up-skill associates across the organization in EV and battery technology. This training was developed in partnership with Ohio State University and released as a 2-part series (Basic & Advanced). The Advanced curriculum includes interactions with professors/experts in related electrification fields. In the near future, we will deploy similar programs focused on the safe handling of electrified components.

### China | Various Reskilling Activities for Electrification and Intelligitization

In China, to develop human resources for electrification and intelligitization, some locations are conducting reskilling activities. Specifically, initiatives include establishing a reskilling committee, implementing training on databases and open innovation, and holding DX skill contests to reskill existing personnel. Additionally, to broaden associates' perspectives and deepen their insights, the company is also engaging in exchanges with advanced IT firms from outside the organization.

### Europe, Africa and the Middle East | Provision of Training Programs to Develop IT Specialists and Skill Development for Digital Commerce and Direct Sales

In Europe, we provide e-learning on cybersecurity to associates. Additionally, we offer training in the software field to those associates who need it based on their role requirements. In the UK, we have established a team to build the skills necessary for expanding digital commerce and direct sales to customers.

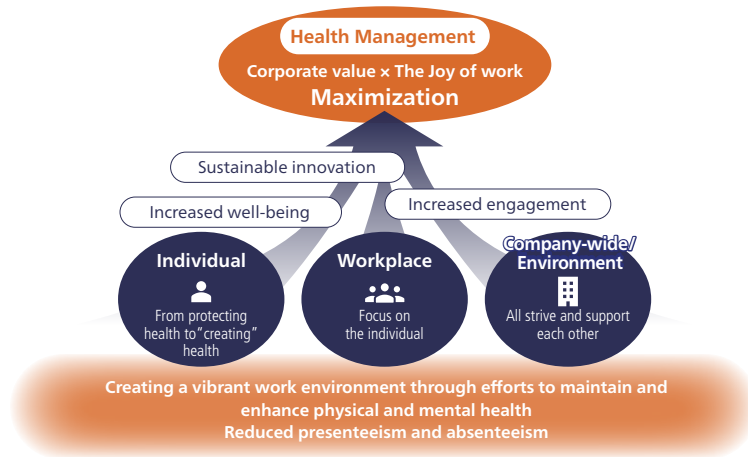
### South America | Training Program Provision for IT Specialists

In Brazil, to develop and strengthen the skills essential for the future of business, we have partnered with Udemy to offer 13 learning courses for IT specialists. These courses cover fundamental knowledge in IT and digital transformation, providing a total of 244 training programs and over 500 hours of learning content to help specialists continuously enhance their skills.

## Realizing a Company Where Each Associate Can Work Healthily, Safely, and with Full Strength Honda's Health Management

### Grand Design for Achieving Health Management

Building on a vibrant and active working foundation, we are working to maximize corporate value and work satisfaction through three pillars: "individual," "workplace" and "company-wide/environment."

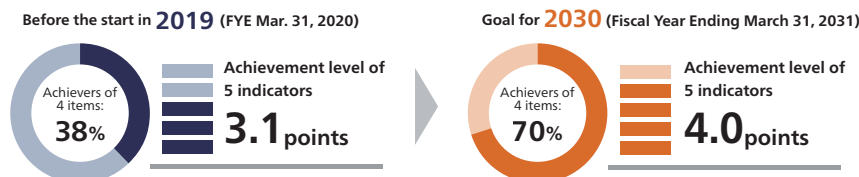


### Initiatives for Lifetime Health (Five Management Items)

Staying healthy and working energetically is crucial not only for individuals but also for the continuous development of the workplace and the Company. To achieve lifetime health, we established five management items and started our health management activities in 2020.

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

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



### Shifting from Protecting Health to Creating Health

Honda's vision of health is "to maintain a balance between mind and body (a good state) and to be in a condition where one is fully committed to positively maximizing their potential." To support individuals in achieving this, we have introduced a 24-hour online consultation and medical service. Additionally, within the Company, we have evolved the post-health checkup "health guidance" into a health consultation (Wellcom\*) aimed at prevention and designing future health. This support has started in 2024.



The Scene of a Health Consultation

\* Wellcom: Rather than focusing solely on illness or discomfort, Wellcom aims to support associates with a vision of lifelong health (wellness and well-being). It involves communication between associates and occupational health staff to discuss and consider actions that can help associates achieve their envisioned future state of health.

