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# Environment

# Governance

## Environmental Management Structure

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

Honda's long-term management policies and medium-term management plan are approved and resolved by the Executive Council and the Board of Directors.

The Board of Directors is the final supervisory body for important matters, covering actions to address climate change issues. The Executive Council deliberates in advance on matters to be resolved by the Board of Directors and discusses important management matters within the scope of authority delegated to it by the Board of Directors.

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

Each Operation, Unit and subsidiary formulates and promotes action plans and measures based on the company-wide long-term management policies and medium-term management plan, and important matters are reported and approved at the Executive Council as appropriate. Respective Business Operations and Regional Operations formulate action plans and promote measures based on the global medium- to long-term environmental policies, based on information shared at the Global Environmental Secretariat Meeting (Secretariat: Corporate Strategy Operations). Each Regional Operations holds a Regional Environmental Meeting to promote the PDCA cycle within Regional Operations. Each Business Operations monitors regional progress and promotes the PDCA cycle within Business Operations. The Corporate Strategy Operations monitors the progress at Business Operations and Regional Operations and considers revisions to the medium- to long-term environmental policies and targets as necessary. Important matters are reported and approved at the Executive Council and reported and resolved at the Board of Directors. For important cross-departmental issues such as addressing climate change issues, a cross-departmental task force is formed to consider and propose action plans and measures as appropriate, and important matters are reported and approved at the Executive Council.

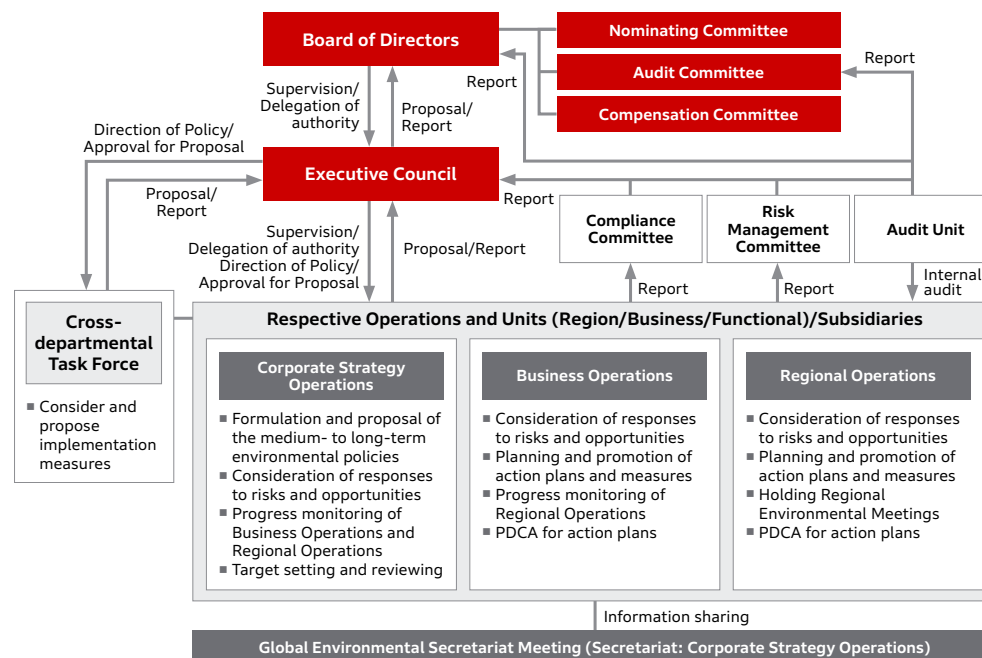
Compliance and risk management related to the environment, including climate change, are operated based on the Company's basic policies for the development of internal control systems.

(➔ p. 162)

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

Form-20F [https://global.honda/en/investors/library/form20\\_f.html](https://global.honda/en/investors/library/form20_f.html)

### Environmental Management Structure



## Governance

### Environmental Management System

Honda's existing global vehicle assembly and product assembly plants have acquired ISO 14001, an international certification for environmental management systems (as of March 2026).

Therefore, the coverage of environmental management systems is virtually 100%.

Honda will continue to promote activities to acquire this certification.

### Current Status of Compliance with Environmental Regulations

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

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

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

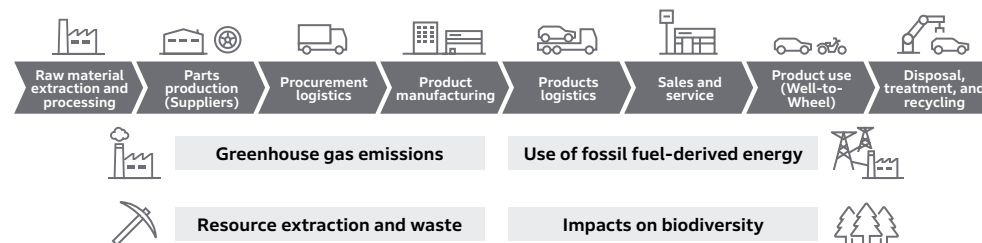
## Strategy

### 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: greenhouse gas (GHG) emissions, use of fossil fuel-derived energy, extensive resource extraction and waste, and impacts on biodiversity.

#### Main Environmental Impacts in the Product Lifecycle



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

\* We select "Priority Issues" by comprehensively analyzing social issues from the perspective of sustainability, aligning them with Honda's strategic direction, and defining the particularly focused issues for each priority issue as "materialities".

#### Priority issue

- Achieving a Zero Environmental Impact Society

#### Materialities

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

# Strategy

## Triple Action to ZERO

In our efforts to achieve a Zero Environmental Impact Society, we are working towards our vision of achieving CO<sub>2</sub> emissions neutrality, 100% utilization of carbon-free energy, and 100% use of sustainable materials in 2050. This vision is encapsulated in the concept of Triple Action to ZERO, a concept that consolidates three key initiatives: Carbon Neutrality, Clean Energy, and Resource Circulation. We position Triple Action to ZERO as the core concept guiding our efforts.

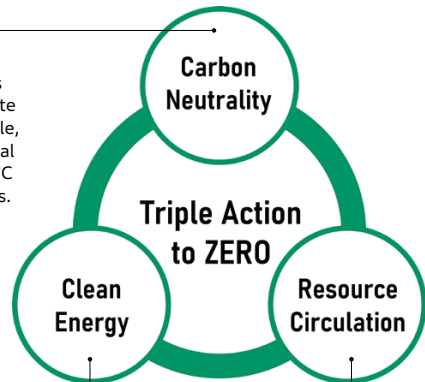
The three initiatives of Triple Action to ZERO are closely related and we aim to maximize synergistic benefits by considering their linkages.

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

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

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

In “addressing climate change,” we aim to achieve CO<sub>2</sub> emissions neutrality 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.

## Key Initiatives and Milestones for Achieving Materiality

Honda supports the Paris Agreement\* and, with the goal of realizing a Zero Environmental Impact Society, aims to achieve carbon neutrality across all products and corporate activities involving Honda by 2050.

Of the four materialities in the environmental domain, we are prioritizing efforts toward “addressing climate change issues” and “addressing energy issues” for achieving carbon neutrality.

As priority actions, the Company is working on reducing CO<sub>2</sub> emissions from product use and corporate activities, breaking these efforts down into more specific initiatives that the Company plans to implement as concrete actions. Specifically, CO<sub>2</sub> emissions are tracked for various product groups within each business segment, as well as for individual production plants and manufacturing equipment. This approach helps in quantifying CO<sub>2</sub> reduction amounts for each product and factory. Honda will accelerate a multifaceted approach that combines EVs, hybrid vehicles (HEVs), carbon-neutral fuels, and carbon offset technologies, while carefully assessing market conditions and demand trends in each region.

For long-term impact reduction measures related to the materiality of “efficient utilization of resources,” there are initiatives that may require business transformation beyond existing frameworks. Honda is currently in the preparatory phase for reducing future CO<sub>2</sub> emissions across the entire product lifecycle from resource extraction (upstream) to disposal (downstream). We also recognize the importance of advancing these initiatives while considering our impact on nature, such as the materiality of “biodiversity conservation.” Honda is aiming not only to achieve “carbon neutrality by 2050” but also to pursue a long-term perspective toward realizing a “Zero Environmental Impact Society.”

\* The Paris Agreement sets as a global long-term goal to keep the rise in average global temperatures well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.

# Strategy

## Roadmap Towards Carbon Neutrality by 2050

			2025	2030	2035	2050	(Year)
Priority Action Measures	<ul style="list-style-type: none"> <li>Addressing Climate Change</li> <li>Addressing Energy Issues</li> </ul>	<b>Product Use CO<sub>2</sub> Emission Reduction Tank-to-Wheel</b>	<b>Expansion and Promotion of Electrified Products</b> [Electric motorcycle] From 2025 Europe: Honda WN7 From 2026 Thailand, Vietnam, and the Philippines: Honda UC3 Japan: ICON e; Vietnam: CUV e; [EV] From 2025 Japan: N-ONE e; From 2026 Japan: INSIGHT, Super-ONE From 2027 Japan, India, etc.: Honda 0 α From 2028 Japan: N-BOX EV [Power products] From 2025 North America/Australia: Electric walk-behind lawn mowers HRN-BV, HRX-BV, HRX-BE, HRC-BE From 2026 U.S.: Electric ride-on lawn mowers ProZision, ProZision Autonomous Japan/U.S./Europe: Electric power units GXE4.0D, GXE6.0D, GXE9.0D Europe: Robotic lawn mowers Miimo 1500i, Miimo 2200i	Management Indicators (Targets for the fiscal year ending March 31, 2031) <Reduction rate of CO <sub>2</sub> emissions intensity of product use> Motorcycles 15.0% Automobiles 13.6% Power products 13.4%		Carbon Neutrality	Achieving a Zero Environmental Impact Society
		<b>Corporate Activities Reduction of CO<sub>2</sub> Emissions</b>	<b>Expansion of Carbon-Neutral Factories</b> Saitama factory automobile plant Global expansion tailored to regional characteristic [Technology/know-how] [Efficiency improvement and energy conservation] + [equipment electrification] + [clean energy transition] Improvement of production efficiency Energy-saving measures Electrification of production equipment Renewable energy Carbon credits [Efficiency improvements and energy conservation] Improvement of production efficiency Energy-saving measures	<Reduction rate of total CO <sub>2</sub> emissions from corporate activities> 46%			
Long-Term Impact Reduction Measures	<ul style="list-style-type: none"> <li>Efficient Utilization of Resources</li> <li>Biodiversity Conservation</li> </ul>	<b>Upstream and Downstream CO<sub>2</sub> Emission Reductions</b>	<b>Supplier collaboration / Lifecycle CO<sub>2</sub> emission reduction initiatives</b> -Aggregation system: collaboration with suppliers -Initiatives toward achieving the 2030 targets -Efforts to calculate product carbon footprint	-Expansion of target suppliers			
		<b>Nature-based Solutions (NbS)</b>	<b>Resource circulation</b> -Gaining capabilities ahead of competitors -Preparations for circular business models, products, and innovative technologies <b>Living in harmony with nature</b> -Promotion of avoiding impacts on nature, minimization, and restoration/recovery activities (expansion of nature-friendly sites, assessment and analysis of nature-related dependencies and impacts in the value-chain)	<Usage rate of recycled and biomass materials> Motorcycles 30% (models manufactured in Japan for the European market) Automobiles 30% (EVs manufactured in Japan)	-Realization of business transformation effects / implementation of innovative technologies		
		<b>Multifaceted Approach</b>	-Contribution to carbon neutrality beyond the value chain				

## Strategy

### Approach to Just Transition

To realize a Zero Environmental Impact Society, Honda aims to achieve carbon neutrality across all products and corporate activities involving Honda by 2050.

We recognize that this process affects a wide range of stakeholders, including our associates, suppliers, and local communities. We will promote initiatives aimed at realizing a Zero Environmental Impact Society under the concept of a “just transition,” carefully balancing the implementation of measures that contribute to carbon neutrality—such as the electrification of products—with consideration for any potential negative impacts on stakeholders.

In addition, Honda has established a working group comprising related divisions, including Human Resources, Procurement, Environment, and IR.

Through cross departmental collaboration, the Company will advance multifaceted discussions related to a “just transition.”

## Basic Approach

### 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 NOx\*2 and became the first in the world to meet the U.S. Clean Air Act (the 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 that the world values and looks to with expectations, 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 CO<sub>2</sub> 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.

\*1 CVCC: Compound Vortex Controlled Combustion

\*2 NOx: Nitrogen Oxides

#### Honda Environmental and Safety Vision

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

Established in 2011

#### Honda Environment Statement

“As a responsible member of society whose task lies in the preservation of the global environment, the Company will make every effort to contribute to human health and the preservation of the global environment in each phase of its corporate activity. Only in this way will we be able to count on a successful future not only for our company, but for the world.”

We should pursue our daily business under the following principles:

1. We will make efforts to recycle materials and conserve resources and energy at every stage of our products’ lifecycle – from research, design, production and sales to services and disposal.
2. We will make every effort to minimize and find appropriate methods to dispose of waste and contaminants that are produced through the use of our products, and in every stage of the lifecycle of these products.
3. As both a member of the company and of society, each associate will focus on the importance of making efforts to preserve human health and the global environment and will do his or her part to ensure that the company as a whole acts responsibly.
4. We will consider the influence that our corporate activities have on the regional environment and society, and endeavor to improve the social standing of the company.

Established and announced in June 1992

## Basic Approach

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

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

#### Global Environmental Symbol

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



## Metrics and Targets

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

KGI/KPI	Management Indicators	Scope	Targets*1	
			Fiscal Year Ending Mar. 31, 2026 (2025 targets)	Fiscal Year Ending Mar. 31, 2031 (2030 targets)
KGI	Reduction rate of CO <sub>2</sub> emissions from corporate activities*2 (compared to FYE Mar. 31, 2020)	Honda Group	(Not disclosed)	46%
	Total CO <sub>2</sub> emissions from products*3	Honda Group	(Not disclosed)	(Not disclosed)
	Reduction rate of industrial water withdrawal*4 (compared to FYE Mar. 31, 2020)	Honda Group	-	12%
	Reduction rate of industrial waste*5 (incineration and landfill disposal) (compared to FYE Mar. 31, 2020)	Honda Group	-	20%
KPI	Reduction rate of product CO <sub>2</sub> emissions per unit*3 (compared to FYE Mar. 31, 2020)	Motorcycles	(Not disclosed)	15.0%
		Automobiles	(Not disclosed)	13.6%
		Power Products	(Not disclosed)	13.4%
	Usage rate of recycled and biomass materials	Motorcycles	-	30% (Models manufactured in Japan for the European market)
		Automobiles	-	30% (EVs manufactured in Japan)

\*1 A dash (“-”) indicates items for which no targets have been set, as the relevant metrics were newly established.

\*2 The target applies to Honda’s Scope 1 and Scope 2 GHG emissions (market-based).

\*3 This target covers CO<sub>2</sub> emissions included in Honda’s Scope 3 (Category 11).

\*4 Industrial water withdrawal: The annual amount of water withdrawn that is directly used in product development and manufacturing in corporate activities. This indicator excludes domestic water use, such as drinking water and handwashing facilities for associates, which are provided as safe water, sanitation facilities, and hygiene practices (WASH: water, sanitation, and hygiene) under the Alliance for Water Stewardship (AWS) standard, which requires the provision of hygienic water and facilities.

\*5 Industrial waste: The annual amount of waste generated in product development and manufacturing in corporate activities. This indicator excludes resources to be reused because of their small environmental impact.

During the reporting period and the period from the end of the reporting period to the date of issuance of this report, we reviewed our targets with a target year of the fiscal year ending March 31, 2031.

With respect to the reduction rates of product CO<sub>2</sub> emissions intensity, the targets were revised from 34.0% to 15.0% for the motorcycle business, from 27.2% to 13.6% for the automobile business, and from 28.2% to 13.4% for the power products business. These revisions reflect our reassessment of our powertrain portfolio and product launch plans in response to changes in market conditions and developments in trade policies.

In addition, while we have previously used the sales ratio of electrified products as a management indicator, we determined—after taking into account the increasing complexity of market conditions, customer needs, and business viability—to shift from using the sale of electrified products as a measurement toward contributing to the reduction of greenhouse gas emissions across society as a whole, which is a more fundamental approach. Based on this approach, we will proceed with the assessment of specific target levels for the fiscal year ending March 31, 2036, on the premise of shifting our management indicators from the sales ratio of electrified products to the reduction rate of total greenhouse gas emissions across the entire life cycle.

