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SUSTAINABILITY REPORT

Honda Motor Europe
Sustainability Report

2025

Contents

About This Report

This report presents the sustainability performance and strategy of Honda Motor Europe Ltd. (HME) for the reporting period April 1, 2024 to March 31, 2025 (FY2025). It marks a transition from the previous European Environmental Reports to a broader Corporate Sustainability Report aligned with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Scope & Boundary:

- **Reporting Period:** Fiscal Year 2025 (1 April 2024 - 31 March 2025)
- **Reporting Cycle:** Annual
- **Scope:** Honda's European operations (Honda Motor Europe Ltd. and its consolidated subsidiaries). Covers entities controlled by the Regional Operation Board of the European region, excluding global operations unless that policy is directly applicable (see Annex for Site List).
- **Frameworks:** This report aims for alignment with the European Sustainability Reporting Standards (ESRS) as mandated by the Corporate Sustainability Reporting Directive (CSRD). It builds upon previous environmental reporting and incorporates results from the HME Double Materiality Assessment (DMA) completed in May 2025. Full ESRS alignment, including detailed data points, is targeted for future reports based on the identified material topics.
- **Materiality:** Determined through a Double Materiality Assessment conducted in FY2024 according to ESRS principles.
- **Assurance:** Selected environmental and social data have undergone internal validation, but no third-party assurance has yet been conducted. Assurance readiness is a strategic goal for future reporting cycles.

Contact for feedback or questions:

Honda Motor Europe Ltd.
Data and ESG Department
hme.sustainability@honda-eu.com

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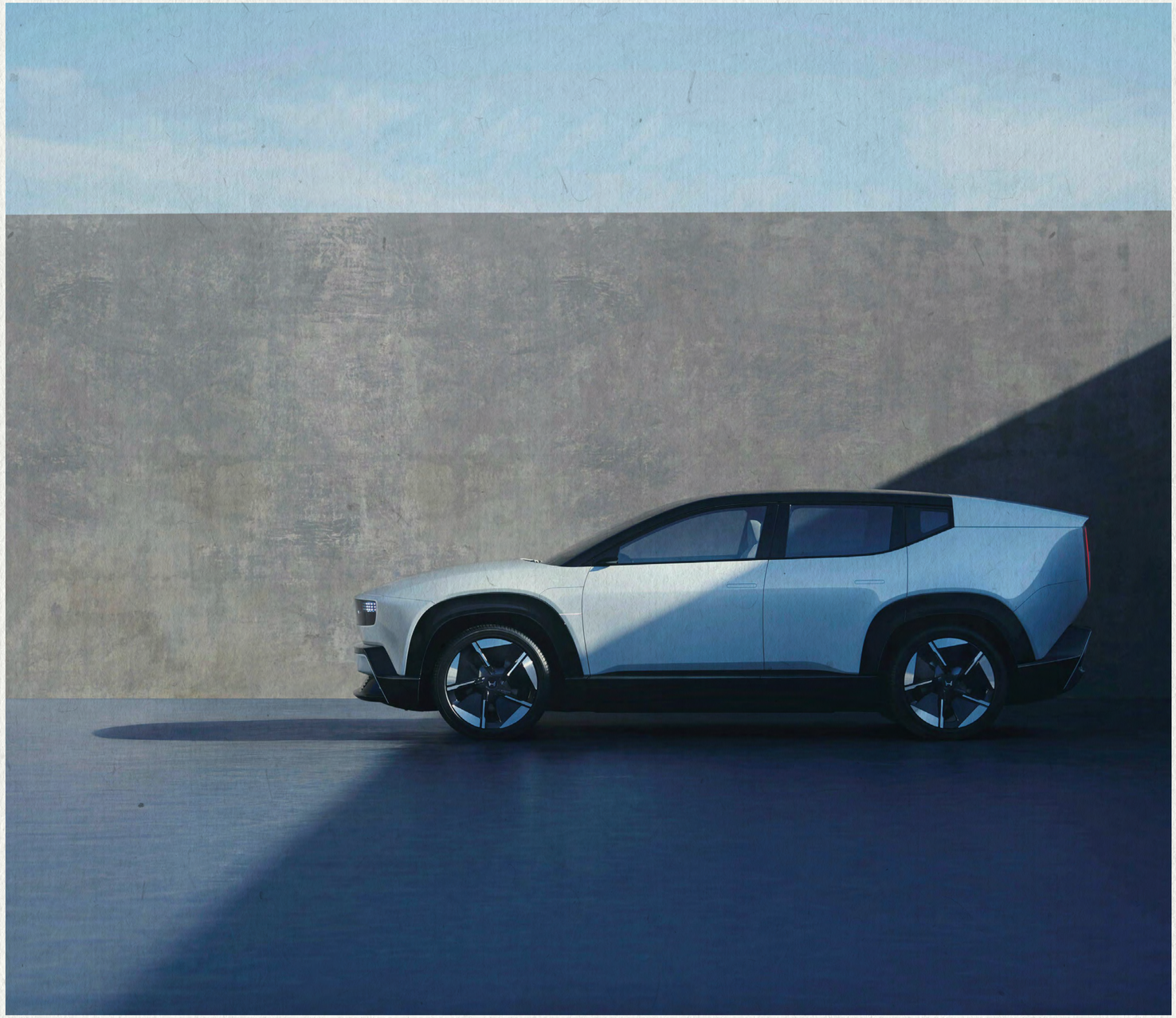
Introduction



Introduction | **Katsuhisa Okuda**

Managing Operating Officer of Honda Motor and President of Honda Motor Europe

Sustainability is at the core of Honda's operations, and our drive to achieve carbon neutrality across all areas of our business by 2050 continues unabated. This ambition is underpinned by our Triple Action to ZERO plan – a commitment to carbon neutrality, clean energy and resource circulation – in which we strive to realise a circular resource society with zero environmental impact.

Our aim is to reduce consumption of natural resources across our entire product range and all our corporate activities over the next 25 years, but we have not limited our sustainability efforts to in-house activities. We are also working to eliminate the environmental impacts of our products throughout their entire life cycles, including end-of-life.

In the medium term, one of the key goals of our global 2050 vision is to lead efforts to realise a carbon-free society, which sees us developing clean products and business practices to ensure the joys of mobility for the next generation. At the heart of this vision is a commitment to providing consumers with quality products that meet diverse needs and expectations without significantly impacting the environment.