### Initiatives Focused on Individual Needs

We do not simply think "Maintaining health is a personal responsibility," but rather view it as a workplace issue. In two-way communication sessions where organizational policies, individual roles, action goals, and career development are aligned between members and supervisors, we support safety considerations and autonomy regarding health. We place great importance on fostering mutual understanding through these communications.



The Scene of the "Everyone's Morning Meal Project" PR Activities

We also organize walking events based on ideas from workplaces, engage in social contribution activities, support women's health issues, and offer various seminars. Additionally, in the "Everyone's Morning Meal" project, which targets younger associates who have a high rate of skipping breakfast, we promote behavior change by providing opportunities to experience and feel the benefits of eating breakfast. We actively communicate these efforts to all associates through our internal TV broadcasts.

### Supporting Lively and Energetic Work through the Improvement of the Internal Environment

We have set practicing health management (well-being) as a fundamental principle of our safety and health policy and are working together as a company towards "eliminating mental health issues." In our associates' cafeteria, we offer affordable and balanced meals daily. Additionally, we regularly provide special "Good Menu" options based on health concepts and "Veggie Active Menu" with plenty of vegetables, contributing to healthy eating.



Health-Focused Menu

The Evolution of Human Capital Management | Human Capital Strategy

## Creating a Comfortable Work Environment

### Initiatives for Harassment Prevention

At Honda, we hold "Respect for the Individual" as a fundamental principle. This principle is based on mutual respect for individual uniqueness, equality in relationships, trust, and the dedication of our full efforts to share joy together. Based on this principle, our "Labor Policy" explicitly states that we do not tolerate any form of harassment in the workplace. We are committed to creating a work environment and corporate operations where harassment does not occur.

Additionally, to prevent all forms of harassment in the workplace and to ensure prompt and appropriate resolution, we have established a consultation desk available to all associates. We coordinate with the HR and general affairs divisions at each business location to manage and respond to inquiries.

### Mental Health Measures

To develop mental health activities, we have established a specialized "Company-wide Mental Health Promotion Team" to plan and manage these initiatives. At each workplace, we have set up a "Workplace Mental Health Promotion Team."

We are also advancing our activities in coordination with the "Company-wide Safety and Health Committee." Major initiatives include "preventive education," "workplace environment improvement," "stress checks," "enhancing consultation support systems," and "support for returning to work after a leave of absence." We are committed to promoting associates' mental health. Additionally, we distribute leaflets and brochures to associates to promote understanding of mental health care.

# Creation of Innovative Technologies

## Advancing Innovation Management

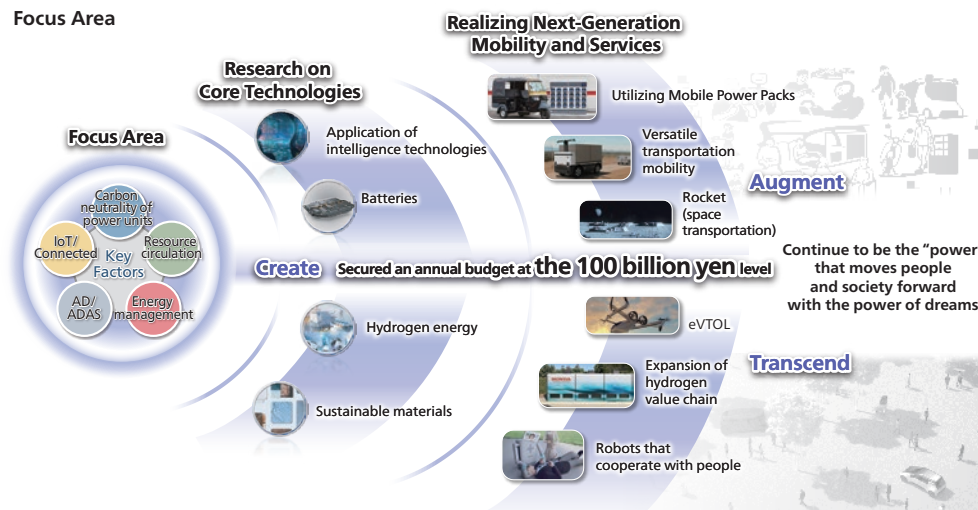
### Allocation of Resources to Fundamental Research

In pursuit of achieving the providing value of “Transcend” and “Augment” Honda is committed to strengthening innovation management, grounded in the belief that “creating core technologies is the source of a sustainable business foundation and competitive edge for the future.”