Furthermore, we have established more fundamental and challenging targets aligned with our desired 2050 state related to efficient utilization of resources. For the fiscal year ending March 31, 2031, we revised our KGI from “waste reduction rate (compared to BAU\*)” to “reduction rate of industrial waste (incineration and landfill disposal) (compared to FYE Mar. 31, 2020)” and from “water intake reduction rate (compared to BAU)” to “reduction rate of industrial water withdrawal (compared to FYE Mar. 31, 2020)”. In addition, we newly established “usage rate of recycled and biomass materials” as a KPI and set a corresponding target level.

\* Business As Usual: Estimated values assuming that no reduction measures or initiatives are implemented, based on the production plan for the fiscal year ending March 31, 2031.

## Strategy

### Reduction of CO<sub>2</sub> Emissions from Product Use

CO<sub>2</sub> emissions from the use of Honda products are primarily attributable to the combustion of fossil fuels in ICE (internal combustion engine) vehicles and HEVs (hybrid electric vehicles), which are equipped with internal combustion engines.

To achieve carbon neutrality by 2050, Honda considers the widespread adoption and expansion of electrified products to be an effective means of reducing CO<sub>2</sub> emissions from the use of Honda products. However, because the Company plans to continue selling products equipped with internal combustion engines over the short to medium term, Honda will also continue to enhance the environmental performance of its motorcycle, automobile, and power products in order to reduce CO<sub>2</sub> emissions from the use of Honda products.

While the electrification of products will advance CO<sub>2</sub> emissions reductions, CO<sub>2</sub> emissions from the use of electrified products may remain depending on the extent to which renewable energy is adopted and applied in each country and region. In addition, with respect to products equipped with internal combustion engines, Honda recognizes the need to support the broader adoption of carbon-neutral fuels.

Therefore, Honda will work to reduce CO<sub>2</sub> emissions during the product-use stage while not only expanding its own use of renewable energy but also engaging in external affairs activities aimed at promoting the transition to clean energy. Honda will contribute to the broader expansion of clean energy across society, while also considering the possibility of becoming directly involved in supplying clean energy to customers.

### Reduction of CO<sub>2</sub> Emissions from Corporate Activities

CO<sub>2</sub> emissions from corporate activities 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 aim to reduce these emissions by improving production efficiency, electrifying equipment, and substituting energy sources with renewable energy.

## Basic Approach

### Toward Carbon Neutrality and Clean Energy

For the fiscal year ended March 31, 2026, the majority of Honda's CO<sub>2</sub> emissions consisted of CO<sub>2</sub> emissions from the use of Honda products. The remainder consisted of direct emissions from corporate activities, indirect emissions, upstream emissions associated with activities such as resource extraction, and downstream emissions related to activities such as resource disposal.

Based on the Honda Environmental Statement, Honda has established milestones and is prioritizing efforts to reduce CO<sub>2</sub> emissions from the use of Honda products, which have a significant impact, as well as CO<sub>2</sub> emissions from corporate activities, which fall within the Company's direct area of responsibility, toward achieving carbon neutrality by 2050.

As a comprehensive mobility company, Honda believes that calculating and disclosing emissions across the entire supply chain is essential in order to actively promote initiatives to reduce CO<sub>2</sub> emissions. Therefore, the Company calculates and discloses its emissions based on the GHG Protocol\*, the most widely used emissions accounting standard in the world.

\* The Greenhouse Gas Protocol: Developed primarily by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

**Honda Environmental and Safety Vision / Honda's Environment Statement** ➔ p. 18

## Initiatives

### Initiatives for Reduction of CO<sub>2</sub> Emissions from Product Use

#### Expansion and Promotion of Electric Products and Improvement of its Environmental Performance

As part of its approach to achieve carbon neutrality by 2050, Honda considers electrification to be the most effective solution for small mobility, including motorcycles and automobiles. To work toward reducing CO<sub>2</sub> emissions from product use, it is important to expand the lineup of electrified products and hybrid vehicles, while offering attractive products and value that meet customer and stakeholder expectations.

In the motorcycle business, Honda unveiled its first electric motorcycle, the Honda WN7, at EICMA (held at the Fiera di Milano) in November 2025 and began supplying it to the European market. In January 2026, the Honda UC3 equipped with a fixed battery was launched in Thailand and Vietnam. In both countries, Honda will expand charging infrastructure by installing CHAdeMO charging stations for fixed-battery electric motorcycles, while also advancing the deployment of battery-swapping stations.

In the automobile business, to achieve carbon neutrality by 2050, Honda is promoting the steady adoption of EVs and reliable CO<sub>2</sub> reduction through HEVs, while responding flexibly to changes in the market environment.

In the EV sector, we will steadily expand our lineup, beginning with the launch of the N-ONE e: in September 2025, followed by the rollout of the Super-ONE in Japan, the United Kingdom, and other Asian countries starting in 2026. Furthermore, the global strategic model Honda 0 α will be launched primarily in Japan and India, further strengthening the lineup in 2027. At the same time, to maximize environmental contributions during the transition to EVs, Honda is strengthening the use of highly efficient hybrid technologies. In addition to the PRELUDE launched in September 2025, the Company will apply next-generation hybrid system technologies developed in-house, expanding their use particularly in mid-size and large vehicle segments, where demand is high in the North American market.

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

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

### Initiatives for Reduction of CO<sub>2</sub> Emissions from Corporate Activities

#### 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 and indirect emissions 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) 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 utilization of renewable energy, including the installation of solar panels on factory premises.

# Initiatives

## Carbon Neutrality Achieved at Saitama Factory Automobile Plant in the Fiscal Year Ended March 31, 2026

Honda is implementing CO<sub>2</sub> emissions reductions from its corporate activities using three key technologies / experience and expertise and defines production sites that have effectively achieved zero CO<sub>2</sub> emissions as “carbon neutral factories.” Honda has designated its Saitama Factory Automobile Plant as a leading facility for carbon neutrality and applied three key technologies / experience and expertise. Through these initiatives, the Company has established and has been operating Honda’s first carbon-neutral factory since the fourth quarter of the fiscal year ended March 2026. The technologies / experience and expertise accumulated through these efforts will be shared across other sites and expanded to achieve carbon neutrality tailored to regional characteristics. Honda will work towards realizing carbon-neutral factories at all its automobile production sites worldwide.



Saitama Factory Automobile Plant

## 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.

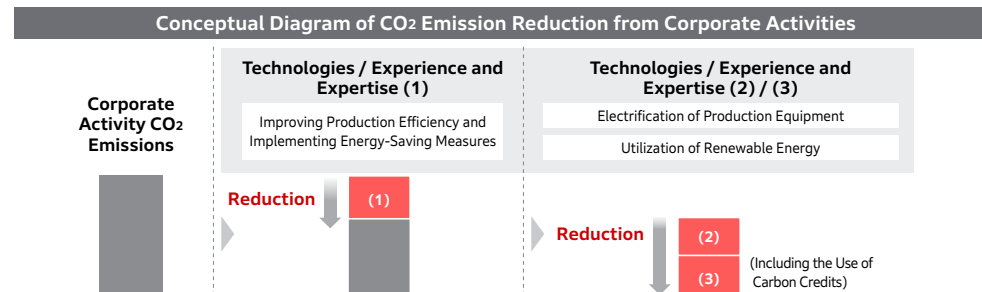
For example, we are advancing efforts to recover waste heat generated in the painting process and utilize it in other equipment. These efforts are not limited to the painting process and are continuously applied across various processes.

## 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.



## Initiatives

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

To reduce CO<sub>2</sub> emissions from its corporate activities, Honda is actively promoting the global use of renewable energy, including solar and wind power generation. The amount of renewable electricity utilized\* in the fiscal year ended March 31, 2026 was 2,830 GWh.

Honda is actively installing solar panels in spaces such as buildings, parking areas, and retention ponds within its premises. In addition, the Company is installing stationary storage batteries and other equipment in order to maximize the use of renewable energy generated on-site.

Honda is also advancing the procurement of renewable energy sourced from external suppliers.

As part of its efforts in Japan, Honda has signed a Virtual Power Purchase Agreement (PPA) with Rusutsu Wind LLC in September 2024 and has acquired non-fossil fuel certificates for electricity generated since December 2025.



Rusutsu Wind Power Plant (Rusutsu Wind LLC) (Japan)



Kumamoto Factory (Japan)



No.2 Plant, Honda Motorcycle & Scooter India Pvt. Ltd. (India)



Hosoe Outboard Engine Plant (Japan)



Boiling Springs Wind Farm (North America)

### 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, regarding CO<sub>2</sub> emissions that cannot be avoided, we consider the use of high-quality carbon credits, among other options, as part of our strategy to address climate change.

Going forward, Honda will continue to promote and expand the global use of renewable energy by advancing renewable energy initiatives tailored to the conditions of each region.

\* Volume of renewable energy utilization, including self-consumption and procurement

# Initiatives

## Initiatives for Reduction of CO<sub>2</sub> Emissions Across the Product Lifecycle

### Advancement in Aggregating CO<sub>2</sub> Emissions from Corporate Activities

While the expansion and adoption of electric products are advancing the reduction of CO<sub>2</sub> emissions from product use, CO<sub>2</sub> emissions associated with the manufacturing of materials and components required for these electric products 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 breaking down approximately 20,000 parts into about 50 types of constituent materials.

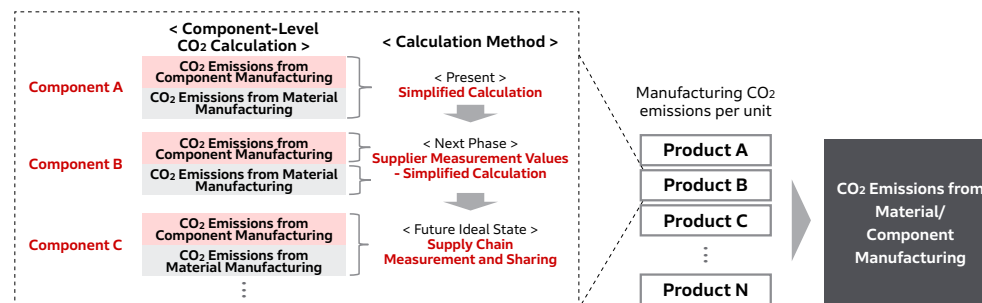
Currently, CO<sub>2</sub> emissions during the manufacturing of materials and components are calculated using simplified methods based on industry averages. However, moving forward, it will be possible to more accurately assess CO<sub>2</sub> emissions reduction efforts by measuring the actual energy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

Ultimately, 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 for our suppliers to share CO<sub>2</sub> emission data calculated by them throughout 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 collectively aggregate and analyze CO<sub>2</sub> emissions data not only from corporate activities, but also across Honda's entire value chain.

We will leverage the insights gained from our analysis to further drive strategies and initiatives for CO<sub>2</sub> emissions reduction, aiming to achieve carbon neutrality.

Aggregation of CO<sub>2</sub> emissions from purchased products and services: conceptual diagram



# Initiatives

## Initiatives to Calculate Product Carbon Footprint (CFP)

To achieve carbon neutrality by 2050, we aim to reduce CO<sub>2</sub> emissions through the electrification of products, while pursuing manufacturing with lower carbon intensity and reduced environmental impact.

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 emissions compared to traditional products. We are also developing technologies and improving product specifications to enable the emission reductions.

In the fiscal year ended March 31, 2026, Honda strengthened its calculation infrastructure by updating the product carbon footprint calculation methodology, developing IT systems, and initiating their operation.

### 1. Revision of Calculation Methodology in Line with Industry Standards

To further enhance the objectivity and reliability of calculation data, Honda has transitioned its calculation methodology from its proprietary method to the Carbon Footprint Guideline for Automobile Products (2024 Edition) issued by the Japan Automobile Manufacturers Association. The Company will continue to promptly incorporate the latest industry-standard methodologies and strive for ongoing improvements in data transparency.

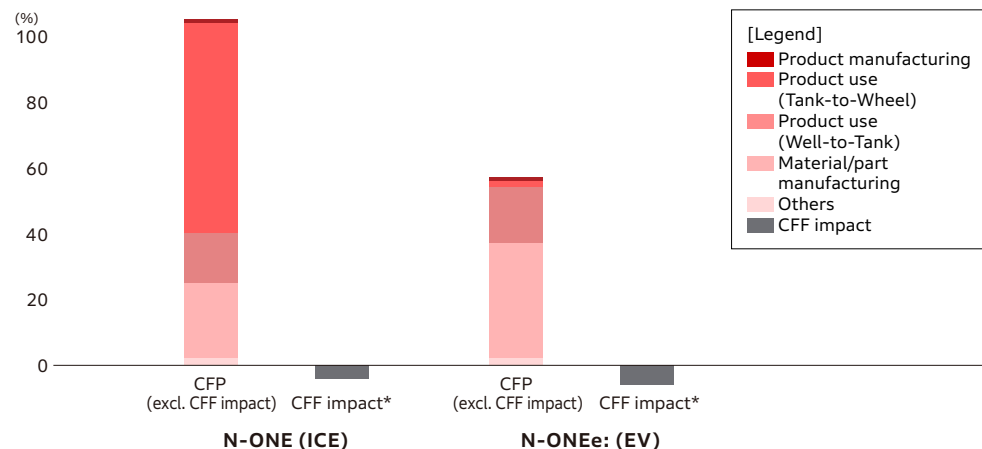
### 2. Strengthening Data Governance Through the Launch of IT System Operations

Honda has introduced and begun operating a new IT system designed to accurately and efficiently process vast amounts of components and material data.

By enhancing data processing capabilities, the Company has improved the accuracy and reproducibility of calculation data across various products.

Going forward, Honda will continue to apply the results obtained from carbon footprint calculations to product development, while striving to enhance transparency of information provided to stakeholders.

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



\* CFF (Circular Footprint Formula) impact: The amount of GHG emissions reduction credited through the recycling of materials and components

## Initiatives for Internal Carbon Pricing (ICP)

Honda has started operating ICP system from 2023 to further accelerate the reduction of CO<sub>2</sub> emissions at its Japanese business sites. (Carbon price: 15,000 yen per metric ton of CO<sub>2</sub>)

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

At overseas sites, Honda has selected representative sites in each region and begun the operation of ICP system mainly in production sites.

## Initiatives

### Initiatives for Reduction of CO<sub>2</sub> Emissions in the Logistics Domain

Honda positions logistics within its supply chain as one of the core areas for CO<sub>2</sub> emissions reduction and is addressing this as a management priority in order to realize a carbon-neutral society.

Procurement logistics and product logistics for motorcycles, automobiles, and repair parts are areas where CO<sub>2</sub> emissions are significantly affected by transport distances, transport frequency, and the choice of transport modes. Recognizing that fundamental reductions are difficult to achieve through incremental, locally optimized measures alone, Honda is advancing company-wide, cross-departmental initiatives to address this challenge.

Specifically, Honda is advancing decarbonization in the logistics domain through two key pillars: logistics efficiency improvements and the carbon-free transition of logistics methods (vehicles and fuels), promoting these efforts strategically from both short-term and medium- to long-term perspectives.

In terms of logistics efficiency improvements, Honda is reducing inefficiencies across the entire logistics network by optimizing transportation routes and improving load factors, thereby curbing overall transport volumes and reducing energy consumption.

At the same time, recognizing that efficiency improvements alone have limits, Honda is also advancing the carbon-free transition of logistics methods. In addition to shifting to electric vehicles and rail transport, the Company is progressively introducing alternative fuels—such as hydrogen, ammonia, LNG, and ethanol—while taking into account regional characteristics and levels of technological maturity.

The following section introduces specific examples of initiatives based on this approach.

#### Case Study: Modal Shift in Procurement Logistics for Electric Components (IPU) (Japan)

With the arrival of the full-scale EV era in mind, Honda is advancing initiatives in the logistics of EV-related components that balance decarbonization with business feasibility, while taking into account product characteristics and supply stability.

In particular, for components and products that require long-distance transportation, the choice of transport mode has a significant impact on CO<sub>2</sub> emissions. Recognizing this, Honda positions the shift to rail transport—



CO<sub>2</sub> emissions reduction through modal shift to rail transport for logistics of electric components (IPU) (Japan)

which has a lower environmental impact—as one of the key options and is actively promoting modal shift initiatives.

For large and heavy electric components (IPU: intelligent Power Unit), which are core EV components whose domestic production began in 2024, Honda collaborated with logistics companies, railway operators, and component suppliers to shift the transportation method from conventional truck transport to rail transport, while addressing constraints such as ensuring stable supply and maintaining product quality.