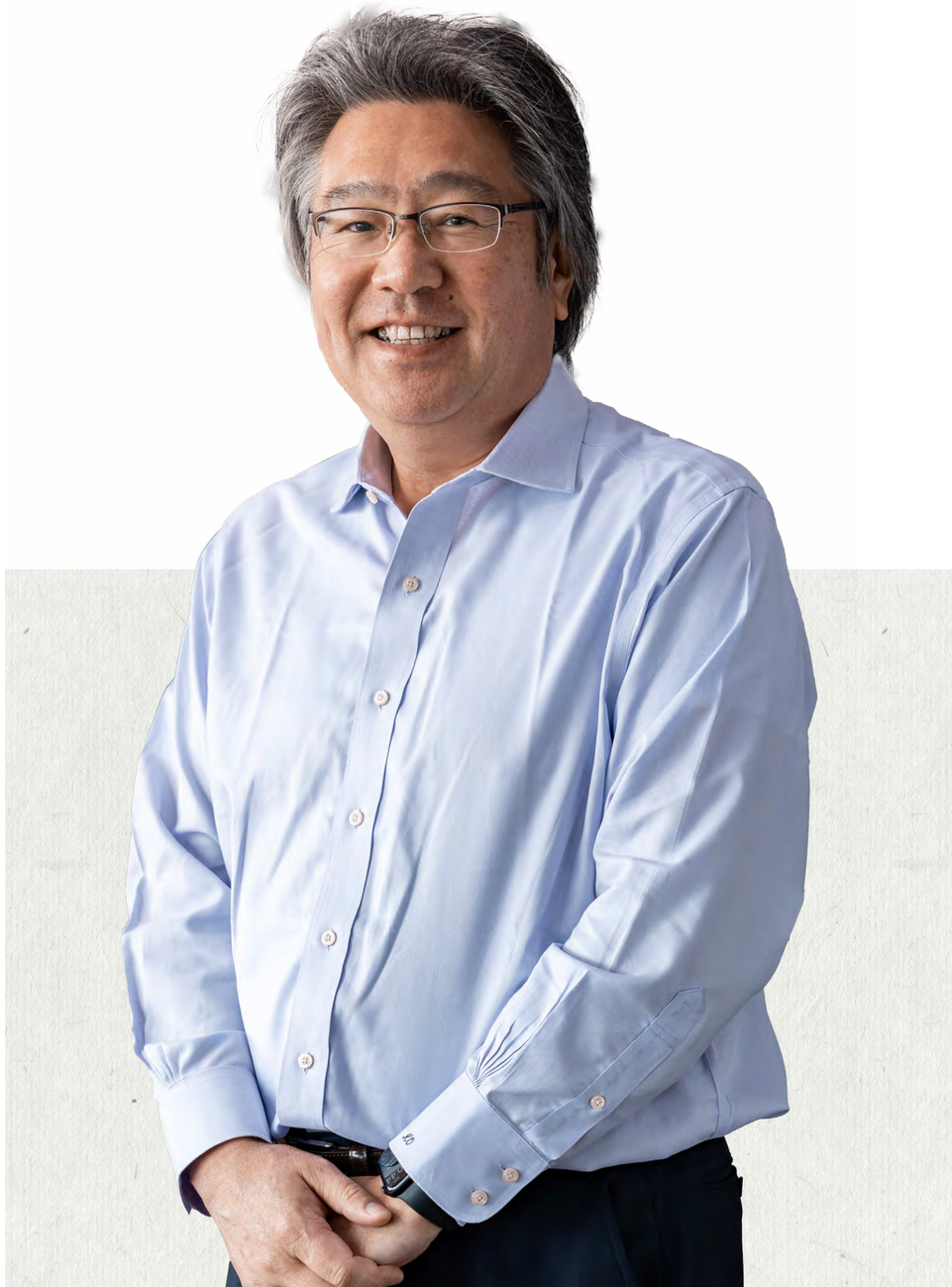
Of course our goal is global, but Honda Motor Europe (HME) plays a crucial role in these endeavours because regional action is a critical component in achieving the desired outcome. As a result, we are tirelessly working to embed sustainability in our business at every level. Our entire mainstream automobile product range has been electrified, and we are also at the forefront of electric motorcycle production with the EM1 e:. Honda is advancing the transition of its automobile and motorcycle businesses through electrification, hybrids, and intelligent technologies, while continuing to pursue carbon neutrality and broaden mobility choices for customers worldwide.

There is no shortage of innovative solutions behind our environmental efforts. To give just one example, the Honda Italia Industriale plant is working to install an evaporation system to treat water used in painting processes. The elimination of large quantities of untreated water is not only more efficient, but also avoids the logistical problems and costs related to storage and transport. The system's goal is to treat approximately 4,000 tons of water per year, while re-using around 75% of it.

This year is the first in which the European Environmental Report aligns with our commitments under the Corporate Sustainability Reporting Directive. To boost transparency, we have included information on the risks and opportunities arising from social and environmental issues, and our impacts on people and the environment – all of which we continually strive to improve.

Furthermore, Honda Motor Europe conducted a Double Materiality Assessment (DMA) in 2024, which evaluated sustainability topics across our regional operations, our products and our value chain. The assessment considered both the potential and the actual environmental impacts of our activities, as well as how climate-related risks and opportunities could influence financial performance, enterprise value and strategic resilience.

As always, we are far from alone in our efforts. Our associates, suppliers and stakeholders are equally as involved, and I once again express my sincerest gratitude as they continue to work alongside us in our commitment to improving sustainability.



Governance Overview

Global Overview

Honda's global Board of Directors and Executive Council, supported by global committees (nominating, audit, compensation, environment, safety, HR, human rights, etc), set the overall sustainability strategy and oversee key areas, such as our climate change policies.

Honda promotes corporate activities grounded in the Honda philosophy, which consists of three components: the fundamental beliefs, the company principle and the management policies.