Honda’s research and development subsidiary, Honda R&D Co., Ltd., transferred its product development functions to Honda Motor Co., Ltd., between 2019 and 2020, reorganizing itself to focus on technology development for creating new value and conducting fundamental research with a long-term perspective. The company is committed to achieving a society with zero environmental impact and zero traffic collision fatalities in the future, as well as expanding the concept of mobility fields. Having defined key focus areas, resources are strategically allocated, and experts in each field lead technology development to realize these goals. Honda R&D has also established the Honda Research Institute as its subsidiary, with locations in Japan, the United States, and Europe. This institute specializes in cutting-edge areas such as computer science and collaborates with various research institutions worldwide to explore and integrate global knowledge.

The development of new technologies requires repeated trials and extensive resources before they can be commercialized. Guided by the belief that the “pursuit of new technologies” is the driving force behind Honda’s future, the Company has invested in a workforce of approximately 5,000 people and secured an annual research budget of around 100 billion yen. This represents a major company-wide investment. By making bold resource investments, we aim to sustain strong competitiveness and pursue sustainable business development.

#### Focus Area



### Evolution of Corporate Development Functions

To achieve the values Honda aspires to, extensive technological capabilities and human resources are essential, especially as we enter an era of rapid technological change. With this in mind, Honda established a department responsible for corporate development in 2021, and has continued to strengthen its functions to enhance corporate competitiveness by consolidating internal and external knowledge, experience, and expertise.

In 2023, we established a new structure as a Supervisory Unit. In 2024, in addition to increasing personnel, we are continuously evolving our framework by incorporating some intellectual property and legal functions.

The corporate development function is responsible for systematically building and deepening relationships with partner companies, investment targets, and M&A candidates, optimizing the Company’s business and technology portfolio. By promoting the integration of internal and external knowledge, this function accelerates the realization of technology and business development strategies, leading Honda’s corporate transformation.

Honda has also secured an annual budget of around 10 billion yen for exploring and investing in startups, actively promoting the “Honda Xcelerator Ventures” program.

In 2023, Honda established Honda Innovations Co., Ltd., a 100% subsidiary in Japan, as the global headquarters for this initiative. This subsidiary collaborates with Honda Innovations Silicon Valley, Inc. in the U.S. to globally expand its exploration activities.

### Creating New Businesses Starting from Individual Dreams

Honda is actively promoting the creation of new businesses through a bottom-up approach, leveraging the unique ideas and technologies of its associates. In 2017, Honda R&D launched the internal venture program “IGNITION,” which initially targeted a limited group but was later expanded to include all Honda associates. By 2023, the program began accepting external applications, encouraging the creation of new value.

Honda aims to become the power that supports all people around the world who are determined to take action, in line with Honda’s vision of “becoming the power that supports people worldwide who are determined to take action.” By increasing the number of like-minded individuals and maximizing the potential of countless ideas that start from dreams, Honda seeks to create unique and innovative value that could be the world’s first or best.

The company is strategically and diversely committed to generating innovative technologies, continuously evolving its organizational structure to enhance feasibility and impact.

## Creation of Innovative Technologies

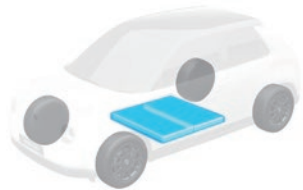
## Creation of Unique Core Technologies

Since its establishment in 1960, Honda R&D Co., Ltd. has consistently engaged in forward-thinking research to anticipate changes in the times. Honda focuses on key areas and leading the world with its initiatives within them. As part of its next big vision, we are advancing research to extend mobility into three-dimensional and four-dimensional spaces.

For example, Honda is developing its proprietary all-solid-state batteries, a core component for achieving carbon neutrality in small mobility, including motorcycles and automobiles. This development goes beyond just establishing the technology; it aims to implement it in mass-produced products. Honda is setting goals for size, cost, and performance that will deliver value to customers, considering the production processes. The pilot production line will start operating in 2024, with the aim of incorporating these batteries into models from the late 2020s.

Additionally, to achieve “zero traffic collision fatalities” and “stress-free” movement of people and goods, Honda is developing micro-mobility technologies equipped with its unique AI, Cooperative Intelligence (Honda CI). In February 2024, Honda began a public technology demonstration in Joso City, Ibaraki Prefecture, Japan featuring the autonomous “CiKoMa” for last-mile transportation and the “WaPOCHI” for assisting with comfortable walking while carrying goods. These efforts aim to enhance usability and promote social acceptance, with a goal of practical implementation by around 2030.