Through this initiative, Honda achieved an annual reduction of approximately 700 tons of CO<sub>2</sub> emissions, equivalent to about 75%, while establishing an effective low-carbon logistics model for the early phase of EV production.

#### Case Study: Demonstration Tests of Fuel Cell Trucks and Technical Verification Toward Commercialization (Japan/China)

As part of its medium- to long-term efforts to transition logistics methods to carbon-free solutions, Honda recognizes that establishing next-generation logistics capable of supporting long-distance and heavy-load transportation is essential. Based on this understanding, the Company is advancing technological development and verification aimed at the practical application of fuel cell trucks.

Fuel-cell vehicles, which emit no CO<sub>2</sub> during operation, are considered a promising technology for future long-distance transportation due to their advantages in driving range and payload capacity. However, challenges such as infrastructure development and pricing remain significant, making verification in real-world logistics operations essential.

Taking these challenges into account, Honda is conducting driving demonstration tests under real-world logistics conditions in Japan through joint development with Isuzu Motors Limited.

In addition, in China, Honda is collaborating with Dongfeng Motor Group to conduct operational demonstration tests on actual logistics delivery routes.

Through these initiatives, Honda is verifying the technical effectiveness and practical feasibility of fuel cell trucks, expanding future options for reducing CO<sub>2</sub> emissions in the logistics domain, and accumulating knowledge to support the social implementation of next-generation logistics solutions.



Fuel cell truck demonstration vehicle (Japan)



Fuel cell truck demonstration vehicle (China)

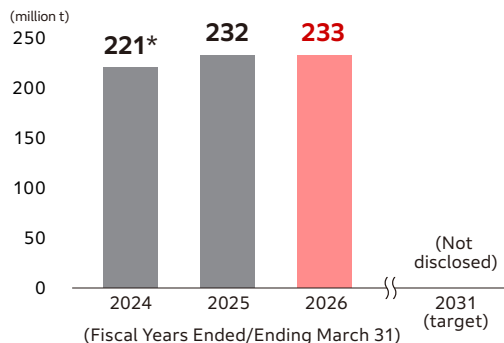
# Metrics and Targets

## Reduction of CO<sub>2</sub> Emissions from Product Use

KGI	Management Indicator	Scope	Target
			Fiscal Year Ending March 31, 2031
	Total CO <sub>2</sub> emissions from products*	Honda Group	(Not disclosed)

\* This target covers CO<sub>2</sub> emissions included in Honda's Scope 3 (Category 11). The target has been set with reference to the principles of the Paris Agreement and the Science Based Targets initiative (SBTi) Sectoral Decarbonization Approach.

### Total CO<sub>2</sub> emissions from products



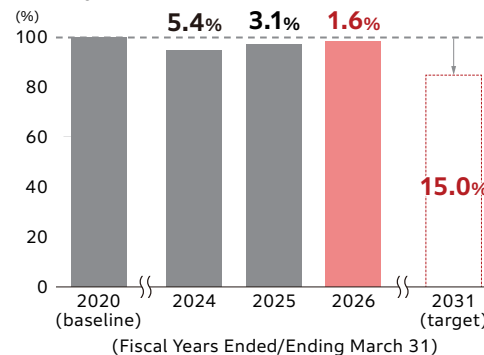
\* Figures for prior years have been restated due to a revision in the calculation method.

KPI	Management Indicator	Scope	Target
			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	15.0%
		Automobiles	13.6%
		Power products	13.4%

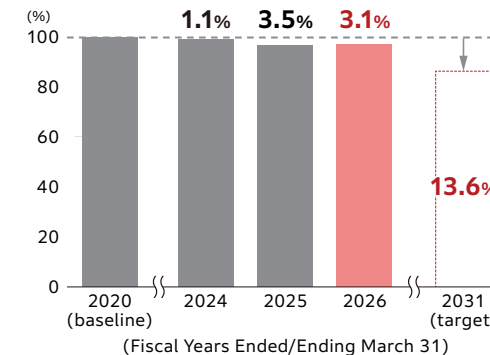
\* This target covers CO<sub>2</sub> emissions included in Honda's Scope 3 (Category 11). The target has been set with reference to the principles of the Paris Agreement and the SBTi Sectoral Decarbonization Approach. See Approach to Measuring GHG Emissions (➔ p. 33) for the measurement method.

### Reduction rate of CO<sub>2</sub> emissions intensity of product use

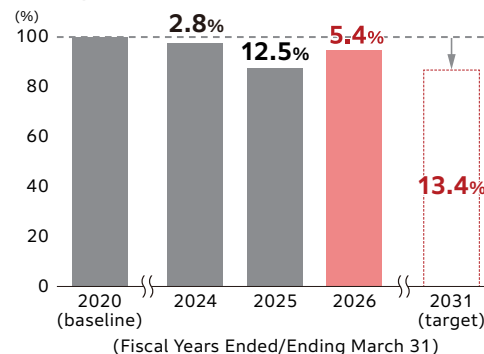
#### Motorcycles



#### Automobiles



#### Power products



## Metrics and Targets

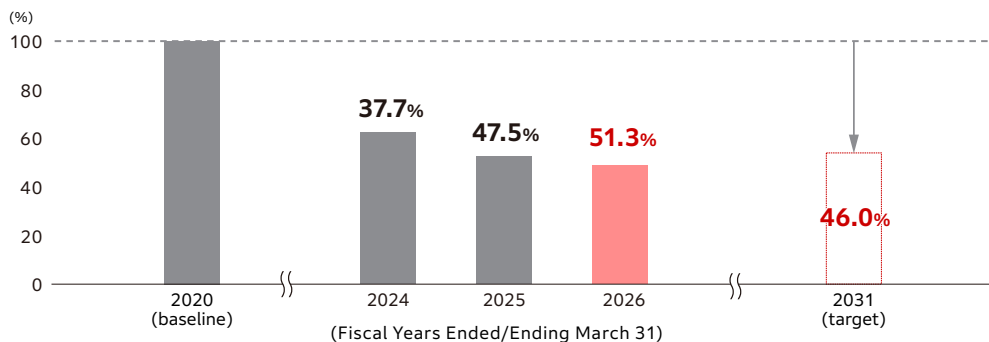
### Reduction of CO<sub>2</sub> Emissions from Corporate Activities

Management Indicator	Scope	Target
		Fiscal Year Ending March 31, 2031
KGI Reduction rate of total CO <sub>2</sub> emissions from corporate activities* (compared to FYE Mar. 31, 2020)	Honda Group	46%

\* This target is set as an absolute target based on the gross emission amount from Honda. In line with the Paris Agreement, this target aims to achieve 46% reduction in GHG emissions compared with the fiscal year ended March 31, 2020. The target applies to Honda's Scope 1 GHG emissions—including CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>—and Scope 2 GHG emissions (market-based).

In establishing this target, we did not apply the SBTi sectoral decarbonization approach; instead, the target was calculated using the SBTi cross-sector absolute contraction approach.

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



	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Total CO <sub>2</sub> emissions from corporate activities (million t-CO <sub>2</sub> e)	3.13	2.64	2.45

# Metrics and Targets

## GHG Emissions

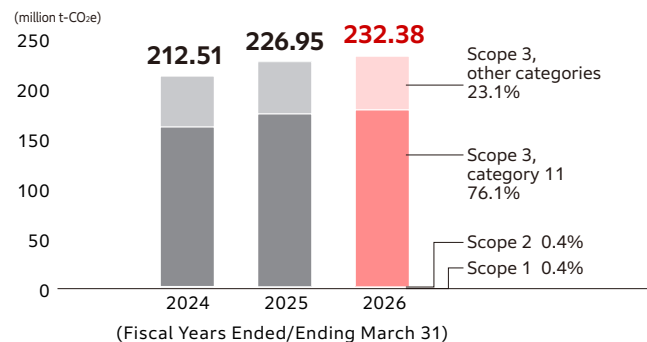
As a responsible company operating in the mobility industry, Honda believes in the importance of calculating and disclosing GHG emissions in order to drive progress in initiatives to reduce global emissions.

As the first milestone in this endeavor, in August 2012, Honda disclosed estimates of GHG emissions for the fiscal year ended March 31, 2012 across its entire value chain based on the GHG Protocol, currently the world’s most widely used accounting standard. The Company became the world’s first mobility company to release estimates of emissions not only from its own corporate activities (Scopes 1 and 2) but also from all upstream and downstream activities (Scope 3), extending from the procurement of raw materials to the transportation and customer use of Honda products and ending with the treatment of end-of-life products.

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

For Scope3 Category 11, the scope of calculation has been extended from approximately 90% of global sales to volume to nearly 100%. The conditions used in calculating figures such as annual distance traveled and lifetime years of use have been changed and are now based on the IEA Mobility Model (MoMo) instead of the conventional IEA SMP Model.

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



- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Rounded to two decimal places.
- \* For details on the measurement methods and calculation criteria for GHG emissions, please refer to Approach to Measuring GHG Emissions (➡ p. 33)

## Metrics and Targets

### GHG emissions

			FYE Mar. 31, 2024	FYE Mar. 31, 2025	(million t-CO <sub>2</sub> e) FYE Mar. 31, 2026	
GHG emissions from the entire Honda value chain			Total of Scopes 1, 2 (market-based), and 3	212.51	226.95	<b>232.38</b>
Breakdown	Direct emissions	All businesses	Scope 1	0.936	0.882	<b>0.892</b> ✓
	Indirect emissions	All businesses	Scope 2 (market-based)	1.26	1.10	<b>1.04</b> ✓
			Scope 2 (location-based)	1.82	1.74	<b>1.64</b> ✓
	Emissions within the consolidated scope	All businesses	Total of Scopes 1 and 2 (market-based)	2.19	1.98	<b>1.93</b> ✓
	Purchased goods and services	Motorcycle, automobile, and power products businesses	Scope 3, category 1	40.90	41.72	<b>41.13</b>
	Capital goods	All businesses	Scope 3, category 2	1.12	1.55	<b>2.17</b>
	Fuel and energy related activities not included in the total of Scopes 1 and 2 (market-based)	All businesses	Scope 3, category 3	0.65	0.60	<b>0.59</b>
	Transportation and distribution (upstream)	Motorcycle, automobile, and power products businesses	Scope 3, category 4	2.55	2.71	<b>4.03</b>
	Waste generated from business operations	All businesses	Scope 3, category 5	0.09	0.07	<b>0.08</b>
	Business travel	All businesses	Scope 3, category 6	0.30	0.29	<b>0.29</b>
	Employee commuting	All businesses	Scope 3, category 7	0.16	0.16	<b>0.15</b>
	Leased assets (upstream)	-	Scope 3, category 8	-	-	<b>-</b>
	Transportation and distribution (downstream)	Automobile business	Scope 3, category 9	0.65	0.58	<b>0.56</b>
	Processing of sold products	Power products business	Scope 3, category 10	0.02	0.02	<b>0.02</b>
	Use of sold products	Motorcycle, automobile, power products, and aircraft businesses	Scope 3, category 11	159.39	172.68	<b>176.74</b> ✓
	End-of-Life treatment of sold products	Motorcycle, automobile, and power products businesses	Scope 3, category 12	3.94	4.18	<b>4.32</b>
	Leased assets (downstream)	Motorcycle business	Scope 3, category 13	0.00	0.00	<b>0.00</b>
	Franchises	-	Scope 3, category 14	-	-	<b>-</b>
Investments	All businesses	Scope 3, category 15	0.55	0.40	<b>0.35</b>	
Emissions in the value chain outside the consolidated scope			Total of Scope 3	210.32	224.97	<b>230.45</b>

• Organizations covered: Honda Motor Co., Ltd. and its consolidated subsidiaries

• Scope 1 and 2 are expressed in three significant digits. Scope 3 and the total of Scopes 1, 2 (market-based), and 3 are rounded to two decimal places.

• See Approach to Measuring GHG Emissions (➔ p. 33) for the calculation targets for each category in Scope 1, 2, and Scope 3.

## Metrics and Targets

### GHG emissions (Scope 1 and 2)

#### Scope 1 emissions by region (million t-CO<sub>2</sub>e)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Japan	0.232	0.226	<b>0.232</b>
North America	0.408	0.380	<b>0.386</b>
South America	0.0407	0.0439	<b>0.0469</b>
Europe, Africa and the Middle East	0.0172	0.0149	<b>0.0140</b>
Asia & Oceania	0.211	0.199	<b>0.199</b>
China	0.0271	0.0182	<b>0.0141</b>
(Total)	0.936	0.882	<b>0.892</b> ✓

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Expressed in three significant digits.
- See Approach to Measuring GHG Emissions (➔ p. 33) for the measurement method.

#### Scope 2 (market-based) emissions by region (million t-CO<sub>2</sub>e)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Japan	0.363	0.354	<b>0.289</b>
North America	0.198	0.113	<b>0.175</b>
South America	0.00166	0.00141	<b>0.00153</b>
Europe, Africa and the Middle East	0.00206	0.00217	<b>0.00183</b>
Asia & Oceania	0.537	0.508	<b>0.472</b>
China	0.156	0.120	<b>0.0979</b>
(Total)	1.26	1.10	<b>1.04</b> ✓

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Expressed in three significant digits.
- See Approach to Measuring GHG Emissions (➔ p. 33) for the measurement method.

#### Scope 2 (location-based) emissions by region (million t-CO<sub>2</sub>e)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Japan	0.470	0.468	<b>0.447</b>
North America	0.584	0.568	<b>0.545</b>
South America	0.0273	0.0230	<b>0.0202</b>
Europe, Africa and the Middle East	0.00739	0.00892	<b>0.00692</b>
Asia & Oceania	0.555	0.542	<b>0.511</b>
China	0.172	0.129	<b>0.114</b>
(Total)	1.82	1.74	<b>1.64</b> ✓

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Expressed in three significant digits.
- See Approach to Measuring GHG Emissions (➔ p. 33) for the measurement method.

#### Scope 1 and Scope 2 (market-based) emissions by region (million t-CO<sub>2</sub>e)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Japan	0.594	0.580	<b>0.521</b>
North America	0.606	0.493	<b>0.561</b>
South America	0.0423	0.0453	<b>0.0484</b>
Europe, Africa and the Middle East	0.0193	0.0171	<b>0.0158</b>
Asia & Oceania	0.748	0.707	<b>0.671</b>
China	0.183	0.139	<b>0.112</b>
(Total)	2.19	1.98	<b>1.93</b> ✓

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Expressed in three significant digits.

#### GHG emissions per unit of revenue (million t-CO<sub>2</sub>e / million yen)

	Fiscal Year Ended March 31, 2026
GHG emissions per unit of revenue	<b>0.000000885</b>

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method: GHG emissions per unit of revenue = {Scope 1 + Scope 2 (market-based) emissions} ÷ Revenue.
- Expressed in three significant digits.

# Metrics and Targets

## Approach to GHG Emissions Measurement

In measuring GHG emissions based on the GHG Protocol Corporate Accounting and Reporting Standard (2004) (hereafter "GHG Protocol (2004)"), Honda applies the operational control approach as its measurement approach to consolidate emissions, as this enables the planning and execution of effective reduction initiatives.

Under this approach, the scope covers Honda Motor Co., Ltd. and entities over which the Company has operational control (consolidated subsidiaries). This allows emissions to be aggregated within the boundaries where Honda holds decision-making authority and can directly implement emission reduction measures, thereby enabling effective emissions management.

### Measurement Methodology for GHG Emissions

Honda measures GHG emissions using the following methods.

Please note that the quantification of Scope 1 and Scope 2 GHG emissions is subject to uncertainties related to the measurement of activity data, the determination of emission factors, and scientific uncertainties associated with the determination of global warming potentials.

<Scope 1 GHG Emissions>\*1

At Honda, the primary sources of Scope 1 GHG emissions are the combustion of fuels such as city gas and natural gas, as well as emissions from work vehicles and company-owned vehicles.

For domestic sites in Japan, Scope 1 GHG emissions for the fiscal year ended March 31, 2026 are measured based on activity data for the same fiscal year, based on the GHG Protocol. Emission factors available as of the fiscal year ended March 31, 2026 under Japan's Act on Promotion of Global Warming Countermeasures (hereafter "Global Warming Countermeasures Act") are applied, and global warming potential factors from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report are used to calculate Scope 1 GHG emissions based on estimation methods.