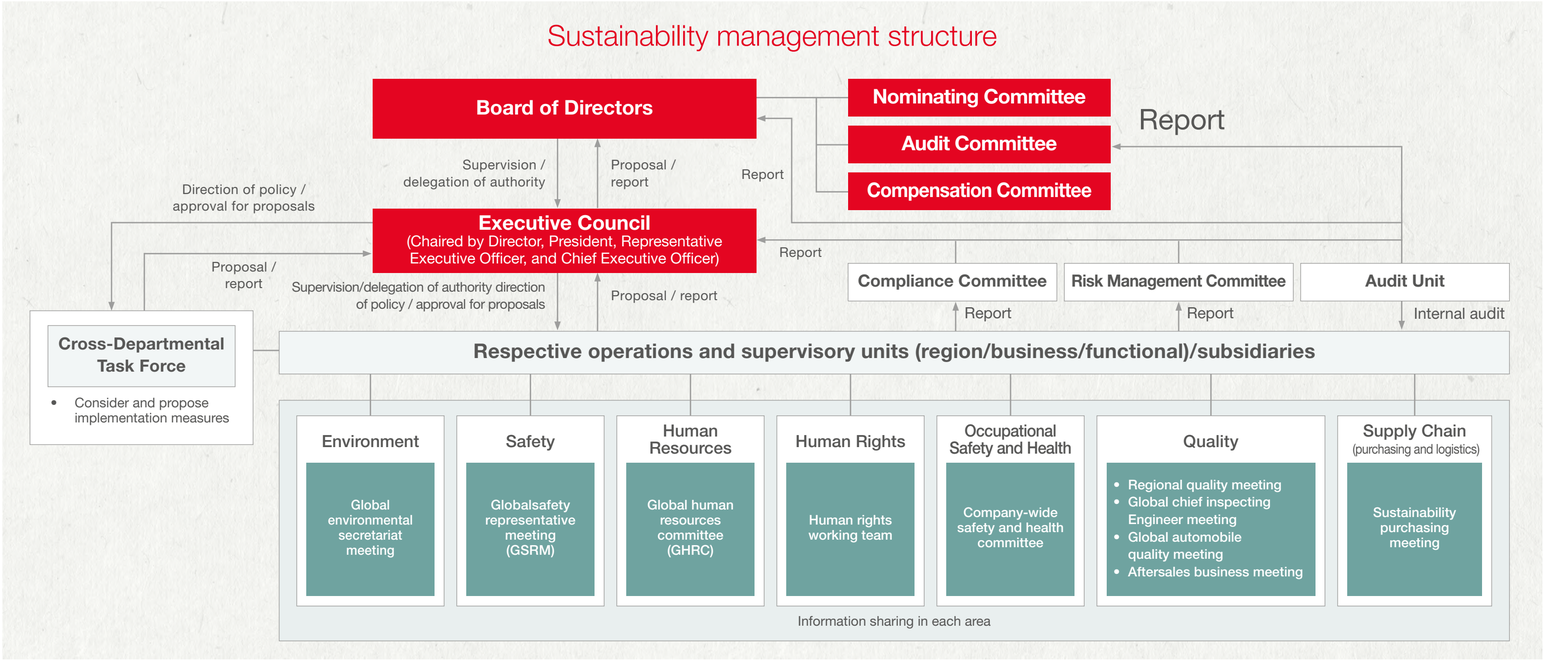
Honda's long-term management policies and medium-term management plan are approved and resolved by the executive council (chaired by the Director, the President, and representative Executive Officer and the Chief Executive Officer) and the Board of Directors. The Board of Directors is the final supervisory body, covering actions to address sustainability issues, including 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 by the Board of Directors.

In response to the need to address various risks associated with business activities and to promote sustainable development, Honda has designated knowledge in environmental, social and governance (ESG) and sustainability (including the ability to address climate change issues) as a necessary skill and has appointed directors accordingly.

Each operation, supervisory unit, and subsidiary formulate and promote 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. In each area – environment, safety, human resources, human rights, occupational safety and health, quality and supply chain (purchasing and logistics) – conference bodies have been established to promote global management through information sharing and discussions.

For important issues, such as addressing climate change matters, a cross-departmental task force is formed under the direct supervision of management members to consider and propose action plans and measures as appropriate, with important matters reported and approved at the executive council. Compliance and risk management related to each area are operated by the company's basic policies for the development of internal control systems.

The Board of Directors and the Executive Council regularly monitor the progress of key goal indicators (KGIs), for which the Board of Directors is responsible for supervision, and key performance indicators (KPIs), for which the Executive Council is responsible for execution, thereby reinforcing management governance.



Extracted from Honda Global ESG Report 2025

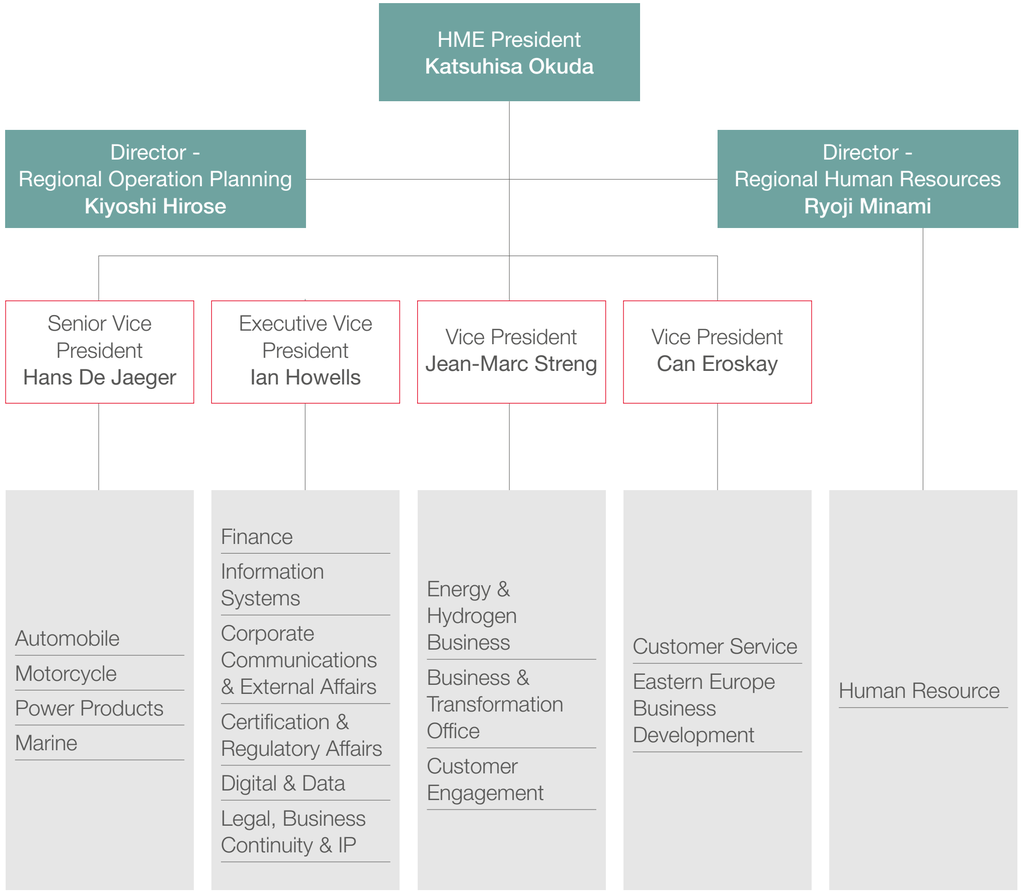
European Regional Governance

Honda Motor Europe Leadership and Regional Board

The president of Honda Motor Europe and the senior management team, under the regional sustainability board, are responsible for implementing the sustainability strategy in Europe, informed by the Double Materiality Assessment (DMA) findings.

How We Manage Sustainability	
Data and ESG Department	Leads sustainability data collection and reporting, supports coordination of sustainability initiatives, manages DMA process, and supports compliance across the region.
Management Systems	Key European production and logistics sites maintain certified management systems: ISO 14001 (environment) and ISO 45001/ OHSAS 18001 (health and safety). Relevant sites also hold ISO 50001 (energy) and Eco-Management and Audit Scheme (EMAS). These systems include processes for managing relevant impacts and risks.
Risk and Compliance Integration	European operations adhere to the Honda global risk management framework, including the code of conduct. Sustainability risks are identified through the DMA and are being integrated into this framework. *(Further detail on the specific integration process in Europe is under development).*
Stakeholder Engagement	Dialogue with European stakeholders informs strategy and priorities. The DMA process included extensive internal SME engagement.