\* Honda CI: An artificial intelligence that communicates through behavior and language, supporting users while coordinating with them and those around them.



Research Aimed at the Mass Production of All-Solid-State Batteries



Honda CI Micro-Mobility (Left: CiKoMa Right: WaPOCHI)

## Open Innovation to Pave the Way for the Future

“Honda Xcelerator Ventures” is an open innovation program that globally explores innovative startups in areas linked to Honda’s current business transformation or in areas with the potential to create disruptive innovations in the future. Through investment and collaboration, the program aims to co-create new value.

As a result, we have already built a track record of investing in various startups. Examples of these investments include Helm.ai (USA), which specializes in AI image recognition technologies; SES AI (USA), which researches high-energy-density lithium metal batteries; Princeton NuEnergy (USA), which develops battery recycling technology using plasma; INERATEC (Germany), which works on carbon-neutral fuels derived from CO<sub>2</sub> in the atmosphere; nT-Tao (Israel), which aims to realize small-scale nuclear fusion reactors using a unique plasma heating method; Emulsion Flow Technologies (Japan), which focuses on efficient rare metal extraction technologies; SiLC Technologies (USA), which develops high-performance LiDAR systems; and Seurat Technologies (USA), which develops high-speed 3D printers. We also collaborate with startups in over a hundred projects annually.

Additionally, Drivemode, a company developing and providing smartphone applications for drivers, was acquired in 2019 after successful collaboration in the connected services domain. Post-acquisition, Drivemode developed and released the “Honda RoadSync” mobile app for motorcycle riders, with Honda motorcycles equipped with this app exceeding 300,000 units shipped globally, offering many customers a new connected riding experience.

Currently, Drivemode plays a central role not only in motorcycle-related projects but also in automobile UX (user experience) planning. At the same time, it has become a driving force in Honda’s corporate transformation (CX), leveraging the speed and creativity typical of startups.

Moving forward, Honda will actively drive corporate transformation through open innovation and seek to create new value and business opportunities in collaboration with startup companies.

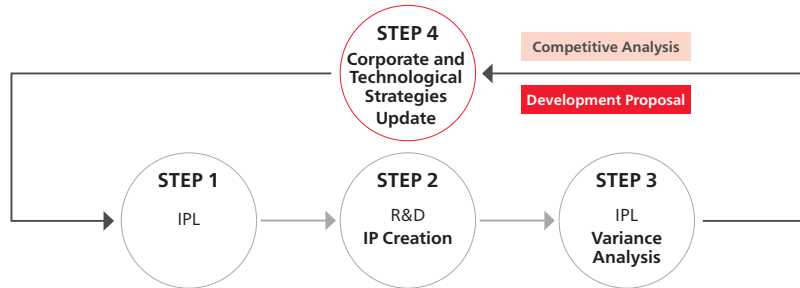


Creation of Innovative Technologies

## The Evolution of the Strategic Update Process: New IPL Function

Intellectual property significantly contribute to increasing corporate value and are particularly important as they lead to future value over the next 5 to 10 years. Honda utilizes these intellectual property as a more strategic tool, setting KPIs to gain a competitive edge in its focus technologies. Honda also implements a strategic update process incorporating analysis using intellectual property information, such as IP intelligence "IP\* Landscape (IPL)". It is crucial to roll through the following STEP 1-4 agilely and update business and technology strategies effectively.

\* IP: Intellectual Property



To further evolve this strategic update process and build competitive intellectual property, we previously conducted the STEP 1-3 processes starting from the IP landscape within the intellectual property department. However, we have reorganized by moving these functions (personnel) into the department responsible for formulating business strategies. This reorganization not only provides opportunities for the growth of intellectual property talent but also allows for quicker utilization of IPL analysis in strategic discussions. This enhances updates in STEP 4 and strengthens the alignment between business/technology strategies and intellectual property strategies.



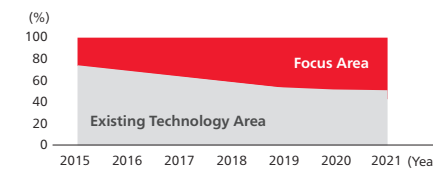
In recent years, the consideration of alliances with a diverse range of companies to create new value has increased, and IPL analysis has become an increasingly effective tool for identifying potential alliance partners. For example, in advancing electrification, proposals for potential alliance partners in key areas such as energy management systems are made to the department responsible for formulating business strategies using IPL analysis.