For overseas sites, Scope 1 GHG emissions for the fiscal year ended March 31, 2026 are measured based on activity data for the same fiscal year, based on the GHG Protocol. Emission factors based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, with global potential factors applied from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report are used to calculate Scope 1 GHG emissions based on estimation methods. It should be noted that non-energy-related GHG emissions include certain estimated values.

Figures for GHG emissions from non-energy sources include some estimated values.

Calculation method: Emissions =  $\Sigma$  (Fuel consumption x CO<sub>2</sub> emission factor) + CO<sub>2</sub> emissions from non-energy sources +  $\Sigma$  (Volume of non-CO<sub>2</sub> GHG emissions x Global Warming Potential (GWP))

<Scope 2 GHG Emissions>\*1

At Honda, the primary source of Scope 2 GHG emissions is the use of electricity at factories and offices.

(Location-based Method)

For domestic sites in Japan, Scope 2 GHG emissions are measured using the location-based method based on the GHG Protocol (2004). Emissions are calculated based on estimation methods by multiplying the electricity consumption at each site for the fiscal year ended March 31, 2026 and country-specific emission factors published in IEA Emissions Factors 2025 by the International Energy Agency.

Calculation method: Emissions =  $\Sigma$  (Purchased electricity consumption, etc.\*2 x CO<sub>2</sub> emission factor)

(Market-based Method)

Honda measures Scope 2 GHG emissions using the market-based method based on the GHG Protocol (2004). Emissions are calculated by multiplying the electricity consumption for each power contract in the fiscal year ended March 31, 2026 by the corresponding emission factor for each contract, in principle those applicable to the same fiscal year.

For domestic sites, Honda measures market-based Scope 2 GHG emissions using basic emission factors from the Emission Factors by Electric Utility Operators (for FY2026 reporting) published by the Ministry of the Environment Japan pursuant to the Global Warming Countermeasures Promotion Act. For overseas sites, the market-based Scope 2 GHG are calculated using emission factors specific to each electricity supplier, or the latest emission factors available in each region. When such data are difficult to obtain, country-specific emission factors from IEA Emissions Factors 2025 published by the International Energy Agency are applied, with emissions measured based on estimation methods.

Calculation method: Emissions =  $\Sigma$  (Purchased electricity consumption, etc.\*2 x CO<sub>2</sub> emission factor)

<Scope 3 GHG Emissions>\*1

For Scope 3 GHG emissions, Honda classifies and calculates emissions by Scope 3 category based on the Corporate Value Chain (Scope 3) Standard (2011) of the GHG Protocol. Among the 15 categories, the Company is focusing on enhancing the accuracy of calculations for Category 1 and Category 11, which account for a large proportion of Honda's total emissions.

Category 1 refers to all upstream GHG emissions from the production of goods and services purchased or acquired by Honda in the fiscal year ended March 31, 2026, and is measured using the following estimation methods.

For GHG emissions associated with the materials and components purchased by Honda for use in the manufacturing of motorcycles, automobiles, and power products, representative products are selected for each business, and different calculation methods are applied for representative products and non-representative products. For representative products, emissions are calculated by using the weight of constituent materials as the activity data and multiplying it by GHG emission factors. These emission factors are based on the carbon footprint of products (CFP) calculation guidelines established by the Japan Automobile Manufacturers Association (JAMA), using either values by material type derived from AIST-IDEA Ver. 3.2 or specific values defined for individual components.

For non-representative products, emissions are estimated based on product weight, assuming that the GHG emissions per unit weight are equivalent to those of representative products with similar characteristics.

For indirect purchases, both tangible and intangible, emissions are calculated by multiplying the purchase amount for each category and industry input-output-based emission factors from the "Emission Factor Database for Calculating GHG Emissions through the Supply Chain ver. 3.6" published by the Ministry of the Environment. The total amount of GHG emissions from indirect purchases are estimated based on the GHG emissions from indirect purchases per employee in representative companies, assuming other companies within the calculation boundary have similar characteristics. This is to improve calculation efficiency rather than comprehensively collecting indirect purchase data.

For motorcycles, automobiles, and power products, product weight as well as component and material weight that make up each product are based on values managed by the Company, and primary data is used except for weight data relating of certain products. For purchased items used for indirect purchases, purchase amounts by item category are primary data. These primary data are internally verified and used for calculations in accordance with established guideline procedures. However, the calculations are subject to uncertainty because the emission factors represent upstream emissions arising from the production of purchased items. There is additional uncertainty because the results are based on assumptions that the emissions characteristics of representative products and representative companies are equivalent to those of other products and companies.

Category 11 refers to GHG emissions from the use of motorcycles, automobiles, power products, and aircraft sold and leased by Honda in the fiscal year ended March 31, 2026, from product delivery to final disposal. Emissions are measured using the following estimation methods.

Emissions are calculated by multiplying the number of units sold for each Honda product by the CO<sub>2</sub> emissions intensity and lifetime usage (average annual driving distance or operating time x average years of use). The CO<sub>2</sub> emissions intensity represents the CO<sub>2</sub> emissions per unit of driving distance or operating time of a product and consists of emission factors for Tank-to-Wheel (direct emissions during product use) and Well-to-Tank (indirect emissions from fuel extraction and refining, and from electricity generation). For the former, emissions are calculated based on the assumption that customer usage is equivalent to the driving cycle used for emissions testing, using the fuel or electricity consumption rates measured under that cycle together with CO<sub>2</sub> emission factors for fuels such as gasoline. For the latter, CO<sub>2</sub> conversion factors for various energy sources—including electricity, gasoline, and hydrogen—defined in databases such as the IEA Mobility Model (MoMo) and IEA Emissions Factors 2025 published by the International Energy Agency are used.

For motorcycles and automobiles, lifetime usage assumptions—specifically annual driving distance and average years of use—are based on scenario values provided in the IEA Mobility Model (MoMo). Where regulations in the product's country of sale limit lifetime usage, values consistent with those regulations are applied. For power products, product-specific values established for each product category and class are used.

In measuring Category 11, calculations by product model are conducted for "target countries" accounting for more than 90% of unit sales within each region. Emissions from the remaining units are estimated based on the assumption that they are equivalent to the weighted average emissions per unit for each region. For products subject to measurement, the number of units sold for each Honda product and, as well as the fuel or electricity consumption rates representing Tank-to-Wheel (direct emissions during product use) CO<sub>2</sub> emissions intensity, are product-specific values and thus primary data. These primary data are internally verified and used for calculations in accordance with established guideline procedures.

However, the calculation results are subject to uncertainty because the CO<sub>2</sub> emissions intensity assumes uniform customer usage across products, and lifetime usage assumptions are based on future scenarios.

For Scope 3 categories other than Category 1 and Category 11, Honda defines the scope of GHG emissions to be calculated as described below and measures emissions based on estimation methods.

- Category 2: Capital investment activities of Honda
- Category 3: Upstream emissions and transmission/distribution losses from purchased energy
- Category 4: Transportation of parts and products from Honda suppliers to dealers
- Category 5: Disposal of waste generated by Honda's business activities
- Category 6: Business travel of employees of Honda
- Category 7: Commuting of employees of Honda and its subsidiaries
- Category 9: Energy used at Honda's automobile dealers
- Category 10: Processing of power product engines sold by Honda to other companies into finished products
- Category 12: Disposal of motorcycles, automobiles, and power products sold and leased by Honda
- Category 13: Energy used in Honda's battery sharing service business
- Category 15: Scope 1 and Scope 2 emissions attributable to Honda's affiliated and investee companies.

Categories 8 and 14 are excluded from the calculation scope, as they are either not included in Honda's corporate activities or are accounted for under other categories.

In addition, for investee companies under Category 15, only companies in which Honda holds an equity share of 5% or more are included in the calculation scope considering Honda's level of influence.

Following changes to the aggregation scope and calculation methodologies in the fiscal year ended March 31, 2026, Honda has recalculated and disclosed historical results for Scope 3 Categories 1, 3, 4, 5, 9, 10, 11, 12, 13, and 15.

\*1 Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries.

\*2 Includes steam and hot water

## Metrics and Targets

### Energy Consumption

#### Direct energy consumption (TJ)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Japan	4,170	4,070	4,160
North America	7,380	7,040	7,200
South America	699	750	805
Europe, Africa and the Middle East	310	268	257
Asia & Oceania	3,710	3,540	3,530
China	505	381	266
(Total)	16,800	16,000	16,200 <input checked="" type="checkbox"/>

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method: Consumption =  $\Sigma$  (Fuel consumption x Unit calorific value)
- Unit calorific value:
  - Japan: Unit calorific value based on the GHG Emissions Calculation, Reporting, and Disclosure System under the Act on Promotion of Global Warming Countermeasures
  - Regions outside of Japan: Based on the 2006 IPCC Guidelines for National GHG Inventories
- A terajoule (TJ) is a unit of energy, with 'tera' denoting  $10^{12}$ .
- Expressed in three significant digits

#### Indirect energy consumption (TJ)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Japan	3,690	3,680	3,660
North America	6,170	6,250	6,260
South America	992	1,050	1,040
Europe, Africa and the Middle East	119	126	118
Asia & Oceania	3,250	3,180	3,110
China	1,050	829	813
(Total)	15,300	15,100	15,000 <input checked="" type="checkbox"/>

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method: Consumption =  $\Sigma$  (Purchased electricity consumption etc.\* x Unit calorific value)
- Purchased electricity is converted to gigajoules (GJ) using the international standard 3.6 GJ/MWh.
- \* Including steam and hot water
- Unit calorific value:
  - Japan: Unit calorific value based on the GHG Emissions Calculation, Reporting, and Disclosure System under the Act on Promotion of Global Warming Countermeasures
  - Regions outside of Japan: 2006 IPCC Guidelines for National GHG Inventories
- Expressed in three significant digits

#### Total energy consumption (TJ)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Japan	7,860	7,740	7,820
North America	13,500	13,300	13,500
South America	1,690	1,800	1,840
Europe, Africa and the Middle East	429	394	375
Asia & Oceania	6,970	6,720	6,640
China	1,560	1,210	1,080
(Total)	32,100	31,200	31,200 <input checked="" type="checkbox"/>

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method: Total energy consumption = Direct energy consumption + Indirect energy consumption
- Expressed in three significant digits

#### Renewable electricity consumption (GWh)

	Fiscal Year Ended March 31, 2026
Amount of renewable electricity utilized	1,950
Amount of self-consumed renewable electricity*	134

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- \* Self-consumed amount: Amount of self-generated renewable electricity consumed in-house

## Other Initiatives

### Advocacy Activities on Climate Change Issues

#### Basic Approach to Advocacy Activities

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

#### Company Principle

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

Honda aims to be a company that society wants to exist by delivering the “Joy of Expanding Life’s Potential” to people around the world and contributing to the realization of a sustainable society. The Company engages in advocacy activities as one of the means to carry out business and corporate activities that enable it to be a company that society wants to exist.

#### Our Advocacy Efforts on Environmental Issues

“Global perspective” of the Corporate Principle signifies that, based on an awareness of the Earth’s finite nature, Honda recognizes that its own activities can have significant negative impacts on society, including environmental issues, and is committed to taking on the challenge of addressing such global-scale issues.

To be a company that society wants to exist, each business site of Honda is working to reduce environmental impacts across all areas under the Honda Environment Statement. These initiatives include reducing CO<sub>2</sub> emissions and lowering energy consumption, as well as promoting the efficient use of resources such as water and minerals, and ensuring the proper treatment and reduction of waste—all aimed at conserving the global environment, including biodiversity. Honda shares the Environment Statement not only within the Company and its group companies, but also with all stakeholders involved with Honda—including suppliers and sales companies—and works together with them to advance these initiatives. This collaboration extends beyond the value chain to include a wide range of stakeholders, such as industry associations and government bodies.

### Our Initiatives on Climate Change Issues

Honda supports the Paris Agreement and has set a target of achieving carbon neutrality across all products and corporate activities by 2050, and is working toward its realization. To address challenges that are difficult for Honda to tackle alone in achieving a carbon-neutral society, the Company collaborates with external organizations in various countries and regions and engages in advocacy activities, such as promoting public policy initiatives. Advocacy activities are conducted in accordance with the Honda Environment Statement, while taking into account international agreements such as the Paris Agreement, as well as the laws and policies of the countries where the Company operates.

### Our Stance on Climate Change Policies

Item	Stance
Paris Agreement and Carbon Neutrality	The Paris Agreement aims to limit the global average temperature rise to 1.5°C above pre-industrial levels by reducing GHG emissions. Honda supports the Paris Agreement and, in alignment with its principles, aims to achieve carbon neutrality across all products and corporate activities involving Honda by 2050, to realize a Zero Environmental Impact Society. As part of its multifaceted approach toward achieving carbon neutrality by 2050—which combines EVs, hybrid vehicles, carbon-neutral fuels, and carbon offset technologies—Honda is working to promote the acceptance and wider adoption of electrified products by providing attractive products and value that customers will choose, while also engaging in external affairs activities such as advocacy related to public policy. Additionally, in our corporate activities, we are addressing the entire lifecycle—from material and parts procurement to design, development, production, transportation, sales, use, and disposal—not only within our own operations but also in collaboration with numerous global partners to implement CO <sub>2</sub> reduction initiatives.
Renewable Energy	As part of its multifaceted approach toward achieving carbon neutrality by 2050—which combines EVs, hybrid vehicles, carbon-neutral fuels, and carbon offset technologies—Honda is engaging in external affairs activities, including advocacy related to public policy, with the aim of promoting the wider adoption of renewable energy. Honda will contribute to the realization of a renewable energy-based society, while also considering the possibility of becoming directly involved in supplying energy to customers. In addition, Honda is advancing the introduction of renewable energy to reduce CO <sub>2</sub> emissions from its corporate activities. Beyond procuring electricity generated from renewable sources externally, the Company is also installing solar panels on-site—such as on buildings and parking areas—along with stationary battery storage systems, thereby accelerating the implementation of renewable energy solutions.

## Other Initiatives

### Review of Affiliated Organizations

We reviewed the alignment between the stances of the organizations Honda is affiliated with and its stance regarding climate change policies. The review items and criteria are as follows:

- Support for the Paris Agreement and carbon neutrality
- Recognition of the need to expand the adoption of renewable energy

In selecting affiliated organizations for review, the following factors were taken into consideration.

- Whether the organization has publicly stated its stance on climate change policies
- Whether the organization operates in Honda's key markets
- Whether Honda's executive-level members participate in the organization

Based on the above criteria, we selected the following seven organizations for the fiscal year ended March 31, 2026.

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

The scope of review and the review results will be reviewed annually. If any affiliated organization is found not to be aligned with the stance of Honda, including support for the Paris Agreement, we will continue to encourage them to reconsider their stance through dialogue and other means.

### Review Results

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

Item	Position	
Participation of Our Members	Vice Chairman: Toshihiro Mibe (President and Representative Executive Officer, Honda Motor Co., Ltd.) Chairman of the Environmental Technology and Policy Committee: Toshihiro Akiwa (Executive Officer, Honda Motor Co., Ltd.)	
Item	Result	Stance
Paris Agreement and Carbon Neutrality	Aligned	JAMA is committed to the challenge of achieving carbon neutrality by 2050 and advocates promoting carbon neutrality through a multi-pathway approach, in which diverse mobility options, including electrified vehicles, are widely adopted. In addition, JAMA asserts that strong support through policy and financial measures for the transportation sector is essential to achieving carbon neutrality by 2050.
Renewable Energy	Aligned	JAMA identifies the availability of affordable and stable carbon-neutral electricity as a fundamental prerequisite for achieving carbon neutrality by 2050. It also emphasizes the need for stable supplies of low-cost renewable energy and hydrogen as part of national energy policy.

Reference materials: [https://www.jama.or.jp/operation/ecology/carbon\\_neutral\\_data/pdf/CNMaterial\\_01.pdf](https://www.jama.or.jp/operation/ecology/carbon_neutral_data/pdf/CNMaterial_01.pdf) (Japanese only)  
[https://www.jama.or.jp/release/docs/release/2025/20250107\\_JAMA\\_vision2035.pdf](https://www.jama.or.jp/release/docs/release/2025/20250107_JAMA_vision2035.pdf) (Japanese only)

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

Item	Position	
Participation of Our Members	Sherpa: Ian Howells (Executive Vice President, Honda Motor Europe Ltd.)	
Item	Result	Stance
Paris Agreement and Carbon Neutrality	Aligned	ACEA supports the Paris Agreement and the EU 2050 Climate Neutrality Goal. In line with the EU's climate policy framework, ACEA emphasizes the need for comprehensive policy measures to decarbonize the transportation sector.
Renewable Energy	Aligned	ACEA considers electrification to be the primary pathway for decarbonization and advocates placing policy emphasis on expanding the adoption of battery electric vehicles (BEVs). It supports a technology-neutral decarbonization approach, promoting the deployment of renewable energy and other solutions while utilizing powertrain technologies that can play practical roles in the transition.