Regional Sustainability Board Structure



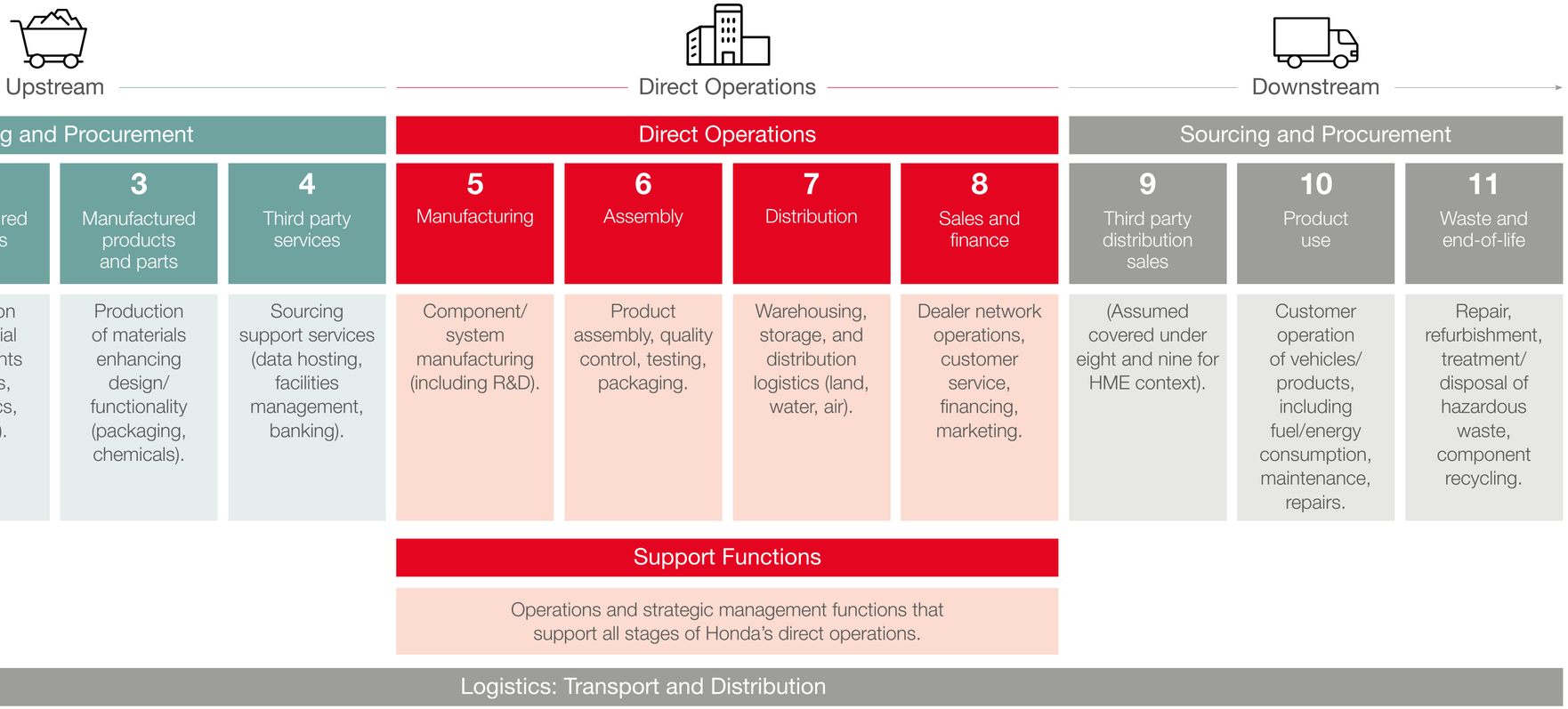
The regional sustainability board oversees environmental, social, and governance (ESG) matters across the region. The President of Honda Motor Europe and the senior management team, under the regional sustainability board, are responsible for implementing the sustainability strategy in Europe, which is informed by the DMA.

Honda Motor Europe Profile and Value Chain

Honda Motor Europe Ltd. oversees Honda's operations across the European region, encompassing the development, manufacturing, sales and service of automobiles, motorcycles and power products, along with energy services and parts distribution. Our key European entities include manufacturing facilities in Italy, Spain and France; logistics operations across multiple countries coordinated by Honda Motor Europe Logistics NV in Belgium; numerous national sales subsidiaries; finance operations; and owned dealerships in Germany and Switzerland. See annex for full site list.

The diagram below sets out a high level overview of HME's value chain which was used to identify and evaluate Honda's sustainability IROs (Impact, Risks and Opportunities). This includes upstream and downstream activities, which is an explicit regulatory requirement, and an increase of scope on the DMA conducted in 2022.

European Value Chain



(This value chain map informed the identification and assessment of sustainability impacts, risks, and opportunities in the DMA).

Double Materiality Assessment (DMA)

1. Introduction

In 2024, Honda Motor Europe conducted its first comprehensive Double Materiality Assessment (DMA) in alignment with the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). The DMA process was designed to identify and prioritise sustainability matters that are relevant to Honda from both an impact and a financial perspective. The results form the foundation of this CSRD-aligned sustainability report and influence our strategy, target setting, risk management and stakeholder engagement priorities.

The assessment was internally led by the ESG Reporting Lead, with external expert input to ensure robustness and traceability. It engaged stakeholders from across Honda's business functions – including logistics, sales, HR, legal, compliance, product planning and dealer support – and referenced the most recent European Financial Reporting Advisory Group (EFRAG) guidance and global sustainability frameworks.

2. Impact, Risk and Opportunity Scoping

The DMA involved the identification, mapping and scoring of actual and potential impacts, as well as financial risks and opportunities across Honda's operations and value chain. Each topic was assessed with two methodologies:

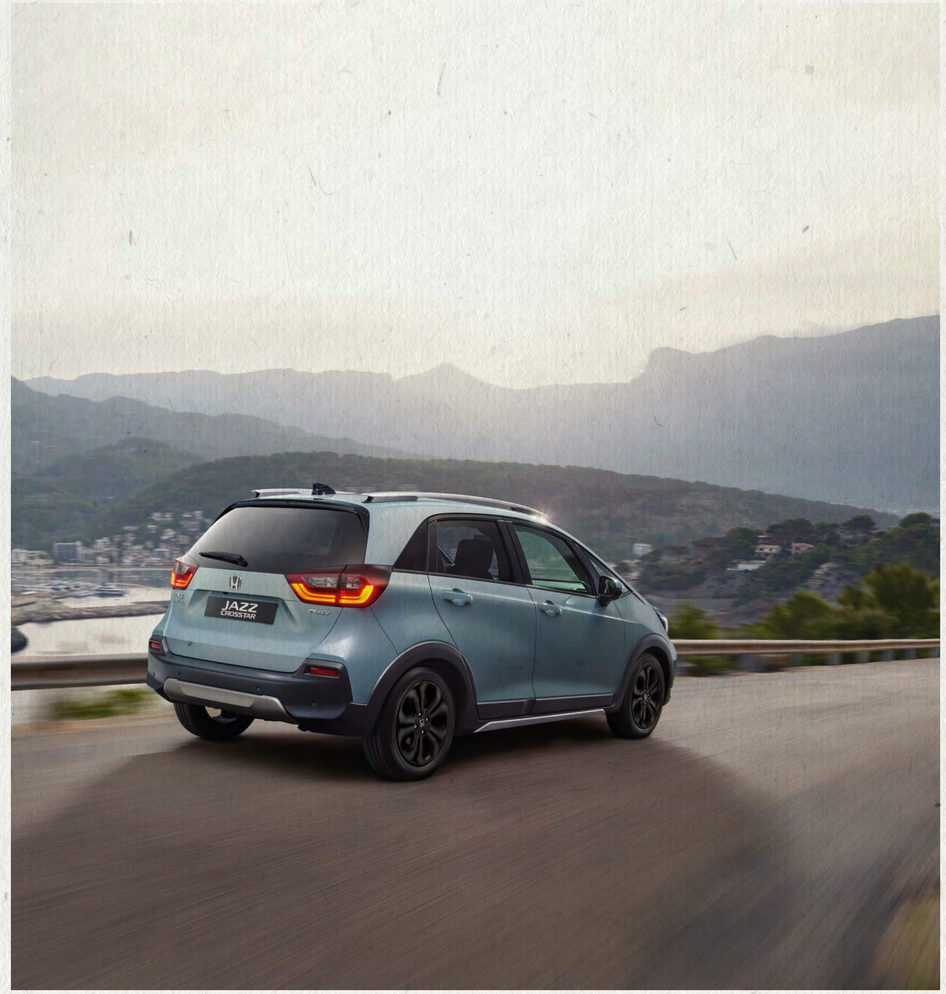
Impact Materiality:
The significance of actual or potential impacts on people, the environment or the economy.

Financial Materiality:
The likelihood and magnitude of impacts on Honda's financial performance, enterprise value and its access to capital.

For each sustainability topic, HME considered:

- The severity, scale and irremediability of impacts
- The probability and the magnitude of financial effects
- Short (zero-to-three years), medium (three-to-five years), and long-term (more than five years) time horizons

Geographic, Functional and Value Chain Relevance
The result was a refined list of material sustainability subtopics that aligns with the United Nations' ESRS themes and is addressed in the main body of this report.



3. Summary of Process Result

Following the 10-step DMA methodology, we identified 24 material ESRS subtopics based on their relevance to our European operations and strategic ambitions.

These subtopics reflect actual and potential impacts, risks and opportunities (IROs) across our value chain and are aligned with our Triple Action to ZERO framework and global sustainability priorities (such as carbon neutrality, resource circularity and human respect).

Material Topics and Value Chain Mapping

ESRS Category	ESRS Topic Title	Subtopic	Materiality Type	Time Horizon	Value Chain Location
Environment	Climate Change	Climate change mitigation	Impact & Financial	Long-term	Across
		Climate change adaptation	Impact	Long-term	Across
		Energy	Impact & Financial	Short-term	Across
	Pollution	Air pollutants (NOx, VOCs)	Impact & Financial	Short-term	Own operations
		Substances of very high concern	Impact	Short-term	Own operations
		Pollution of living organisms / food resources	Impact & Financial	Medium-term	Across
	Biodiversity & Ecosystems	Impacts on the extent and condition of ecosystems	Impact & Financial	Medium-term	Upstream/own operations
		Direct impact drivers of biodiversity loss – direct exploitation	Impact & Financial	Short-term	Upstream/own operations
	Resource Use & Circular Economy	Resource inflows, including resource use	Impact	Medium-term	Upstream
		Resource outflow from products and services	Impact	Long-term	Across
		Waste generation and recycling	Impact	Short-term	Own operations
Social	Own Workforce	Working conditions - health and safety	Financial	Medium-term	Own operations
		Work-life balance and flexibility	Financial	Long-term	Own operations
		Diversity and inclusion	Financial	Long-term	Own operations
		Training and skills development	Financial	Long-term	Own operations
		Gender equality and equal pay	Financial	Long-term	Own operations
	Workers in Value Chain	Child labour	Impact & Financial	Short-term	Upstream
		Forced labour	Impact & Financial	Medium-term	Upstream
		Working conditions - health and safety	Impact	Medium-term	Downstream
	Consumers and End Users	Access to products and services and inclusion of vulnerable users	Impact	Medium-term	Downstream
		Personal safety of consumers and/or end-users - health and safety	Impact & Financial	Long-term	Downstream
		Social inclusion of consumers and/or end-users - access to products and services	Impact & Financial	Medium-term	Downstream
Governance	Governance	Corporate culture	Impact & Financial	Short-term	Own operations
		Management of relationships with suppliers including payment practices	Impact & Financial	Long-term	Upstream

4. Materiality Matrix Summary

The matrix below visually summarises the material topics from both an impact and/or a financial perspective.

Topics in the upper-right quadrant are considered highly material and explained in detail in this report. Each material topic was mapped to required ESRS disclosures and cross-checked with available quantitative and qualitative data.

Double Materiality Matrix

Material sub-topics plotted against impact and financial materiality

Very high

1. Climate change mitigation **(E1)**
4. Personal safety of consumers and/or end-users - health and safety **(S4)**

High

2. Pollution of air **(E2)**
3. Substances of very high concern **(E2)**
13. Corporate culture **(G1)**
14. Climate change cdaptation **(E1)**
17. Circularity - resources inflows / use **(E5)**
23. Social inclusion of consumers and/or end-users - Access to products and services **(S4)**

Medium

5. Energy **(E1)**
6. Impacts on the extent and condition of ecosystems **(E4)**
7. Working conditions - health and Safety **(S1)**
8. Training and skills development **(S1)**
9. Diversity **(S1)**
10. Child labour **(S2)**
11. Forced labour **(S2)**
12. Information-related impacts for consumers and/or end-users - privacy **(S4)**
15. Pollution of Living organisms / food resources **(E2)**
16. Biodiversity loss - direct exploitation **(E4)**
18. Circularity - resources outflows from products/ services **(E5)**
19. Waste **(E5)**
20. Working conditions - work-life balance **(S1)**
21. Gender equality and equal pay **(S1)**
22. Working conditions - health and safety **(S2)**
24. Management of relationships with suppliers including payment practices **(G1)**

5. Integration with Strategy, Implementation and Governance

The results of the DMA will serve as the foundation for the following next steps:

- KPI development and data gap closure. Prioritised action plans are under development. Material topics will be assigned and functional ownership across logistics, HR, IT and product planning will follow to establish or enhance quantitative tracking and control frameworks.
- Implementation planning: action plans are under development for selected high-priority topics (such as Scope 3 decarbonisation, supplier due diligence, diversity and inclusion, health and safety) with accountability anchored in each function's business plans.
- Data collection and reporting cycles: monthly and quarterly monitoring processes are being aligned with internal KPIs and external ESRS reporting requirements, supported by digital tooling.
- Ongoing risk register updates: monitored by our regional risk management process.
- Global and local strategy alignment: including Honda's 2050 vision for carbon neutrality and value creation for people and society.