## Intellectual Property Creation: Shifting to Electrification and New Value Creation

To support Honda's transformation into a company that enables new growth and value creation, referred to as the period of the "second founding" of Honda, in addition to the "five key factors," Honda is also focusing on "new value technologies" such as eVTOL (electrical Vertical Take Off and Landing), robotics, space, and intelligence technologies. Honda conducts IPL analysis on these technologies to set KPIs for establishing competitive advantages and to execute patent applications towards achieving these goals.

Furthermore, competition analysis using IPL for each technology is conducted to update business and technology strategies.

Ratio of Patent Applications in Focus Areas to Those in Existing Technology Areas



KPIs Set to Establish Honda's Competitive Advantage

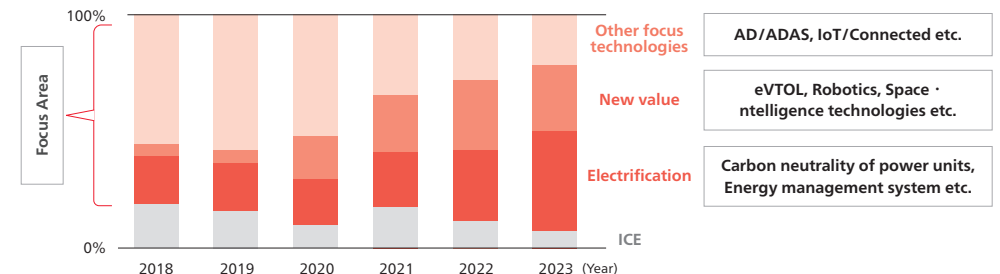
Key factors	Carbon neutrality of power units
	Energy management system
	Resource circulation
	AD/ADAS*
	IoT/Connected
New value	eVTOL
	Robotics
	Space
	Application of intelligence technologies etc.

Increasing Corporate Value

As a result of these efforts, the proportion of patent applications in focus areas has increased. Specifically, as illustrated in the graph below, the proportion of applications related to electrification technologies and new value technologies that are expected to contribute to future commercialization by Honda has been growing year by year. Conversely, applications related to engine technologies have been decreasing, and recently represent a significantly smaller proportion.

Honda's intellectual property have already shifted towards electrification and new value creation.

Proportion of Patent Applications in Focus Areas Compared to ICE Technologies (Number of Patent Applications)



\* AD/ADAS: Automated Driving/Advanced Driver Assistance Systems

Creation of Innovative Technologies

## Expansion of Incentives for Intellectual Property Creation and Utilization

Honda operates a system that provides monetary rewards to inventors for their inventions. To further strengthen patent applications in key factors and enhance competitiveness, the reward system has been revised to offer several times the previous amount, thus boosting incentives. Similarly, the “Business Achievement Award System” now includes the contribution to patent applications as a new evaluation criterion to motivate invention.

Moreover, intellectual property are not solely built on patent applications; with the recent advancements in IoT technology, the value of software, such as control programs, has also been increasing. As the need to build a portfolio of intellectual property that includes such software grows, Honda has begun considering not only incentives for inventions but also the evaluation, management, and payment of rewards for software as well.

Furthermore, in order to strategically leverage the built intellectual property and contribute to business, it is necessary to obtain international standards, such as ISO and IEC, that align with these intellectual property. Honda is also strengthening on standardization activities for such technologies, and to enhance motivation, the Company has introduced an award system for standardization efforts, especially for employees with significant contributions to these activities. In FYE Mar. 31, 2024, when the system was introduced, nine employees were recognized for their achievements.



Standardization Activities Awards: First Ceremony – February 2024

### Shiori Watanabe

Strategic Planning Division  
Intellectual Property & Legal Unit  
As the intellectual property manager for the Robotics Research and Development Team, she handles portfolio management of company patents and conducts IP landscape analysis.

#### Favorite motto

“Never give up. If you’re feeling down, keep pushing through.”

#### Honda-ism which she has empathy

“An able hawk should show its talons.”



### Interview

## Shaping the Future with Technology through Intellectual Property Strategy

“Why are you trying so hard?” During my student days, I was often teased for giving my all. So for me, Honda is a place where I can be my true self. When I was job hunting, I came across a document from Honda that said, “Honda is a group of people who simply cannot cut corners and become deeply engrossed in their work.” It made me realize that there is a place where people are not reprimanded for working hard. The idea of working with colleagues who are earnest about their work was one of the reasons I decided to join Honda.