Reference materials: <https://www.acea.auto/files/ACEA-policy-paper-EU-regulatory-framework-for-the-decarbonisation-of-road-transport.pdf>  
[https://www.acea.auto/files/ACEA\\_10-point\\_plan\\_European\\_Green\\_Deal.pdf](https://www.acea.auto/files/ACEA_10-point_plan_European_Green_Deal.pdf)

## Other Initiatives

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

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

Item	Result	Stance
Paris Agreement and Carbon Neutrality	Aligned	ACEM recognizes the EU targets based on the Paris Agreement and aims to achieve carbon neutrality by 2050. In line with the EU's climate policy framework, ACEM emphasizes the need for comprehensive policy measures to decarbonize the transportation sector.
Renewable Energy	Aligned	ACEM recognizes that electric mobility will play an important role in the future transportation sector and stresses the need for policies that promote electrification. At the same time, it advocates a technology-neutral decarbonization approach that includes the use of sustainable fuels.

Reference materials: <https://www.acem.eu/vision-2030/climate/>  
[https://acem.eu/wp-content/uploads/2021/10/ACEM\\_Position\\_Paper\\_Decarbonisation\\_2021.pdf](https://acem.eu/wp-content/uploads/2021/10/ACEM_Position_Paper_Decarbonisation_2021.pdf)

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

Item	Position
Participation of Our Members	Member of CARS Committee: Rebecca Adamson (General Manager, Customer Engagement & Head of Automobile, Honda Motor Europe Ltd.)

Item	Result	Stance
Paris Agreement and Carbon Neutrality	Aligned	SMMT supports the targets of the Paris Agreement, as well as the UK net zero target 2050 to reduce the United Kingdom's carbon emissions by at least 100% by 2050 and related climate policies.
Renewable Energy	Aligned	SMMT highlights the need for investment in zero-emission vehicles and batteries. It also points out that the generation and supply of renewable energy are key elements in achieving net zero, and indicates that the industry is actively investing in these areas.

Reference materials: <https://www.smmt.co.uk/automotive-intelligence/supporting-sustainability/>  
<https://smmtweb.lon1.cdn.digitaloceanspaces.com/wp-content/uploads/2025/07/2025-SMMT-Automotive-Sustainability-Report.pdf>

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

Item	Position
Participation of Our Members	Vice-Presidente: Alexandre Cury (Board of Director, Vice President, Honda Automóveis do Brasil Ltda.)

Item	Result	Stance
Paris Agreement and Carbon Neutrality	Aligned	ANFAVEA supports the environmental policies of the Brazil government and initiatives toward carbon neutrality based on the Paris Agreement. It also emphasizes the need for comprehensive policy measures to decarbonize the transportation sector.
Renewable Energy	Aligned	ANFAVEA advocates a multi-pathway approach to expanding the use of renewable energy in the transportation sector, combining electrification with the use of biofuels.

Reference materials: <https://www.anfavea.com.br>  
<https://anfavea.com.br/site/wp-content/uploads/2024/09/Anfavea-Avancando-nos-Caminhos-da-Descarbonizacao-2024-Publicacao.pdf> (Portuguese only)

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

Item	Position
Participation of Our Members	Presidente: Marcos Bento (Board of Director, President, Moto Honda da Amazonia)

Item	Result	Stance
Paris Agreement and Carbon Neutrality	Aligned	ABRACICLO is promoting the reduction of environmental impacts and the advancement of sustainable mobility in the transportation sector in line with the environmental policies of the Brazil government based on the Paris Agreement.
Renewable Energy	Aligned	ABRACICLO recognizes that the use of renewable energy—including biofuels—contributes to reducing environmental impacts and enhancing sustainability in the transportation sector.

Reference materials: <https://www.abraciclo.com.br> (Portuguese only)  
<https://abraciclo.com.br/wp-content/uploads/2026/02/Manifesto-abraciclo-pdf-sit.pdf> (Portuguese only)

## Other Initiatives

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

Item	Position	
Participation of Our Members	Council Member: Toshihiro Mibe (President and Representative Executive Officer, Honda Motor Co., Ltd.)	
Item	Result	Stance
Paris Agreement and Carbon Neutrality	Aligned	WBCSD has established its vision and transformation pathway in alignment with the Sustainable Development Goals (SDGs) and the targets of the Paris Agreement. Its vision envisions a world in which global anthropogenic GHG emissions reach net zero and global warming is stabilized at +1.5°C above pre-industrial levels.
Renewable Energy	Aligned	WBCSD identifies the transition to renewable energy as one of the key pathways to achieving a sustainable energy system that provides reliable and affordable net-zero carbon energy to all. It also highlights that a sustainable energy system will be characterized by a high degree of electrification and digitalization.

Reference materials: [https://www.wbcsd.org/wp-content/uploads/2023/08/WBCSD\\_Vision\\_2050\\_Time-To-Transform.pdf](https://www.wbcsd.org/wp-content/uploads/2023/08/WBCSD_Vision_2050_Time-To-Transform.pdf)

## Affiliated Organizations in Key Markets

We have compiled a list of the seven organizations reviewed, along with some of our affiliated organizations that have publicly stated their climate change policy stances.

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

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

## Other Initiatives

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

Honda has declared its support to the Task Force on Climate related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), and discloses information in line with the TCFD-recommended disclosure framework.

#### Governance

Please refer to Environmental Management Structure. (➔ p. 13)

#### Risk Management

Honda has established the Risk Management Committee to identify, check and discuss the status of company-wide priority risks which are deemed important for the entire corporate entity. Climate-related risks such as risks related to environmental regulations and natural disasters caused by climate change are also managed and monitored by the Committee, which leads to promoting more effective risk management activities while considering the characteristics of respective Operations. The Corporate Strategy Operations evaluates and identifies climate-related risks by conducting scenario analysis in line with TCFD recommendations, reflecting external and internal risk information which includes company-wide priority risks. The results of the scenario analysis of climate change-related risks are shared with the Risk Management Committee. Climate-related risks are mainly addressed by the Corporate Strategy Operations, Business Operations and Regional Operations as well as by each respective Operation, Unit, subsidiary and cross-departmental task force. Important matters related to risk management including the responses to the climate change-related risks are discussed by the Committee, and details of their activities are reported to the Executive Council as appropriate. For more explanation of the risk assessment and management process, please refer to Risk Management (➔ p. 182).

### Strategy

#### Identification of Climate-Related Risks and Opportunities

Honda has identified climate-related risks and opportunities that can reasonably be expected to affect our business activities and outlook by reference to a 1.5°C scenario, which assumes a rapid transition to a low-carbon society, and a 4°C scenario, which assumes insufficient progress in climate change mitigation measures, as set out below.

#### Key risks

Classification/ Scenarios		Risk	Time horizons*1	Potential Impact*2
Transition Risk	1.5°C	Payment of fines or suspension of vehicle sales due to failure to meet fuel efficiency regulations	Medium-term/ Long-term	High
		Drop in unit sales of internal combustion engine (ICE) vehicles due to more stringent fuel efficiency regulations etc.	Long-term	High
		Increased costs due to the introduction of carbon tax and Emissions Trading System (ETS).	Medium-term/ Long-term	Medium
Physical Risk	4°C	Operational impacts on production bases and the supply chain, including potential asset damage, resulting from natural disasters	Long-term	High

#### Key Opportunities

Scenarios		Opportunity	Time horizons	Potential Impact
1.5°C		Expansion sales of electrified products	Long-term	High
		Reduction of business operation costs through introducing the higher energy efficiency production facilities and utilization of renewable energy	Medium-term/ Long-term	
		Expansion sales of fuel-efficient vehicles, including HEVs	Medium-term/ Long-term	
4°C		Rising demand for products that can be converted into emergency power sources during disasters	Long-term	

\*1 The time horizons are defined in alignment with the planning periods used in Honda's strategic decision-making processes. Honda defines the time horizons based on when the impacts of risks and opportunities are reasonably expected to occur, as follows:

Short-term: Within one year from the end of the reporting period (aligned with the annual action plan period)

Medium-term: The period after the end of short-term through the fiscal year ending March 31, 2031 (aligned with Honda's medium-term management plan period)

Long-term: The period after the end of medium-term through 2050 (2050 being the benchmark year for Honda's carbon neutrality goals).

\*2 In assessing the magnitude of impacts of risks and opportunities, Honda applies quantitative monetary thresholds where financial impacts can be quantified and qualitative thresholds in other cases. Based on these criteria, the impacts are classified as follows:

High: JPY 100 billion or more, or impacts at the company-wide level

Medium: JPY 10 billion or more but less than JPY 100 billion, or impacts spanning multiple regions

Low: JPY 2.5 billion or more but less than JPY 10 billion, or impacts limited to a specific region

## Other Initiatives

### Impacts on the Business Model and Value Chain

#### ■ Areas where climate-related risks and opportunities are concentrated

The majority of our greenhouse gas emissions are attributable to CO<sub>2</sub> emissions generated during the use phase of our products. As a result, among climate-related transition risks, we recognize that, with respect to the risk of penalty payments or sales suspension due to failure to meet fuel economy regulations, climate-related risks and opportunities are concentrated in our automobile business, and that the risk of a decrease in new internal combustion engine (ICE) vehicle sales due to the tightening of fuel economy and other regulations is concentrated in both our motorcycle and automobile businesses. Accordingly, we consider that climate-related risks and related opportunities are concentrated in these businesses.

The remainder of our greenhouse gas emissions arise from direct emissions from our corporate activities, indirect emissions from energy use, as well as emissions related to activities such as resource extraction and waste disposal. These areas are where climate-related risks and opportunities are concentrated, particularly the risk of increased costs resulting from the introduction of carbon pricing mechanisms, such as carbon taxes and emissions trading schemes (ETS).

In addition, because our business model involves the use of water in our manufacturing processes, we recognize water-related risks associated with natural disasters as key climate-related physical risks. Among the regions where our vehicle assembly plants are located, we recognize India, Thailand, Vietnam, and Mexico as regions where physical risks are concentrated, given their elevated exposure to flood risk.

#### ■ Current and future impacts of climate-related risks and opportunities

Honda is working toward achieving carbon neutrality by 2050 and has set up milestones to prioritize the reduction of CO<sub>2</sub> emissions from the use of sold products, which account for a significant portion of our total emissions, as well as the reduction of CO<sub>2</sub> emissions from our own corporate activities, which falls within our operational responsibility.

The operating environment surrounding the automotive industry is changing rapidly, and uncertainty in our business environment is increasing due to factors such as changes in environmental regulations and developments in trade policy. Over the medium to long-term, if fuel-efficiency regulations or regulations promoting zero-emission vehicles (ZEVs) are strengthened, there is a possibility that Honda could face risks such as a decline in sales volumes of new ICE vehicles and the payment of penalties or the suspension of sales if regulatory requirements are not met. While carefully assessing market conditions and demand trends in each region, Honda will accelerate a multifaceted approach to carbon neutrality by combining EVs, hybrid vehicles, carbon-neutral fuels, and carbon offset technologies.

With respect to CO<sub>2</sub> emissions arising from our own corporate activities, we recognize a risk of financial impacts—such as increased tax burdens—associated with the expected introduction or expansion of carbon taxes and ETS. We intend to reduce CO<sub>2</sub> emissions from corporate activities within our area of responsibility via three main categories of technologies, experience and expertise: 1) improving production efficiency and implementing energy-saving measures, 2) electrification of production equipment, and 3) utilization of renewable energy.

Beyond our own corporate activities, we are advancing CO<sub>2</sub> reduction initiatives across the entire product life cycle—from the procurement of materials and components through design, development, production, logistics, sales, use, and end-of-life processing—in collaboration with a broad range of global partners.

### Impacts on Strategy and Decision-Making

#### ■ Addressing climate-related transition risks and opportunities

Honda positions electrification, including EVs, as a long-term climate-related opportunity in achieving carbon neutrality by 2050. At the same time, in light of current demand trends, we are reviewing our powertrain portfolio and have made decisions to reallocate development and production resources, with a near-term focus on hybrid vehicles, which are experiencing strong demand, in order to enhance environmental performance. In making these decisions, we have taken into account the trade-offs between accelerating CO<sub>2</sub> reductions through electrification and responding to the market environment.

Taking into account region-specific market environments and demand trends, we will accelerate a multi-faceted approach to achieving carbon neutrality by combining EVs, hybrid vehicles, carbon-neutral fuels, and carbon offset technologies. With respect to EVs, we plan to continue to introduce more competitive EV hardware platforms and advance research and development of next-generation batteries, including all-solid-state batteries in the long-term. In the short to medium-term, as we plan to continue sales of products equipped with internal combustion engines, we will also continue to improve the environmental performance of our motorcycle, automobile, and power products.

While electrification contributes to reducing CO<sub>2</sub> emissions during the use phase of our products, CO<sub>2</sub> emissions may still remain depending on the level of renewable energy adoption and application across countries and regions. In addition, we recognize the need to address the adoption and expansion of carbon-neutral fuels for ICE vehicles, including the vehicles owned.

## Other Initiatives

Accordingly, Honda is committed not only to reducing CO<sub>2</sub> emissions during the product-use phase but also to promoting the broader decarbonization of energy, through both increased use of renewable energy in our own operations and engagement in external policy and stakeholder initiatives.

Furthermore, Honda will consider opportunities to contribute more directly to the supply of clean energy to customers. Through these efforts, we aim to support the expansion of clean energy across society as a whole.

Honda designates production sites that have effectively achieved zero CO<sub>2</sub> emissions from our corporate activities as “carbon-neutral factories,” and we are promoting initiatives to reduce CO<sub>2</sub> emissions across our corporate activities. At the Saitama Factory Automobile Plant, one of our automobile production bases, in the fourth quarter of the fiscal year ending March 31, 2026, Honda achieved its first carbon-neutral factory, which is currently in operation, through the application of three key elements: (1) improvements in production efficiency and the implementation of energy-saving measures, (2) electrification of production equipment, and (3) utilization of renewable energy.

We will continue working toward realizing carbon-neutral factories at all of our automobile production sites worldwide.

For the transition plan toward achieving carbon neutrality by 2050, please refer to Key Initiatives and Milestones for Achieving Materiality. (➔ p. 15)

### ■ Key initiatives and progress by business segment

In the motorcycle business, Honda unveiled its first electric motorcycle, the Honda WN7, at EICMA (held at the Fiera di Milano) in November 2025 and began supplying it to the European market. In January 2026, the Honda UC3 equipped with a fixed battery was launched in Thailand and Vietnam. In both countries, Honda will expand charging infrastructure by installing CHAdeMO charging stations for fixed-battery electric motorcycles, while also advancing the deployment of battery-swapping stations.

In the automobile business, to achieve carbon neutrality by 2050, Honda is promoting the steady adoption of EVs and reliable CO<sub>2</sub> reduction through HEVs, while responding flexibly to changes in the market environment.

In the EV sector, we will steadily expand our lineup, beginning with the launch of the N-ONE e: in September 2025, followed by the rollout of the Super-ONE in Japan, the United Kingdom, and other Asian countries starting in 2026. Furthermore, the global strategic model Honda 0 α will be launched primarily in Japan and India, further strengthening the lineup in 2027. At the same time, to maximize environmental contributions during the transition to EVs, Honda is strengthening the use of highly efficient hybrid technologies. In addition to the PRELUDE launched in September 2025, the Company will apply next-generation hybrid system technologies developed in-house, expanding their use particularly in mid-size and large vehicle segments, where demand is high in the North American market.

### ■ Physical Climate-Related Risks and Adaptation Measures

We assess flood and other water-related operational risks by using external water-risk assessment tools such as WRI’s “AQUEDUCT” and WWF’s “Water Risk Filter,” supplemented by adjustments based on inundation analyses (including CaMa-Flood\*) and hazard maps. The assessment results are used to inform site-specific countermeasures and improvement plans.

At production sites located in regions with high physical risk, we implement measures to reduce potential impacts on our business operations, including securing elevation during site construction, installing backflow-prevention mechanisms for sewer lines during high-water events, and enhancing drainage capacity to prevent inland flooding. In addition, for regions exposed to water-scarcity or depletion risks, we implement water-saving measures and introduce recycling systems in areas where water-intake or discharge regulations are stringent. Through these initiatives, we work to reduce operation-related risks at each site.