The matrix will be reviewed annually, and a stakeholder engagement refresh is scheduled for 2025-26, to ensure our understanding of double materiality remains current and continues to be informed by stakeholders.

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Environment

Honda Approach

Towards the ‘Joy and Freedom of Mobility’ and a ‘Sustainable Society Where People Can Enjoy Life’

Honda Environmental and Safety Vision / Honda’s Environment Statement

Honda has actively addressed environmental issues since the 1960s and, in the 1970s, we developed the low-emission CVCC*1 engine, which reduced emissions of carbon monoxide, hydrocarbons and NOx*2, becoming the first in the world to meet the U.S. Muskie Act, which was considered the world’s most stringent automobile emission regulation at the time.

In 1992, we established the Honda Environment Statement – the guiding framework for all our initiatives in this area. This statement organised and clarified our fundamental stance on reducing environmental impact throughout the entire product lifecycle, including material procurement, design, development, production, transportation, sales, usage and disposal.

To further advance our environmental initiatives and remain a ‘company society wants to exist’, Honda established the ‘Honda Environmental and Safety Vision’ in 2011. This aims to achieve the ‘joy and freedom of mobility’ and a ‘sustainable society where people can enjoy life’.

As such, Honda is committed to reducing all forms of environmental impact across our global operations, including the reduction of greenhouse gas emissions, considered one of the causes of climate change. Plus, 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.

We aim to achieve our vision through collaborative efforts with all involved parties and will share this Environment Statement not only within the company, but also with suppliers, dealerships and all other stakeholders associated with Honda.

*1 CVCC: Compound Vortex Controlled Combustion
*2 NOx: Nitrogen Oxides

Honda Environmental and Safety Vision

Realising 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 minimise and find appropriate methods to dispose of waste and contaminants that are produced from the use of our products, and in every stage of their lifecycles.
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 their part to ensure 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 endeavour to improve the social standing of the company.

Established and announced in June 1992

Extracted from Honda Global ESG Report 2025

Honda Approach

Towards the ‘Joy and Freedom of Mobility’ and a ‘Sustainable Society Where People Can Enjoy Life’

Global Environmental Symbol

The design features a 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 water and lush green land.

BLUE SKIES FOR
OUR CHILDREN

The central white line symbolises the pathways for free mobility, while the heart represents Honda’s commitment to and passion for environmental efforts.

Extracted from Honda Global ESG Report 2025

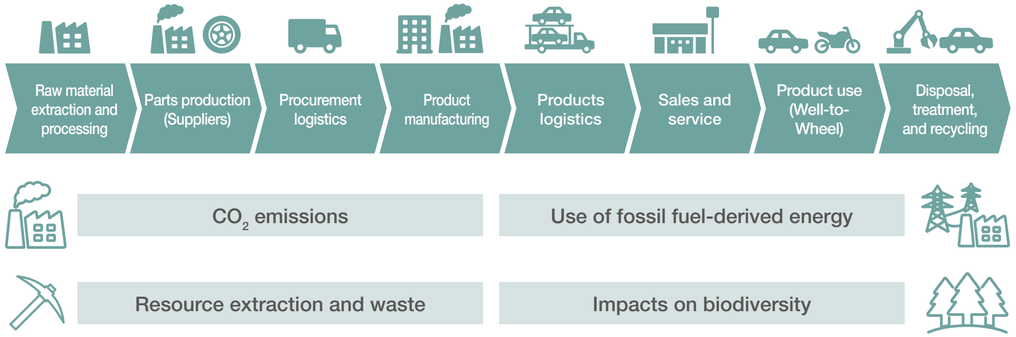
Approach

Actions to Take Towards Achieving a Zero Environmental Impact Society

Environmental Impacts Recognised by Honda

Honda recognises 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, chief among which are: CO_2 emissions, use of energy derived from fossil fuels, extensive resource extraction and waste, and impacts on biodiversity.

Main Environmental Impacts in the Product Lifecycle



Honda has set achieving a 'Zero Environmental Impact Society' as one of its company-wide priorities. To comprehensively reduce interlinked environmental impacts, Honda has established four materialities*1 to guide its efforts.

Priority issue

- Zero environmental impact society

Materialities

- Addressing climate change
- Addressing energy issues
- Efficient utilisation of resources
- Biodiversity conservation

Extracted from Honda Global ESG Report 2025

Triple Action to ZERO

In our efforts to achieve a 'Zero Environmental Impact Society', we are working towards our vision of net zero CO_2 emissions by 2050, 100% utilisation of carbon-free energy, and 100% use of sustainable materials. These visions are encapsulated in the concept of 'Triple Action to ZERO', a concept that consolidates three key initiatives: 'Carbon Neutrality', 'Clean Energy', and 'Resource Circulation'.

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

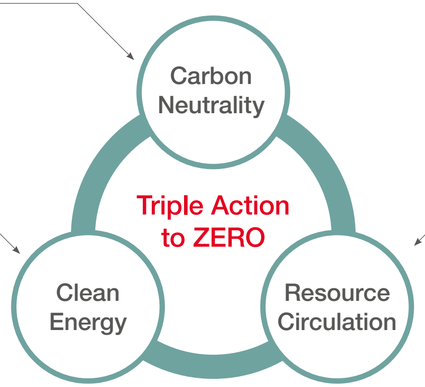
The 'Triple Action to ZERO' initiatives are also linked to the international demand for preserving biodiversity and fostering harmony with nature. In advancing these initiatives, we will also consider 'Nature-based Solutions*2'.

Net zero CO_2 emissions

We aim to achieve net-zero CO_2 emissions from both our corporate activities and the product lifecycle, with the goal of limiting the global average temperature rise to 1.5°C compared to pre-industrial levels.

100% carbon-free energy

We aim to use clean energy during product use and corporate activities.



100% use of sustainable materials

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.

**1 We select priority issues by comprehensively analysing social issues from a sustainability perspective, aligning them with Honda's strategic direction, and defining the particularly focused issues for each priority issue as materialities.*
**2 Nature-based Solutions (NbS) involve advancing societal challenges while conserving and restoring natural ecosystems.*

Approach

Efforts to Realise a Zero Environmental Impact Society

Key Initiatives and Milestones for Achieving Materiality

Our company aim of carbon neutrality by 2050 across the entire product lifecycle involves focusing on the four materialities and prioritising addressing climate change and energy issues.