The mission of the Intellectual Property & Legal Unit is to enhance Honda’s competitiveness through intellectual property strategy. Primarily through comprehensive analysis known as “IP landscape,” we assess which technologies to develop and patent to secure Honda’s competitive advantage. We then provide recommendations for development and business strategies based on this analysis. Our strength lies in offering perspectives on competitiveness that engineers may overlook, through objective analysis.

I cannot develop new technologies myself as I am not directly involved in research and development, but I can provide engineers with ideas and suggest directions for development. I hope that this will lead to the creation of new technologies that can change the future, and ultimately reaching customers, making their lives more convenient and enjoyable. That is my dream.

At Honda, there are remarkable engineers who make you think, “This person will change the world,” and a multitude of technologies created by them. Being in such a Honda-like environment at Honda makes me feel like I can’t afford to fall behind. I want to develop and implement an intellectual property strategy that meets such remarkable engineers, enhancing Honda’s societal value.



# Brand Value Enhancement | Enhancement of Brand Management



**HONDA**  
The Power of Dreams

**How we move you.**  
CREATE ► TRANSCEND, AUGMENT

The dreams of each and every one of us working together have always been the driving force of Honda.

We have different kinds of dreams, but by applying our original technologies, ideas and design we take on challenges continuously to realize mobility that enables our customers to enjoy life with more freedom, more convenience and more fun.

The future mobility Honda dreams of will create a joy and freedom of mobility that enables people to transcend the constraints of time and place, and augment their every possibility.

Such mobility will become the “power” for people who are trying to advance toward their own dreams.

Dreams that will move even more people, until there is an endless expanse of new dreams.

The Power of Dreams

Through the creation of mobility we dream of, Honda will become “The Power of Dreams” of more and more people. That is how we will move people and society forward.

See p.4 Global Brand Slogan

## Starting Point: “Redefining the Honda Global Brand Slogan”

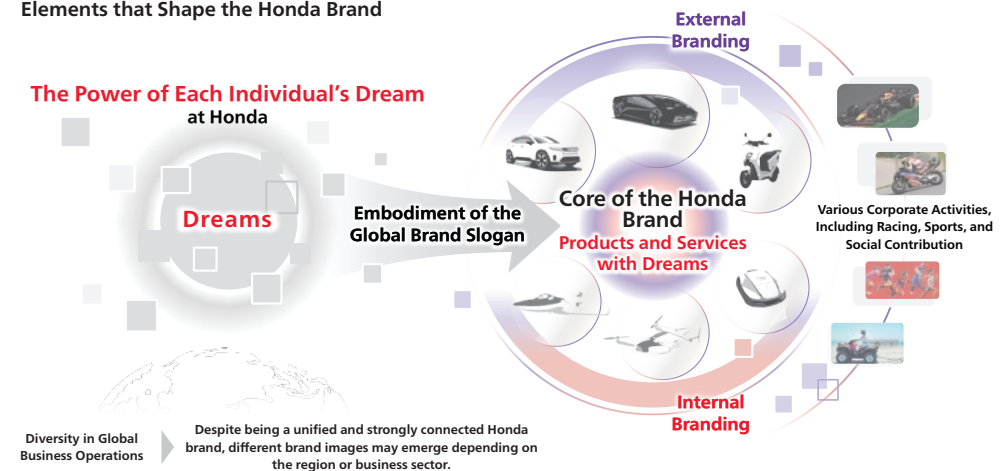
Honda’s brand has been shaped by a continuous accumulation of corporate activities alongside our customers, from its founding to the present day. Enhancing the Honda brand, which has been woven over 75 years, and increasing its value for the future is recognized as one of the most important challenges for Honda.

In the midst of a transformative period said to occur once in a century, we redefined the Global Brand Slogan “The Power of Dreams,” established in 2001, in 2023, and positioned it once again as the “starting point for Honda’s brand management.” Through various corporate activities, including products and services that embody dreams, we aim to further highlight the uniqueness of Honda and continue to be a company that meets expectations.

## To Remain “Honda-like” in the Era of Electrification

As a comprehensive mobility company and the world’s leading power unit manufacturer, Honda delivers a diverse range of products and services to customers worldwide. Each product and service is a crystallization of the intrinsic motivations of every Honda employee, embodying the “Power of Dreams” and forming the core of our brand. Over time, as we have provided products and services globally, the Honda brand has become strongly recognized as a unified entity. At the same time, the diversity of our global business has led to the formation of brand images particular to each region and sector. This distinctive brand personality, cultivated through our history, is considered a valuable asset for the future, even in the era of electrification.