\* CaMa-Flood: A global-scale flood analysis model used to estimate river discharge and flooding.

## Other Initiatives

### Climate Resilience

We conduct climate-related scenario analysis annually as part of our climate-related risk assessment process for the relevant reporting period. The disclosures presented in this report are based on the results of the analysis conducted during the latest reporting period.

#### ■ Scenario Analysis Overview

To assess and consider the potential impacts of climate change on our business, we have selected the following climate-related scenarios for our scenario analysis: (1) a 1.5°C scenario that reflects significant policy transitions aligned with the Paris Agreement goal of limiting global temperature rise to below 1.5°C; and (2) a 4°C scenario in which environmental regulations do not strengthen and physical risks become more pronounced.

Our scenario analysis covers our motorcycle, automobile, and power products operations, as well as the operational sites associated with these businesses. We assess climate-related transition risks, physical risks, and opportunities, and we quantify—where reasonably possible—the potential medium- to long-term financial impacts under each scenario. In quantifying the potential impacts, we apply a medium-term and long-term time horizon for transition risks and a long-term time horizon for physical risks.

The key assumptions under each scenario are as follows.

#### (1.5°C Scenario)

Under the 1.5°C scenario, Honda refers to the International Energy Agency's "Net Zero Emissions by 2050 Scenario (NZE)" and the Intergovernmental Panel on Climate Change (IPCC) AR6 "SSP1-1.9" pathway. This scenario assumes that, over the long-term, global measures toward achieving carbon neutrality by 2050 will advance, leading to the wider development and use of new technologies, broader adoption of carbon-free products, and increased utilization of renewable energy.

Although uncertainty in the business environment is increasing due to factors such as changes in environmental regulations that affect the pace of EV market expansion across regions and developments in trade policy trends, this scenario assumes that, over the long-term, fuel-efficiency regulations and zero-emission vehicle regulations will be further strengthened. As a result, demand for EVs and fuel cell electric vehicles (FCEVs) is expected to increase, particularly in developed markets.

#### (4°C Scenario)

Under the 4°C scenario, we referred to the IPCC AR6 "SSP3-7.0" pathway. In this scenario, continued high levels of greenhouse-gas emissions lead to further temperature increases. As a result, the scenario assumes an increased frequency and severity of extreme weather events—such as typhoons and flooding—along with changes in rainfall patterns and rising sea levels, which collectively contribute to the heightened manifestation of physical climate-related risks.

### Metrics and Targets

For GHG emissions, which are used as key metrics, please refer to GHG emissions (➡ p. 31), and for climate-related targets and their performance, please refer to Reduction of CO<sub>2</sub> Emissions from Product Use (➡ p. 28) and Reduction of CO<sub>2</sub> Emissions from Corporate Activities (➡ p. 29)

#### Target Setting, Review, and Monitoring Methods

Honda has identified "Priority Issues" that it must focus on in order to achieve its ambitious goals for 2050 and realize its long-term vision. Based on these priority issues, we establish goals that look ten years ahead and are updated every five years, while also setting annual goals and formulating, executing, and evaluating strategies each fiscal year as part of our management processes. To monitor progress toward these targets, we set management indicators, including KGIs overseen by the Board of Directors and KPIs for which the Executive Council holds execution responsibility. Both bodies regularly monitor progress, thereby strengthening our governance and oversight of target achievement. In addition, the Board of Directors and the Executive Council exercise their monitoring functions to assess, as necessary, whether adjustments to the targets are warranted in light of changes in the business environment. We have not obtained third-party assurance for these targets or for the methodologies used to establish them.

## Basic Approach

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

**Honda Environmental and Safety Vision / Honda's Environment Statement** → p. 18

## Initiatives

### Air Pollution

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

In product areas, Honda has reduced exhaust emissions from motorcycles by switching the engines of all its motorcycles on the market to four strokes, with the Honda Programmed Fuel Injection (PGM-FI) system being applied to more than 91% of models sold worldwide for better combustion efficiency.

With regard to automobiles, the Accord Plug-in Hybrid has become the first in the world to meet the California Low Emission Vehicle (LEV) III and Super Ultra Low Emission Vehicle (SULEV) 20 standards in the United States, which are regarded as among the toughest emissions regulations in the world. In addition, Honda has introduced technologies to reduce emissions in advance of other advanced emission regulations, such as Euro 6 in Europe and Stage 6 of Particulate Matter (PM) emissions in China.

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

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

In the automobile business, Honda will continue advancing initiatives to promote the adoption of EVs, while also striving to further improve the efficiency of existing hybrid systems and enhance the environmental performance of internal combustion engine (ICE) technologies during the transition period toward full-scale adoption.

In the motorcycle and power products businesses, Honda will contribute to preventing air pollution by advancing electrification and reducing exhaust emissions.

In addition, in the motorcycle business, Honda will further strengthen its initiatives by expanding flex-fuel models capable of using high-concentration ethanol-blended fuels, tailored to region-specific conditions.

# Initiatives

## Environmentally Friendly Products

Motorcycle



Honda WN7

Automobile



N-ONE e:

Power product



ProZision Autonomous

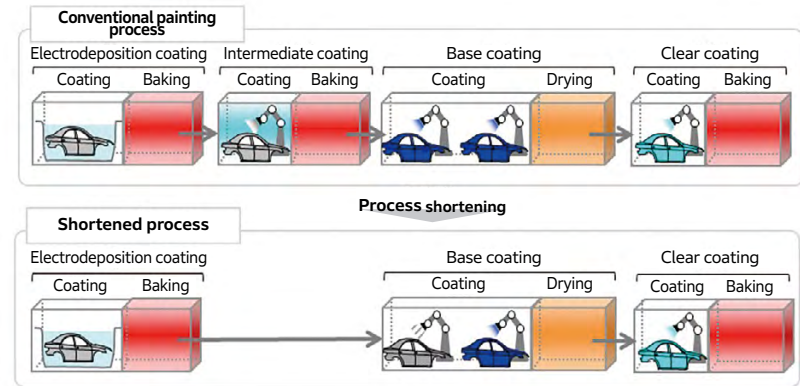
To prevent air pollution, Honda is working to suppress the generation of and reduce emissions of VOCs.

In particular, in the production of automobiles, the Company is globally implementing the short-process, high-functionality coating technology, starting from the Saitama Factory Automobile Plant.

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

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

## Efforts to Reduce VOC Emissions



# Initiatives

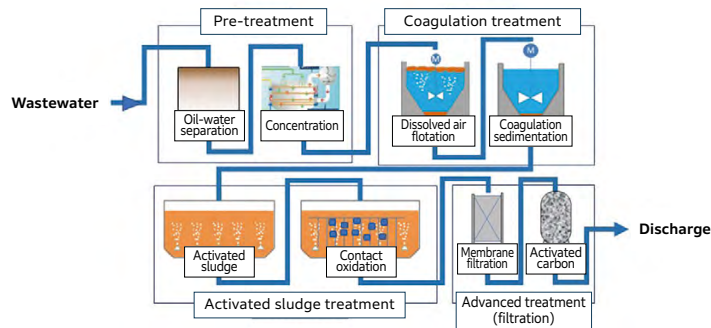
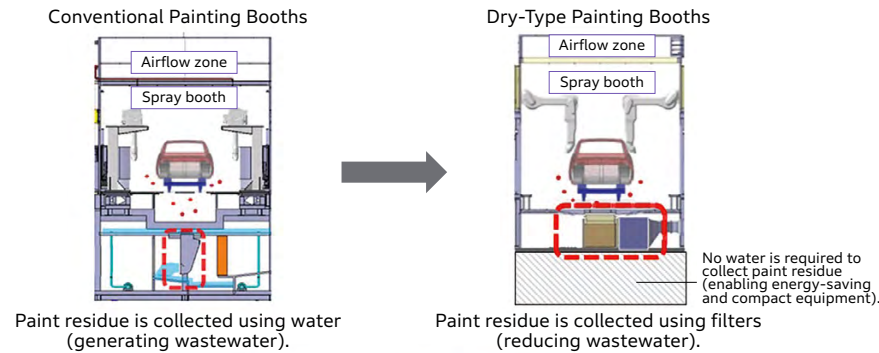
## Water Pollution

Honda selects areas where it can operate in harmony with the surrounding water resources and conducts its corporate activities in accordance with the environmental assessment laws and regulations of each country. To prevent water pollution and reduce environmental impact, Honda works to suppress the generation of wastewater and ensure its proper management.

Honda promotes initiatives to reduce the risk of water pollution, including the recycling of wastewater for reuse and the reduction of wastewater volume by using dry booths in the painting process.

Regarding water discharge, Honda treats wastewater appropriately and discharges treated water in accordance with applicable laws and regulations of each country and region. To prevent any impact of wastewater on the water environment, Honda thoroughly manages wastewater quality while also controlling water withdrawal volumes, and strives to ensure proper management and provide information, including the disclosure of water quality test findings.

### Efforts to Address Water Pollution



## Soil Pollution

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

# Initiatives

## Harmful Substances

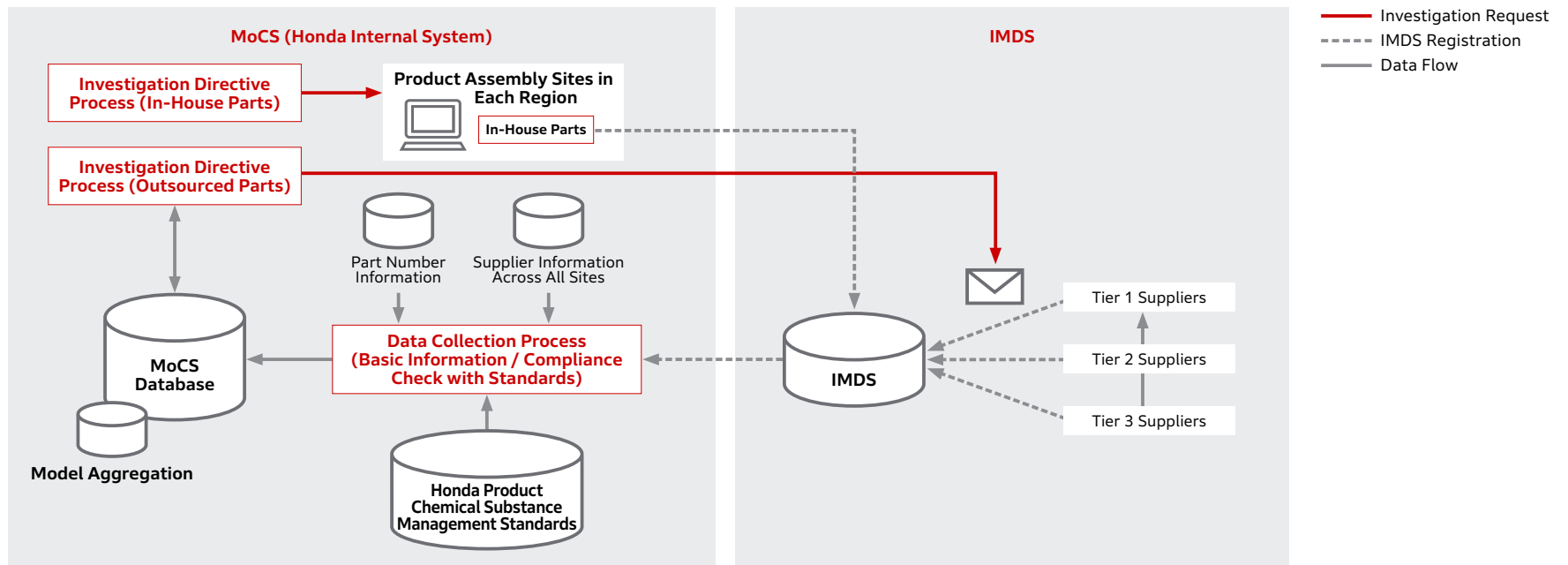
Honda works to ensure the appropriate management and reduction of the chemical substances contained in automotive components from the product design and development stages in order to reduce those materials that may impact the environment and human health.

The United Nations has set international goals aimed at minimizing the adverse effects of chemical substances on people and the environment. In response, laws and regulations have been introduced in each country and region to promote the appropriate management of chemical substances and the reduction of harmful substances contained in automotive components. Against the backdrop of this trend, the International Material Data System (IMDS) was developed, largely by the German Association of the Automotive Industry, as a mechanism for sharing and managing information throughout the supply chain on the materials and chemical substances contained in components making up a vehicle.

Honda collects chemical substance information from the supply chain through IMDS, and aggregates and manages such information via its independently developed global management system, called the Management System of Chemical Substances (MoCS). Through these systems, Honda works to comply with the Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and other chemical substance regulations in each country and region.

In addition, Honda has been continuously reducing the use of four types of heavy metals in its products (lead, mercury, hexavalent chromium, and cadmium), which may have impacts on the environment, in accordance with the European Directive on End-of-Life Vehicles (ELV Directive).

### Efforts in Chemical Substance Management



## Metrics and Targets

### Air Pollutant Emissions

#### NOx and SOx emissions (t)

	FYE Mar. 31, 2024	FYE Mar. 31, 2025	FYE Mar. 31, 2026
SOx emissions	83	79	81
NOx emissions	829	703	693

#### ■ SOx emissions

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method:  $\text{SOx emissions} = \Sigma (\text{Fuel consumption} \times \text{Density} \times \text{Sulfur content} \times 64/32^*)$
- Calculations are based on fuel consumption.
- Expressed in three significant digits.
- Density: Based on the conversion factor list in Statistics Information by Japan Petroleum Energy Center (JPEC)
- Sulfur content: Specified by mandatory standards under the Act on the Quality Control of Gasoline and Other Fuels for gasoline, diesel, kerosene, and heavy oil, and by the LP gas standard (JIS K 2240) for LP gas.

#### ■ NOx emissions

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method:  $\text{NOx emissions} = \Sigma (\text{Fuel consumption} \times \text{Emission factor for each fuel})$
- Calculations are based on fuel consumption.
- Expressed in three significant digits.
- Emission factor for each fuel: Based on the NOx emissions calculation table for non-measured combustion facilities in the Eco-Action 21 program (Ministry of the Environment).

## Basic Approach

Water resources as a form of natural capital are becoming increasingly important globally due to factors such as more frequent floods and droughts caused by the effects of climate change and the increase in water demand associated with the growth of the world's population. In light of these circumstances, Honda believes that the conservation and sustainable use of water resources are among the important issues in its corporate activities.

Honda recognizes that water withdrawal and discharge associated with its corporate activities have the potential to impact local communities and downstream water resources in areas where Honda draws water. Based on the Honda Environment Statement, the Company is engaged in corporate activities that give due consideration to the conservation of water resources.

In selecting locations for each site and operating them, Honda considers harmony with surrounding water resources and conducts responsible corporate activities.

Particularly in manufacturing processes, where freshwater consumption is high, Honda positions it as a priority management target. With an eye to 2050, Honda has set a vision of aiming for zero industrial water withdrawal and promotes initiatives to minimize water withdrawal.

At each business site, Honda implements measures taking into account local water conditions, such as advancing wastewater recycling and introducing water-saving technologies.

In addition, Honda recognizes as important issues the business continuity risks posed by constraints on water resource supply and the impact of water resource depletion on local communities.

Going forward, Honda will work to reduce the total amount of water withdrawn not only in manufacturing processes but across all Honda corporate activities, thereby contributing to the sustainable use of water resources.