Reducing CO_2 emissions from product use and corporate activities are priorities for Honda, breaking these efforts down into more specific initiatives to be implemented as concrete actions. Specifically, CO_2 emissions are tracked for various product groups within each business segment, as well as for individual product factories and manufacturing equipment. This approach helps to quantify CO_2 reduction amounts for each product and factory.

For long-term impact reduction measures related to the materiality of efficient utilisation of resources, Honda is in the initial phase of preparing initiatives that may require business transformation beyond existing frameworks to achieve carbon neutrality, including efforts aimed at reducing CO_2 emissions in future upstream and downstream processes. We also recognise the importance of considering natural impacts, such as the materiality of biodiversity conservation, while advancing these initiatives. Therefore, Honda is aiming not only to achieve carbon neutrality by 2050 but also to pursue a long-term perspective toward realising a zero environmental impact society.

Extracted from Honda Global ESG Report 2025

Climate Change

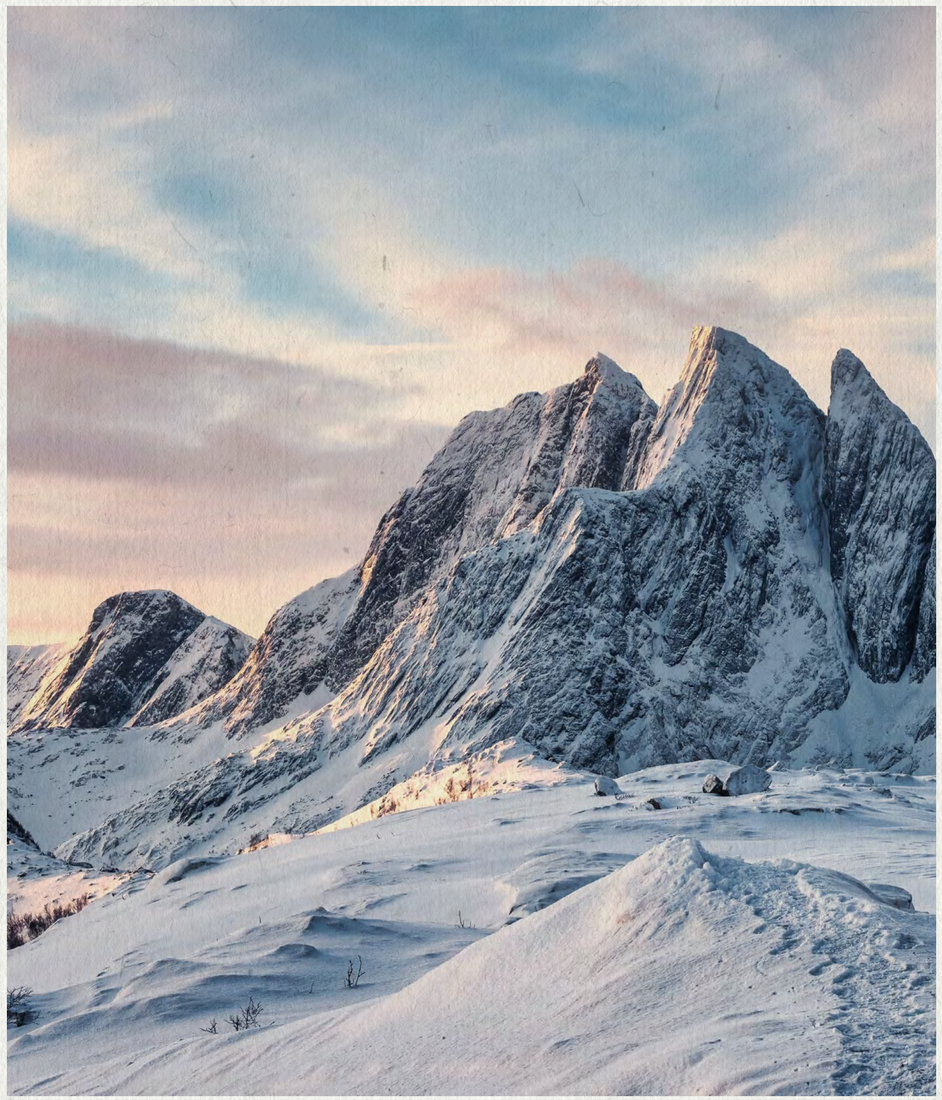
Climate change is one of the most urgent global challenges of our time, with far-reaching environmental, economic and social implications. As a mobility provider operating in one of the most carbon-intensive sectors, Honda acknowledges its responsibility to reduce greenhouse gas emissions across the entire value chain – from raw material sourcing and vehicle production, to logistics, sales, usage and end-of-life treatment.

Honda's response is guided by its global 2050 vision, which aims to achieve carbon neutrality across all products and corporate activities. This long-term ambition is rooted in science, driven by innovation and embedded into both the company's business strategy and its environmental governance frameworks.

At the heart of Honda's global climate action strategy lies the 'Triple Action to ZERO' framework:

Pillar	Description
Carbon Neutrality	Reducing CO_2 emissions to net-zero across products, operations, logistics and suppliers.
Clean Energy	Shifting to renewable energy sources across global operations and supply chains.
Resource Circulation	Transitioning to circular manufacturing to reduce material extraction and embedded carbon.

This strategy acknowledges that addressing climate change requires cross-functional collaboration, technological innovation – including electrification, alternative fuels – behavioural change and ongoing partnership with suppliers, dealers, governments and society.