### Elements that Shape the Honda Brand



Brand Value Enhancement | Enhancement of Brand Management

Moreover, Honda's brand has been enhanced not only through its products and services but also through its symbolic activities such as racing and sports, which embody Honda's passion and challenging spirit, as well as its social contribution activities aimed at enriching people's lives worldwide. We believe that the realization of diverse dreams through these corporate activities have also been key elements in enhancing the shine of the Honda brand.

Based on the brand's individuality and diversity, we will strive to maximize overall brand value through products and services that symbolically embody our Global Brand Slogan (GBS), and manage our unique brand effectively.

Initiatives that Embody the Global Brand Slogan

**Products, Services, etc.**

**Honda Mobility Service**  
Automotive mobility services

ホンダオンラインストア **Honda ON** **Honda Monthly Owner**

**EveryGo**

Motorcycle mobility services

**HondaGO** **BIKE RENTAL**

Bicycle mobility services

**SmaChari** **EveryGo** e-Bike

HondaJet mobility services

**HondaJet Sharing Service**

\* The services listed are only available within Japan.

**Sports Activities**

Messages from F1 and corporate sports athletes → p.125

Please refer to this link for more details on other activities.

**Social Contribution Activities**

Together for Tomorrow

子どもアイデアコンテスト

Please refer to this link for more details on other activities.

## Further Enhancing Brand Value

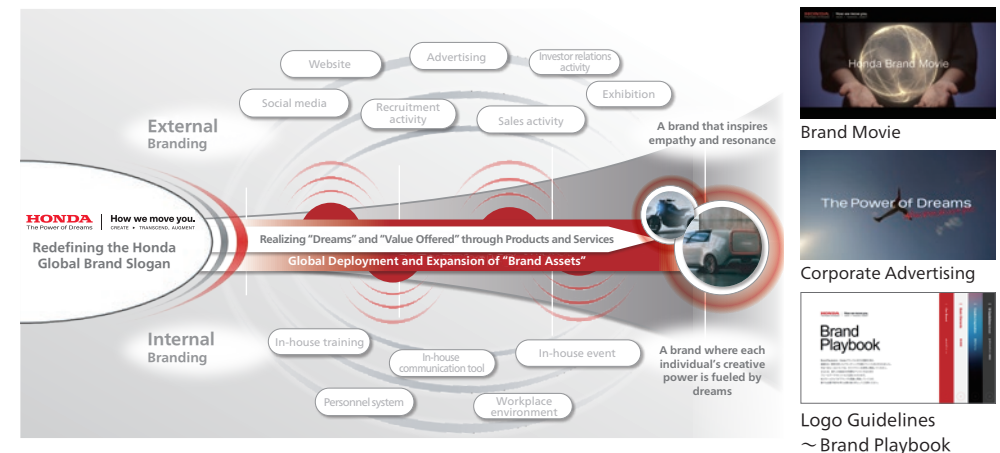
In brand management, we believe it is crucial to create synergies between “consistency in brand communication as a company” and “the diversity and uniqueness of products and services.”

As part of this, we have focused on developing and expanding “brand assets” that serve as guidelines for various communications and branding practices to ensure valuable consistency on a global scale. These brand assets are composed of elements from the Global Brand Slogan (GBS) redefinition and will serve as the foundation for consistent branding.

Specifically, we have launched “brand movies” to deepen the understanding of the value Honda provides and a new series of corporate advertisements to widely promote the personality of the Honda brand and generate interest. Additionally, to enhance consistency and creativity in daily work, we have expanded the functionality of the existing Visual Identity (VI) guidelines and implemented the “Brand PlayBook,” which is based on the GBS redefinition. This “Brand PlayBook” includes a framework for generating optimal expression directions in various projects and productions, and has been put into operation from 2024 as a tool to assist individual creativity.

We will further expand these brand assets and evolve the content, aiming to increase global utilization. This will support the creativity driven by the “dreams” of all associates and strive to establish an attractive brand that resonates with our stakeholders.