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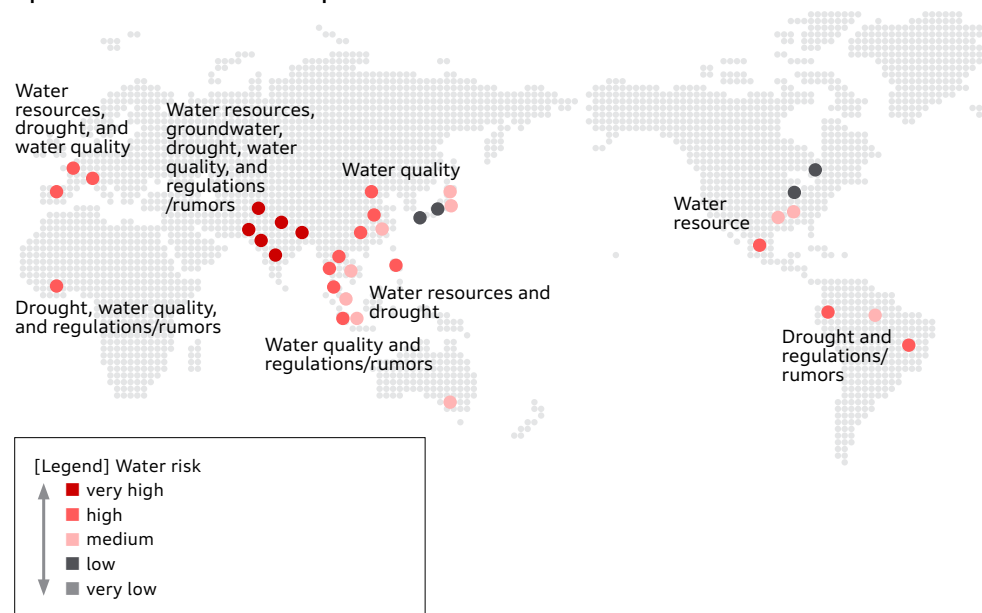
## Initiatives

### Water Risk Assessment

Because water is a resource that is unevenly distributed by region, season, and other factors, Honda identifies and assesses water risks mainly at its production sites that use a large amount of water. In conducting assessments, Honda verifies and identifies risks such as water resources, groundwater, drought, water quality, and regulations/reputational concerns in the site areas using external assessment tools such as AQUEDUCT and Water Risk Filter.

Based on the assessment results, Honda promotes initiatives tailored to the risk characteristics of each site.

#### Operational risk: Water heat map



## Initiatives

### Initiatives in Regions with High Water Risk

Honda positions minimizing water consumption and discharge as an important issue at product assembly sites located in regions with high dependence on water resources and significant water shortage risk. Honda has introduced a wastewater recycling system at the Celaya Auto Plant of Honda de Mexico S.A. de C.V. in Mexico, the Tapukara Plant of Honda Cars India Ltd. in India, and the No. 2 Plant of GAC Honda Automobile Co., Ltd. in China, working to conserve local water resources.



Wastewater recycling facility at the Tapukara Plant (India)

In particular, at the Tapukara Plant in India, all generated wastewater is collected and treated, and no liquid effluent is discharged outside the premises. Residues generated in the treatment process are recovered as solids containing no free water and are properly treated.

Since January 2026, sludge derived from domestic wastewater has been composted as organic fertilizer and recycled.

In addition, treated water is reused for toilet flushing and greening purposes, while rainwater collected on the premises is returned to groundwater through groundwater recharge facilities. Through these initiatives, the plant has virtually achieved a 100% wastewater recycling rate.

Furthermore, since 2025, a wastewater recycling system has also been introduced at the Manaus Plant of Moto Honda da Amazonia Ltda. in Brazil. Honda will continue introducing its water recycling systems around the world, particularly in regions with high water risk, and strive to reduce the environmental impact and support the sustainable use of water resources.

## Metrics and Targets

	Management Indicator	Scope	Target
			FYE Mar. 31, 2031
KGI	Reduction rate of industrial water withdrawal (compared to FYE Mar. 31, 2020)	Honda Group	12%

## Metrics and Targets

### Water Withdrawal

#### Water withdrawal by region (million m<sup>3</sup>)

	FYE Mar. 31, 2024	FYE Mar. 31, 2025	FYE Mar. 31, 2026
Japan	6.42	6.30	6.05
North America	5.18	5.80	5.73
South America	1.77	1.77	1.69
Europe, Africa, and the Middle East	0.105	0.118	0.126
Asia and Oceania	6.10	5.65	5.28
China	0.950	0.728	0.645
Total	20.5	20.4	19.5 <input checked="" type="checkbox"/>

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method: Water withdrawal =  $\Sigma$  (Purchased from water utilities + Groundwater withdrawal + Withdrawal of surface water such as from rivers, etc.)
- Expressed in three significant digits

#### Water withdrawal by water source (million m<sup>3</sup>)

	FYE Mar. 31, 2024	FYE Mar. 31, 2025	FYE Mar. 31, 2026
Surface water	0.479	0.350	0.324
Groundwater	8.74	8.44	8.26
Seawater	0.00	0.00	0.00
Process-generated water	0.00	0.00	0.00
Third-party water	11.3	11.6	10.9
Total	20.5	20.4	19.5 <input checked="" type="checkbox"/>

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Expressed in three significant digits

#### Actual water withdrawal from regions under water stress\* (million m<sup>3</sup>)

	FYE Mar. 31, 2024	FYE Mar. 31, 2025	FYE Mar. 31, 2026
Water withdrawal from regions under water stress	1.68	2.77	2.67

- Scope of aggregation: Manufacturing sites of Honda Motor Co., Ltd. and its consolidated subsidiaries that are located in regions subject to water stress
- Expressed in three significant digits

\* Regions under water stress: areas rated "very high" on the Operational risk: Water heat map.

**Water Risk Assessment** → p. 48

#### Revenue per unit of water withdrawal (million yen/million m<sup>3</sup>)

	FYE Mar. 31, 2026
Revenue per unit of water withdrawal	1,120,000

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method: Revenue per unit of water withdrawal (overall water withdrawal efficiency) = Revenue ÷ Water withdrawal volume.
- Expressed in three significant digits

## Metrics and Targets

### Water Discharge

#### Water discharge by region (million m<sup>3</sup>)

	FYE Mar. 31, 2024	FYE Mar. 31, 2025	FYE Mar. 31, 2026
Japan	3.91	3.91	3.62
North America	3.32	3.66	3.40
South America	0.659	0.653	0.571
Europe, Africa, and the Middle East	0.0698	0.0736	0.0816
Asia and Oceania	2.95	2.72	2.62
China	0.554	0.424	0.354
Total	11.5	11.4	10.7 <input checked="" type="checkbox"/>

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method: Water discharge =  $\Sigma$  (Wastewater processed through sewerage systems or other treatment facilities + Discharge directly into public waters)
- Expressed in three significant digits
- Figures include some estimated values.

#### Water discharge by receiving water body (million m<sup>3</sup>)

	FYE Mar. 31, 2024	FYE Mar. 31, 2025	FYE Mar. 31, 2026
Surface water	3.01	3.06	2.95
Groundwater	0.00	0.00	0.00
Seawater	0.0133	0.0137	0.0186
Third-party water	8.45	8.36	7.68
Total	11.5	11.4	10.7 <input checked="" type="checkbox"/>

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Expressed in three significant digits

### Water Consumption

#### Water consumption (million m<sup>3</sup>)

	FYE Mar. 31, 2024	FYE Mar. 31, 2025	FYE Mar. 31, 2026
Water consumption	7.58	8.94	8.87

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method: Water consumption = Water withdrawal volume – Wastewater discharge volume
- Expressed in three significant digits

### Recycled Water Consumption

#### Recycled water consumption

	FYE Mar. 31, 2024	FYE Mar. 31, 2025	FYE Mar. 31, 2026
Recycled water consumption (million m <sup>3</sup> )	1.90	2.06	1.88
Recycled water consumption rate (%)	11.4%	12.5%	11.8%

- Scope of aggregation: Manufacturing sites of Honda Motor Co., Ltd. and its consolidated subsidiaries
- Expressed in three significant digits

## Strategy

### Priority Site Assessment

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

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

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

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

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

### Priority Site Assessment: Heat Map

[Legend] ● High-risk sites (highest priority) ● Medium-risk sites (next priority) ● Low-risk sites (other)



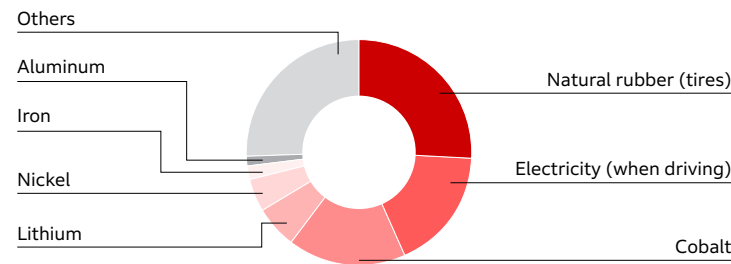
### Product Evaluation

Products incorporate a variety of materials, some of which may impact biodiversity. Therefore, Honda is undertaking initiatives to conduct a preliminary assessment of the potential impacts of materials used in its products on biodiversity.

The assessment is conducted using the biodiversity footprint developed in the “Development and demonstration project of Nature Footprint for promoting Nature-related Financial Disclosures by investors and financial institutions and international standardization,” one of the Cabinet Office’s programs for Bridging the gap between R&D and the IDeal society (society 5.0) and Generating Economic and social value (BRIDGE).

Based on the assessment results, Honda will conduct more detailed analyses for materials that have a potential for significant impact and consider measures to reduce the effects of its products on biodiversity. Honda will continue to explore responses that take into account both climate change and biodiversity.

#### Biodiversity assessment results for products



[Calculation Conditions]  
 • Vehicles evaluated: EVs (kei car class)  
 • Energy consumption during production: in Japan in 2025  
 • Lifetime mileage: 100,000 km  
 • Inventory data: IDEA v3.3, JAMA  
 • Assessment method: nature footprint assessment ver. 1.0 developed under BRIDGE  
 • Biodiversity footprint: E/MSY (impact indicator based on species extinction risk)

## Basic Approach

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

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

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

**Honda Environmental and Safety Vision / Honda Environment Statement** ➔ p. 18

### Honda Biodiversity Guidelines

#### Basic Statement

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

#### Priority Activities

1. Development of Environmental Technology  
We will contribute to the conservation of biodiversity by developing and disseminating technologies for fuel-efficient vehicles, nextgeneration cars, and energy-production and other technologies for the reduction of environmental impacts.
2. Initiatives Based on Corporate Activities  
We will work to reduce environmental impacts and ensure the effective use of resources through efficiency improvements.
3. Cooperation with Communities  
We will implement community-based activities in cooperation with stakeholders, using expertise accumulated by Honda through its initiatives to protect ecosystems, such as the Community Forests and Hello Woods initiatives.
4. Disclosure and Sharing of Information  
We will share information with society by disclosing the outcomes of our activities.

Established in May 2011

## Initiatives

### Japan: Biodiversity Conservation Activities

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

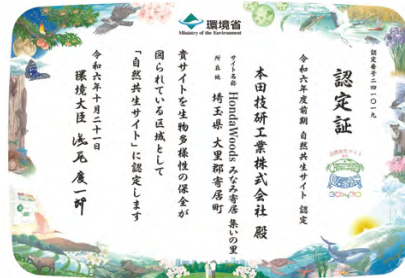
Since its opening in 1997, Mobility Resort Motegi has been conducting corporate activities in harmony with the environment under the theme of symbiosis between people, nature, and mobility, and was certified as a Nature Symbiosis Site in October 2023.

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

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

In the future, Honda plans to establish internal standards equivalent to the Nature Symbiosis Site certification and expand these efforts to its overseas facilities.

\* Nature Symbiosis Sites: Areas that the government certifies as “areas where biodiversity is being conserved through private sector efforts, etc.”



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



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

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

On the premises of its product assembly site in Union County, Ohio (Honda Development & Mfg. of America, LLC), the Company planted 85,000 trees in April 2024 to establish the “Honda Power of Dreams Forest.” This is an extensive 40.5-hectare project along Flat Branch Creek near Honda’s Marysville Auto Plant and East Liberty Auto Plant. It is intended to improve riparian buffers and increase biodiversity by providing habitat for a variety of animals, birds, insects, and plants.



Tree planting activities

### Belgium: Biodiversity Conservation at a Logistics Base

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



Insect hotel

## Initiatives

### Brazil: Nature Conservation at a Test Course

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



Test course

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

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

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



Protection and breeding of animals

### Conserving Water Resources

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

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

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

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

Honda has also continuously undertaken conservation activities for forest watersheds since 1999 as part of its social contribution activities. In the conservation activities, product assembly sites protect and manage the forest watersheds from which they receive benefits and implement optimal initiatives tailored to each region.

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

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

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

# Strategy

## 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. 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 not only involves substantial energy consumption and significant CO<sub>2</sub> emissions but also affects natural capital such as biodiversity and water through land alteration.

To move away from these environmental impacts caused by resource consumption, "resource circulation (efficient utilization of resources)" is crucial.

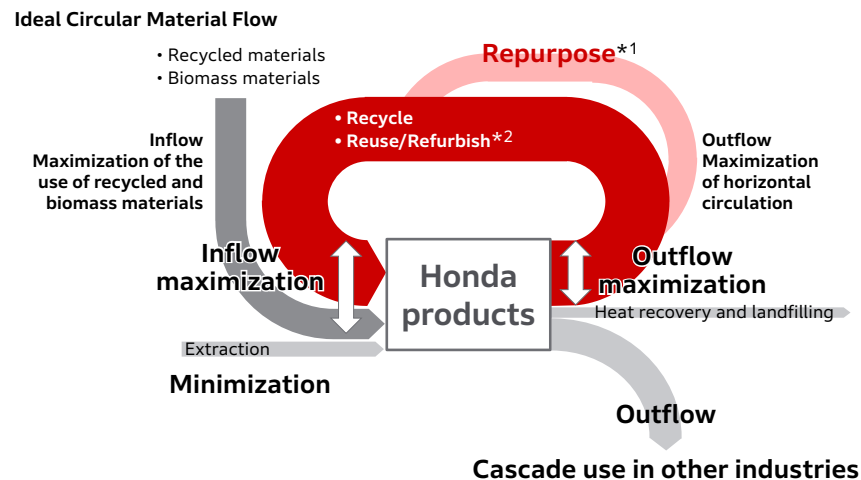
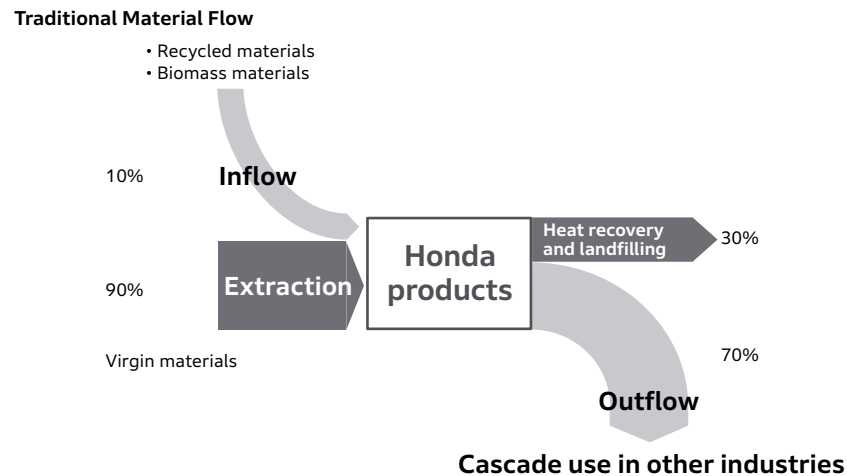
Currently, approximately 90% of the resources used in new car manufacturing rely on newly mined materials. Although about 70% of the resources from dismantled vehicles are recycled and reused, they are usually subjected to cascade use\* in other industries, with the remaining approximately 30% either incinerated for heat recovery or landfilled. Advancing the electrification of products increases the demand for scarce resources, leading to potential risks of rising resource prices and supply constraints, which could affect the availability of products and services.

In addition, since the quality requirements for materials in today's automobiles are high, using recycled materials increases costs. Therefore, it is essential to implement resource circulation initiatives with economic feasibility to make recycled materials more viable.

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

Honda has set "efficient utilization of resources" as a materiality and aims to achieve a "100% use of sustainable materials" by 2050. To achieve this, it is necessary to maximize the use of recycled and biomass materials in the inflow during the product manufacturing stage and to maximize horizontal circulation in the outflow after the end of the product lifespan.

\* Cascade use: A method of using resources and energy in stages to maximize their use while allowing for a decline in quality.



\*1 Repurpose: Secondary use of own products for other purposes after primary use

\*2 Refurbish: To add new value to used vehicles by improving performance and service through the latest updates

## Strategy

### 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 the preparation of new businesses and products designed with a circular economy in mind, as well as the innovative technologies to achieve them. Consequently, Honda focuses on transforming its business from a mass consumption model to a circular one.

