

**5 Strategy**

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**Stakeholder Engagement**

**Basic Approach**

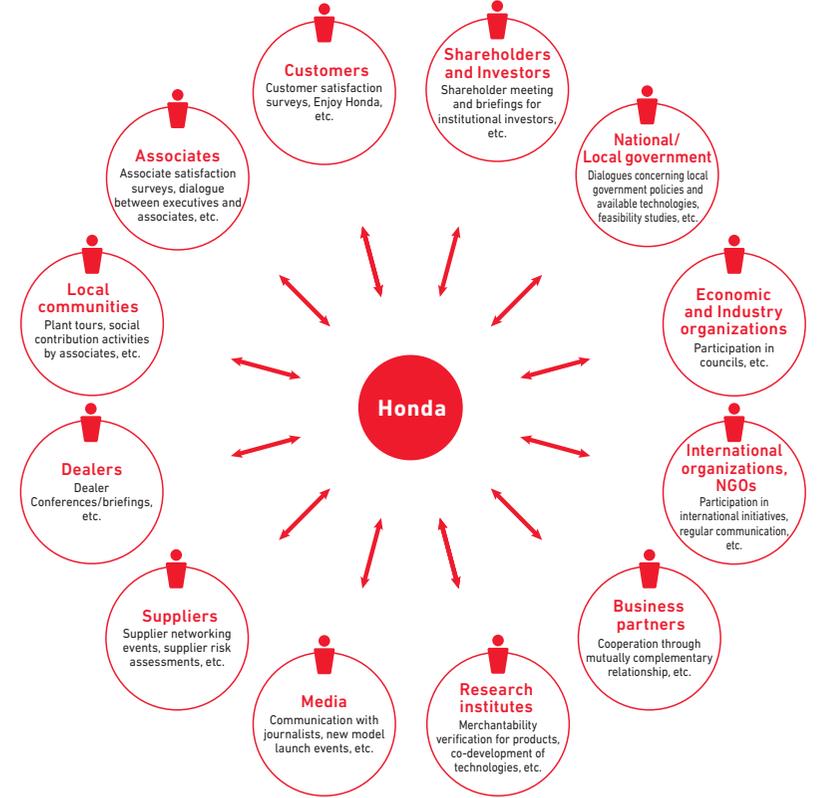
To be a “company that society wants to exist,” Honda must put into practice a communication cycle. This means appropriately and accurately conveying to society the value that it seeks to provide. It also means to engage in dialogue with diverse stakeholders to grasp and understand the demands and expectations placed on the Company, translate these into concrete measures and implement them, and finally listen to stakeholders’ evaluations of its activities.

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

Based on this understanding, Honda engages in dialogues globally through various opportunities. These dialogues are conducted between key stakeholders (that are either impacted by Honda’s business activities or whose activities impact Honda’s business activities) as shown in the diagram indicated at the right and respective divisions within Honda. As an example, engagement with shareholders and investors consists of dialogue aimed at ensuring that Honda is understood accurately through shareholder relations and investor relations activities.

In addition, opinions gained from leading ESG rating agencies and NGOs are reflected in the Materiality Analysis (⇒ p. 17), which is utilized in identifying issues Honda ought to be addressing.

Stakeholder engagement



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## Stakeholder Engagement

## Cooperation with External Organizations

To carry out our responsibility as a global mobility company, Honda engages in dialogues with government, economic and industry organizations and also cooperates with external bodies. In Japan, Honda personnel serve as vice chairman, committee head and committee member within the Japan Automobile Manufacturers Association, president of the Society of Automotive Engineers of Japan, as well as vice president of the Tokyo Chamber of Commerce and Industry.

In addition, Honda personnel serve as technical committee chairs and other representatives in the international motorcycle and automobile industry bodies such as The International Motorcycle Manufacturers Association (IMMA) and Organisation Internationale des Constructeurs d'Automobiles (OICA). Furthermore, Honda cooperates with initiatives related to sustainability through membership in the World Economic Forum (WEF) and the World Business Council for Sustainable Development (WBCSD).

At Honda, we delegate authority to regional operations within a certain scope when executing business in respective regions in order to enhance local autonomy and enable speedy decision-making. Political contributions are made following required internal procedures based on the laws and regulations of respective countries.

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**Stakeholder Engagement**

**External Evaluations**

**Honda Selected to the Dow Jones Sustainability World Index**

In September 2018, Honda was selected for the second consecutive year as a component of the Dow Jones Sustainability World Index after being ranked within the top five in the global Automobiles sector in the annual review of the Dow Jones Sustainability Indices (DJSI), one of the key benchmarks for socially responsible investing. At the same time, the Company was selected for the fourth consecutive year as a component of the Dow Jones Sustainability Asia/Pacific Index.

The DJSI are investment indices run and offered cooperatively by U.S.-based S&P Dow Jones Indices and Switzerland-based RobecoSAM. The sustainability of the world's leading companies are evaluated from three perspectives in terms of economic, environmental and social criteria and select companies that demonstrate overall excellence for inclusion in the indices.



**Selected for the Fourth Straight Year with a Bronze Class Rating in the RobecoSAM Sustainability Index**

Honda was selected for the fourth year running with a Bronze Class rating in the Automobiles sector of the Sustainability Award 2019 issued by Switzerland-based RobecoSAM. RobecoSAM evaluates sustainability of approximately 2,500 companies worldwide in terms of economic, environmental and social criteria. Companies deemed to be particularly outstanding in each sector are rated in categories of Gold Class, Silver Class and Bronze Class each year.



**Securing an A-Rating on the CDP Japan 500 Climate Change Report 2018**

In January 2019, CDP released the results of a survey on climate change initiatives and reduction of GHG emissions for 5,000 major companies worldwide.

Honda received an A- rating, a score at the leadership level in the CDP Japan 500 Climate Change Report 2018, one of those categories.

CDP is an international NPO that provides a global system for measuring, disclosing, managing and sharing important environmental information from companies and cities. The level of company initiatives in environmental challenges are evaluated in the four stages of information disclosure, awareness, management and leadership.

Please refer to the Environment section of the Performance Report (⇒ p. 41) for the items required by the FSB Task Force on Climate-related Financial Disclosures (TCFD), one of the CDP evaluation indices.