### Conceptual Diagram of Efforts to Enhance Brand Value



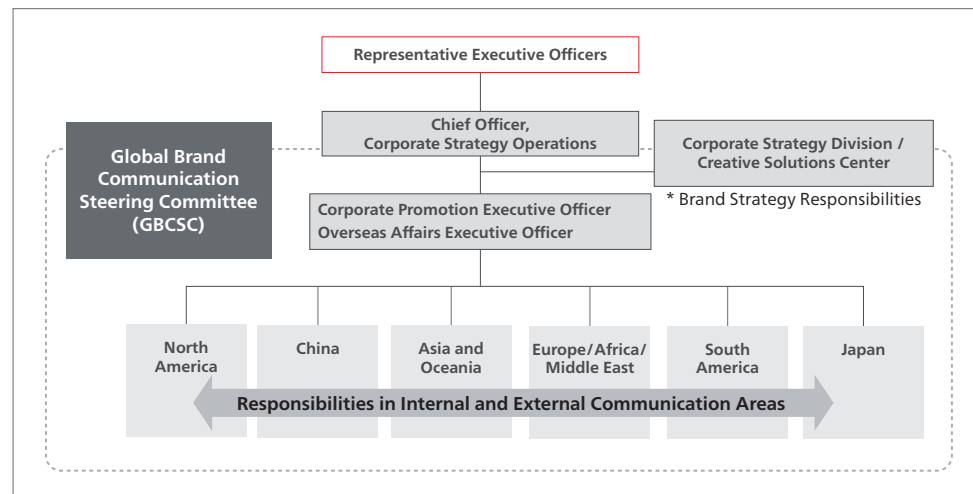
Brand Value Enhancement | Enhancement of Brand Management

## Evolution of the Branding Implementation Structure

To enhance global brand value, we have strengthened our system based on the idea that the evolution of brand strategy and the management of its expansion are crucial. This involves rapidly advancing both strategy discussions and implementations.

At the Headquarters, we develop company-wide communication and branding strategies. To support this, we have established new forums for frequent discussions with executive members, enabling swift decision-making on strategic directions. For the implementation of these strategies, we have created the "Global Brand Communication Steering Committee," aimed at ensuring that all global associates understand the intended direction and that each region can independently develop its initiatives. By closely coordinating with each region, we will advance initiatives tailored to their unique characteristics and needs.

By establishing a seamless system from strategic direction to implementation in each region, we aim to ensure steady progress and make all corporate activities, including dream-inspired products and services, more distinctively Honda.



The effectiveness of these efforts will be monitored using "brand value" as a management indicator, as published by Interbrand. This monitoring will help to assess the situation and contribute to the further evolution of our activities.

### Ryusaku Senda

General Manager  
Creative Solution Center  
Corporate Strategy Division  
Corporate Planning Unit  
Previously engaged in designing automobiles and developing product concepts, with recent responsibilities in strategic planning and brand communication.  
**Honda-ism which he has empathy**  
"Before technology, we are all equal. The substance of ideas is the real challenge."



### Interview

#### Aiming for a Honda Brand that Exceeds Expectations

When I was a student in the 1990s, I strongly resonated with the creative approach of Honda's Creative Mover\* series and felt that Honda was a company where original ideas could be genuinely realized. This was the moment I wanted to become part of Honda. After joining the Company, I spent many years involved in product development through automobile design and other projects. About five years ago, I took on the role of integrating "creativity" into the business planning function, leading to my current position.

As my work shifted towards "strategy," I became even more aware that the driving force behind Honda, which has produced numerous epoch-making products over the years, lies in each associate's motivation of "doing it because they love it" and "doing it because they want to." Among these, the "dream" that Honda associates have for mobility has become something I am more deeply conscious of.

I have come to recognize that in recent years, due to rapid environmental changes, Honda has been compelled to undergo transformations across various areas. As the "content of the strategy" for these changes becomes more concrete, I have increasingly felt that simply explaining the correctness of the strategy is not enough to move people. In a situation where we cannot always draw a clear path to absolute success, I realize every day that a strategy that inspires people to take action must not only be understood logically (with the left brain) but also resonate emotionally (with the right brain).

Amid these circumstances, my primary responsibilities lie in "communications and brand strategy, corporate branding," and "creative support for new businesses," although my work extends to a broad range of areas. Through my efforts so far, I am deeply convinced of the effectiveness and potential of driving transformation by connecting and fully leveraging internal and external creative resources at the strategic level. While much remains a work in progress, I am committed to accelerating Honda's transformation and embodying the essence of Honda by continuing to create and expand a consistent brand connection that adds value across execution areas and through to our products and services.

\* Creative Mover: A unique Honda concept of "Life-Creating Vehicles," exemplified by models such as the Odyssey, CR-V, and Step WGN.