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

### Creating Economic Viability in Resource Circulation

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

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

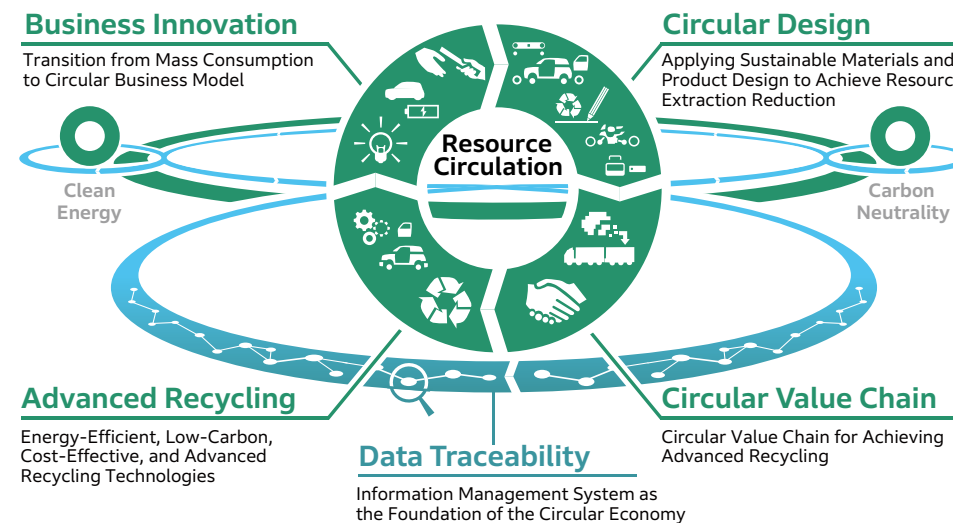
We will also utilize data to “visualize value” throughout the product lifecycle, facilitating regulatory compliance, proper transactions of products and components, and promoting their effective use.

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

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

### Five Key Concepts of Resource Circulation

Resource Circulation Concept Diagram



#### Business Innovation

Honda is committed to shifting to a circular 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 establishing 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.

## Strategy

### Path to Business Transformation Considering the Product Lifecycle

Honda has set “efficient utilization of resources” as a materiality and aims to achieve a “100% use of sustainable materials” 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 a “100% use of sustainable materials” 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 Honda is 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.

## Strategy

### 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 acquire capabilities to build a circular value chain, we have established a joint venture, ALTNA Co., Ltd., with Mitsubishi Corporation.

ALTNA not only engages in smart charging and repurposed energy storage businesses but also offers leasing products using Honda EVs. During the lease period, we 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 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.

Honda, together with DENSO CORPORATION, Toray Industries, Inc., Nomura Research Institute, Ltd., MATEC Inc., and REVER CORPORATION, has established the BlueRebirth Council. This council promotes initiatives to expand the use of recycled materials in automotive recycling and to build a manufacturing and recycling integrated value chain. Specifically, the council engages in discussions and research, as well as advances technology development and demonstration tests together with participating companies, research institutions, and other stakeholders, starting with the automated precision dismantling of ELVs. In addition, the council makes recommendations to relevant companies and organizations. Through these initiatives, the council will promote resource circulation toward a Car-to-Car model, contributing to the realization of a circular economy in the automotive industry.

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

**Six Companies Establish BlueRebirth Council to Expand Use of Recycled Materials in New Vehicles**

[https://global.honda/en/topics/2025/c\\_2025-06-30eng.html](https://global.honda/en/topics/2025/c_2025-06-30eng.html)

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

Honda is advancing initiatives with manufacturers handling a wide range of materials and components as part of its efforts to develop businesses, products, and innovative technologies premised on circularity.

Achieving horizontal recycling in the synthetic resin field is extremely challenging due to significant constraints, including ensuring economic viability, securing the quality and stable supply of recovered raw materials, and meeting required product performance standards. To address these challenges, Honda is pursuing initiatives such as the following.

Together with Idemitsu Kosan Co., Ltd., Honda conducted a demonstration test related to the chemical recycling of plastics derived from end-of-life vehicles. Leveraging the results of this demonstration, the companies developed Japan's first chemically recycled resin compound material made from 100% end-of-life vehicle-derived plastics in February 2025 (using the mass balance approach), and applied it to the front panel of a platform-type autonomous mobility test vehicle.

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. A pilot plant with an annual production capacity of 500 tons has been completed at the Nagoya Plant of Toray Industries, Inc. We began joint demonstration testing in April 2026.

In addition, Honda has developed chemical sorting technology that dissolves resin to separate and remove solid contaminants. This technology increases the purity of waste plastics to 99% or higher, improving recycling efficiency, while also helping reduce processing cost burden through process simplification.

Honda is committed to developing advanced recycling technologies that achieve both low energy consumption and economic feasibility.



Idemitsu Kosan Co., Ltd.  
(Plastics)



Toray Industries, Inc.  
(Nylon resins)

## Initiatives

### Initiatives for Motorcycles

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

In addition to using recycled materials such as iron and aluminum, which can reduce land alteration during raw material extraction and CO<sub>2</sub> emissions during material production, we are pursuing new initiatives by applying bio-based materials and recycled resins that contribute to reducing the extraction of fossil resources.

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

As part of our efforts to expand the use of recycled resins, we began applying pre-consumer recycled polypropylene materials\* in 2024 and expanded their application to the CB1000F and CB1000GT (European market model) sold in 2025.

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

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

\* Pre-consumer recycled materials are derived from scraps generated during the manufacturing or molding processes of products such as automobiles and home appliances.

#### Application of components (highlighted in green)



CB1000F

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

To further expand the use of recycled resins, Honda applied post-consumer recycled polypropylene materials\* to exterior parts of the CB750 HORNET and XL750 TRANSALP sold in 2025.

Because post-consumer recycled materials utilize used plastic products collected from the market, they are more difficult to control than pre-consumer recycled materials. Accordingly, by implementing controls at the procurement stage of waste materials to prevent the mixing of regulated chemical substances, and by adjusting material formulations to ensure the required properties, Honda made it possible to apply these materials to its products.

Honda plans to continue expanding their application to other models.

\* Post-consumer recycled materials are derived from used waste plastic products from general consumers and product end users.

#### Application of components (highlighted in blue)



CB750 HORNET



XL750 TRANSALP

## Initiatives

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

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

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

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

\* Applicable models: NC750X, FORZA 750, and X-ADV

#### Example of applicable model



X-ADV

#### Example of applied parts



X-ADV: Luggage Box

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

As part of our efforts to expand the use of the bio-engineering plastic “DURABIO™”<sup>\*1</sup>, we applied it to the colored exterior parts of the NC series sold in 2024, marking the first such application in motorcycles.

By using colored DURABIO™ with high aesthetic quality, painting becomes unnecessary, contributing to CO<sub>2</sub> reduction.

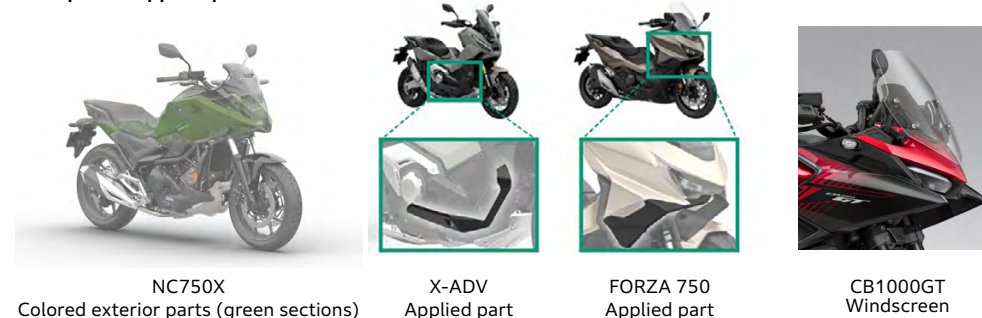
Additionally, Honda expanded the application of DURABIO™, first adopted in the world<sup>\*2</sup> for the transparent front screen of the CRF1100L Africa Twin launched in March 2024, to the CB1000GT (European market model) released in 2025.

Honda plans to continue expanding the application to other models.

<sup>\*1</sup> DURABIO™ is a registered trademark of Mitsubishi Chemical Corporation.

<sup>\*2</sup> Based on Honda’s research (as of October 2023).

#### Examples of applied parts



NC750X  
Colored exterior parts (green sections)

X-ADV  
Applied part

FORZA 750  
Applied part

CB1000GT  
Windscreen

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

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

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

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

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

## Initiatives

### Initiatives for Automobiles

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

The Company will engage in new businesses and services such as horizontal recycling, repurposing, and refurbishing as part of its shift to a circular business.

This section describes the resource circulation efforts related to new and used vehicle sales.

#### Initiatives for Battery Lifetime Management Commercialization (Business Innovation)

For batteries installed in the N-VAN e: released in 2024 and the N-ONE e: released in September 2025, Honda works to maximize battery value by upgrading battery monitoring functions and conducting lifetime management through conversion from on-board use to stationary use.

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

**Honda and MC Sign MoU to Explore New Businesses in EV Age**  
<https://global.honda/en/newsroom/news/2023/c231012eng.html>

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

Starting in April 2024, Honda adopted a sustainable material, recycled PET material, for the floor carpet mats, a Honda genuine accessory for the N-VAN light vehicle. It is significantly lighter than conventional mats. The use of sustainable materials is an effort to consider recyclability after use and to contribute to a circular society in the future. As of the fiscal year ended March 31, 2026, the application of this sustainable material has been expanded to five models: CR-V, N-WGN, N-ONE, PRELUDE, and N-ONE e:.

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

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

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

**Honda | SUSTAINABLE MATERIALS | N-VAN e: | Light Vehicle (Japanese only)**  
<https://www.honda.co.jp/N-VAN-e/susmate/?msockid=3ffe3b2f158a6ff40f3d2e8414f06e2c>



Front grille parts made of "recycled bumper material"

#### Launch of Services Related to Refurbishing Used Vehicles (Business Innovation)

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

In its North American used vehicle business, in addition to the Wireless Apple CarPlay/Android Auto Upgrade released in January 2024, Honda launched an upgrade service to retrofit Blind Spot Information in September 2025.

These initiatives contribute to the efficient use of resources by restoring and enhancing product value through refurbishment and the provision of usage services, thereby creating new added value, enabling products to be used throughout their full lifecycle, and increasing opportunities to recover vehicles at the end-of-life stage.

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

# Initiatives

## Launch of Horizontal Recycling to Recirculate Aluminum Sheet Offcuts (Advanced Recycling)

In March 2026, the Saitama Factory Automobile Plant began horizontal recycling that reuses press offcuts from aluminum hoods as aluminum sheet for vehicle bodies. This initiative has been adopted for the aluminum hood of PRELUDE.

While aluminum reduces energy consumption during driving through weight reduction and lowers environmental impact, producing primary aluminum requires a large amount of energy. In addition, one challenge was that press offcuts are easily affected by impurities and are difficult to reuse.

This initiative has optimized the sorting and collection methods for offcuts and improved impurity removal, achieving closed-loop recycling. As a result, offcuts that had previously been sold as scrap can now be reused as high-quality raw material, helping reduce the use of new aluminum ingots and contributing to lower CO<sub>2</sub> emissions in the manufacturing stage.

Going forward, Honda will leverage the know-how gained through this initiative to consider expanding applicable parts and deploying it to other plants, aiming for further advancement of aluminum resource circulation.



## Mass Production of Horizontally Recycled Acrylic Resin from ELVs (Circular Value Chain, Advanced Recycling)

Honda has adopted recycled acrylic resin recovered and regenerated from ELVs for door visors and has been selling them since September 2025 as Honda genuine accessories for the new N-ONE e: kei car class passenger EV. The use of recycled acrylic resin makes them items aimed at reducing CO<sub>2</sub> emissions and environmental impact.

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

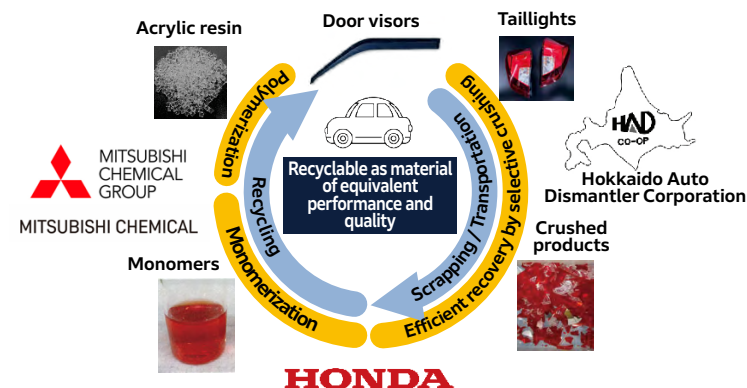
Honda, in collaboration with Hokkaido Auto Dismantler Corporation and Mitsubishi Chemical Corporation, conducted a demonstration test on the horizontal recycling of acrylic resin (from August 2021 to February 2022), establishing an efficient scheme for the entire operation.

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

This initiative will enable a reduction in the use of virgin materials and a 50% reduction in CO<sub>2</sub> emissions during the production and disposal of acrylic resin.

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

\* Based on Honda's research (as of April 2025)



# Initiatives

## Other Initiatives

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

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

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

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



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



Upcycled products

uppar | Honda Upcycle Project | Honda Japan Product Information Site  
<https://www.honda.co.jp/upcycle/> (Japanese only)

### Co-Creation of Circular Value by Expanding Options for Recycled Resources

Honda works to maximize resource value based on the principle of vehicle-to-vehicle circulation.

As a result of advancing collaboration and co-creation with companies that support Honda's vision for a circular society, products have now been launched that use recycled materials derived from discarded bumpers supplied by Honda as part of the raw materials and achieve a recycled polypropylene usage rate of 92% to 94%.

This initiative expands the potential uses of recycled materials and contributes to broadening the scope of resource circulation.

Since the 1990s, Honda has been collecting and recycling bumpers replaced during repairs at dealerships and circulating them as recycled materials.

While maintaining circulation for automotive applications as the basic principle, Honda will maximize resource value and contribute to realizing a sustainable circular society by selecting optimal applications according to the characteristics of recycled materials, based on quality standards and material properties.

Ryohin Keikaku Co., Ltd., Recycled Polypropylene Sturdy Storage Box, Shallow, Dark Gray  
[https://www.ryohin-keikaku.jp/news/articles/2026\\_0107\\_01](https://www.ryohin-keikaku.jp/news/articles/2026_0107_01) (Japanese only)



Recycled polypropylene sturdy storage box (shallow, dark gray)



## Strategy

### Efficient Utilization of Resources in Corporate Activities

To reduce environmental impact throughout the product lifecycle, Honda has set “efficient utilization of resources” as a materiality. To realize this, Honda has defined waste reduction and water resource conservation as priority activity areas in its corporate activities and engages in resource circulation.

### Waste Reduction and Promotion of the 3Rs

With a view to effective use of resources and reduction of environmental impact, Honda implements company-wide 3R initiatives, including reducing scrap materials in production processes (Reduce), as well as Reuse and Recycle. Regarding waste reduction, even in the absence of globally or industry standardized indicators, Honda has continuously established a voluntary management system. Honda strengthens its efforts to minimize the amount of waste and other materials generated through its corporate activities.

### Water Resource Conservation

Honda also regards water resource conservation as an important element of efficient utilization of resources and ensures thorough management.

Honda promotes optimal water use tailored to regional characteristics, such as reducing water withdrawal through water-saving and recycled water utilization, striving to minimize the use of water resources.

As a result of steadily implementing these 3R and water resource conservation initiatives, Honda has consistently maintained and continued reduced levels in both waste generation and water withdrawal since the fiscal year ended March 31, 2020. Going forward, Honda will continue its activities to further improve resource efficiency.

## Metrics and Targets

	Management Indicator	Scope	Target
			FYE Mar. 31, 2031
KGI	Reduction rate of industrial waste (incineration and landfill disposal) (compared to FYE Mar. 31, 2020)	Honda Group	20%
KPI	Usage rate of recycled and biomass materials	Motorcycles	30% of motorcycles produced in Japan, for Europe market
		Automobiles	30% in EVs produced in Japan

### Waste generated by region (thousand t)

	FYE Mar. 31, 2024	FYE Mar. 31, 2025	FYE Mar. 31, 2026
Japan	202	196	202
North America	355	347	342
South America	58.5	60.1	61.1
Europe, Africa, and the Middle East	14.3	15.7	17.7
Asia and Oceania	250	242	230
China	92.0	67.2	56.8
Total	972	928	910 <input checked="" type="checkbox"/>

- Scope of aggregation: Honda Motor Co., Ltd. and its consolidated subsidiaries
- Calculation method: Amount generated =  $\Sigma$  (Industrial waste + General business waste + Valuable materials)
- Expressed in three significant digits