

5 Strategy

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**Research and Development**

**Basic Approach**

In 1960, with a view to creating new value through the cultivation of uncharted domains, Honda spun off the research and development division from Honda Motor Co., Ltd. and established Honda R&D Co., Ltd. as an independent research and development subsidiary.

Since then, Honda R&D has demonstrated a spirit embodied in Honda's Fundamental Beliefs, which encourages diverse individuals to demonstrate their respective capabilities to the fullest. At the same time, the company has thoroughly pursued core values and accordingly undertaken research with a particular focus on people's values. By doing so, Honda R&D has taken on challenges of creating new value. This stance will remain the same even when facing significant changes in society, such as the rapid global movement toward a carbon neutral society and digitalization. Honda believes that maintaining a global perspective and pursuing the joy for each customer through its technologies, products and services represent the true essence of Honda's corporate activities and research and development operations.

**Aiming to Transform into a Mobility Company Focused on Services and Solutions**

Honda consolidated functions related to research and development of motorcycles as well as automobiles into Honda Motor Co., Ltd. in April 2019 and April 2020, respectively. This reorganization enables a unified structure that integrates development, sales, production and purchasing operations to provide competitive products in a timely manner.

In April 2022, Honda Motor Co., Ltd. established the Business Development Operations as a new organization tasked with combining hardware with software and services. The goal is to transform Honda into a mobility company that can achieve new growth and new value creation. Honda is further accelerating its development efforts in the fields of software and each of the core electrification components in order to facilitate the development and early launch of the electrification business, new businesses and combined solutions business.

In addition, Honda R&D has been reorganized into the Innovative Research Excellence center, Innovative Research Excellence – Power Unit & Energy center, the Solution System Development Center and the Design Center. The Innovative Research Excellence center is a facility dedicated to innovative mobility technologies for the future and the creation of advanced technologies. The Innovative Research Excellence – Power Unit & Energy center brings together the experts of the power unit and environmental energy fields, which represent the strengths of Honda and serve as a source of its competitive edge beyond product boundaries. The Solution System Development Center creates new value in people's daily lives, while the Design Center is tasked with delivering brand messages transcending product boundaries in the form of consistent designs, which are the origin of Honda's value creation.

Toward the creation of new value, Honda will pursue research and development not only internally but also in collaboration with other companies and business partners with a vision to "serve people worldwide with the 'joy of expanding their life's potential'."

**Research and Development Structure**