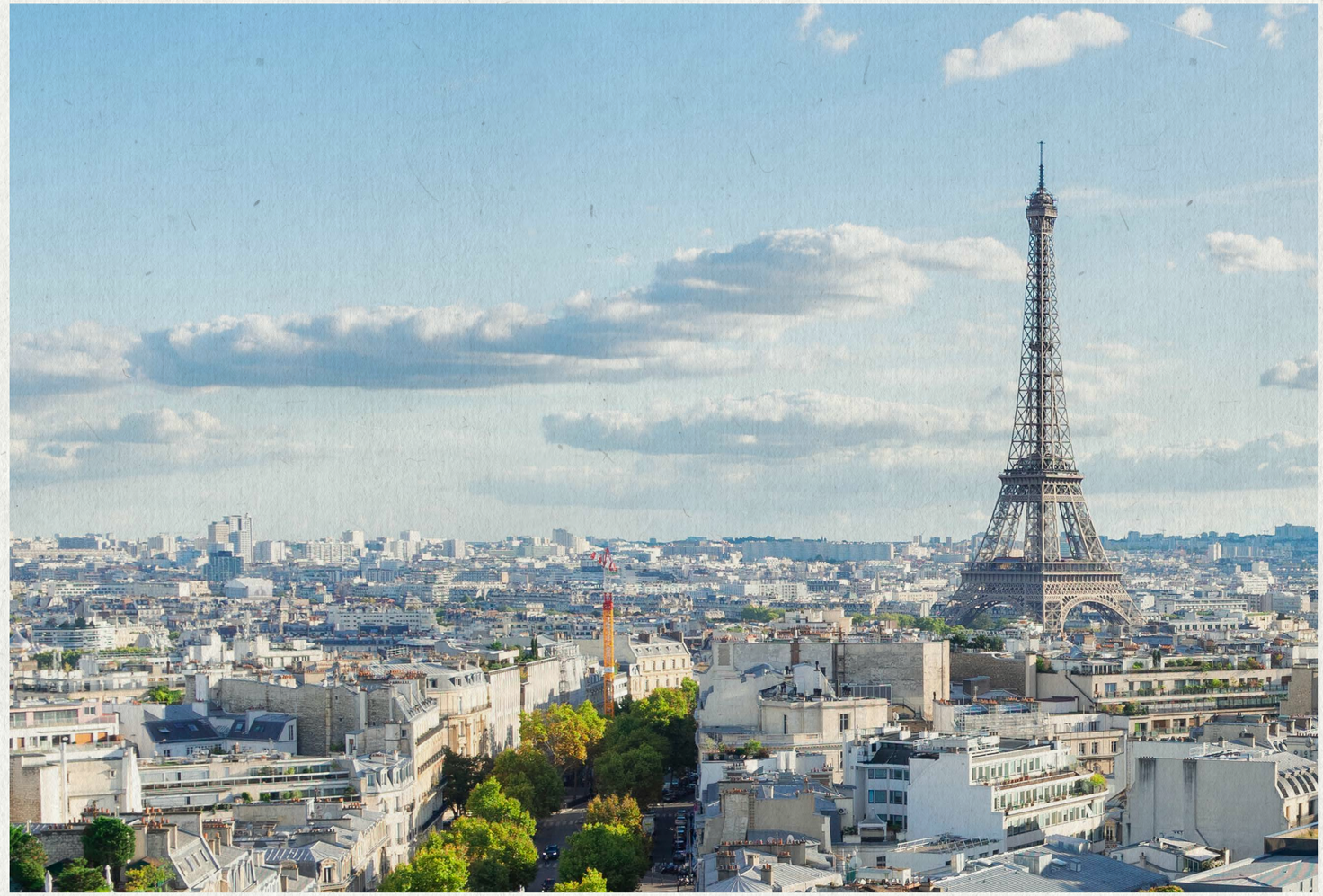
European Context

Honda Motor Europe operates in a highly ambitious regulatory environment with respect to climate policy. The European Green Deal, the Fit for 55 package and the Corporate Sustainability Reporting Directive (CSRD) establish requirements for emissions reduction, climate risk disclosure and sustainable value chains.

Europe is a critical region for Honda's global climate roadmap, both as a proving ground for innovations, such as e-mobility, and as a region with growing expectations for transparency, resilience and accountability.

In 2025, Honda Motor Europe:

- Integrated climate as a material topic under its Double Materiality Assessment, which aligns with the CSRD.
- Expanded collection of harmonised Scope 1 and 2 data across production, logistics, sales and R&D departments.
- Included new reporting entities, such as the CIAP Atessa parts production plant, reflecting expanded coverage and improved data quality.
- Continued its transition to 100% renewable electricity at its own dealerships and initiated power-purchasing agreements (PPAs) – long-term contracts between electricity suppliers and customers – in its production facilities.



Introductions

Logistics | **Hiroshi Kawaguchi**

Honda Motor Europe Logistics President

Sustainable development can only be achieved through collective effort, and at Honda's European logistics division we are committed to this practice, as clearly outlined in our Sustainability Policy.

Honda's global Triple Action to ZERO objective is promoted at all of our logistics sites. This includes the previous installation of solar panels (in Italy, the UK, and Aalst, Belgium), and those that have more recently been fitted to our warehouses in Poland and Spain. In addition, facade insulation has been installed at the large warehouse in Ghent, reinforcing our commitment to reducing CO_2 emissions through targeted energy efficiency measures.

As part of our long-term vision toward 2050, we are currently conducting a feasibility study to replace the on-site gas heating systems at our logistics sites. Specifically, the evaluation of such alternatives for the painting line at HMEL-Aalst, which underscores our commitment to achieving carbon neutrality

In recent years, we have consistently looked for ways to reduce our environmental impact by enhancing the efficiency of our transportation operations, switching to multimodal transport following an extensive study. For example, transport by both train and barge is now used, which not only reduces CO_2 emissions but also has an impact on traffic and road safety.

However, while significant progress has been made, there are still steps to be taken towards achieving our goals in this area. This will require further strong and sustained support from our transport partners.

Across our European logistics facilities, we are actively pursuing a clean and safe society through a range of ongoing initiatives focused on creating safe and ergonomically optimised workplaces. By promoting and stimulating the Honda values through various initiatives among employees, we want to shape our employees into responsible citizens. In this way, they can contribute to a sustainable society as a Honda employee.

By keeping sustainability as a goal in all our businesses, HMEL is a proud owner of the international SDG Pioneer Certificate. We are honoured to have received our 26th nomination for the Sustainability Charter, reflecting our continued commitment to sustainable practices.

Through these and several other ongoing initiatives, we continue to play our part in working towards Honda's vision of being a sustainable company.

Introductions

Production | **Shinichi Ikeda**

Honda Italia Industriale (HII) President

Among European factories, sustainability is not merely a long-term ambition, it is a responsibility that guides our daily actions. In the face of growing global environmental and social challenges, we remain firmly committed to implementing tangible initiatives that generate value for individuals, society, and the planet.

A significant milestone on this journey is our dedication to achieving carbon neutrality in our plants, with a specific focus on Scope 1 and Scope 2 emissions. This objective aligns with Honda's global vision and exemplifies our commitment to reducing environmental impact through the adoption of innovative technologies and sustainable practices.

Our Associates are central to this transformation, and we place the health, safety, and well-being of our workforce at the forefront of our operations, fostering an inclusive and engaging work environment. Through the Honda Improvement System, our Associates are empowered to actively contribute to bottom-up improvements, especially in sustainability-related areas.

This approach cultivates a dynamic and responsive workplace where individual initiative and collaborative innovation drive meaningful progress. It is this culture that enables us to remain agile, resilient, and continuously evolving.

Furthermore, we recognise that our responsibilities extend beyond the confines of our production facilities. We believe that collaboration among European factories and across the entire value chain is essential to achieving both our business and sustainability goals. We are therefore committed, together, to make our targets a reality in the EU region.

Materiality and Strategic Alignment

Climate Change as a Double Material Topic

Honda Motor Europe classifies climate change as a double material topic. This means we assess it as material from both an impact and financial materiality perspective, in accordance with the European Sustainability Reporting Standards (ESRS) and the CSRD double materiality framework.

This determination was made during Honda Motor Europe's Double Materiality Assessment (DMA) in 2024, which evaluated sustainability topics across the company's European operations, products and value chain. The assessment considered both the potential and the actual environmental impacts of Honda's activities, as well as how climate-related risks and opportunities could influence financial performance, enterprise value and strategic resilience.

Relevance Across the Value Chain

Climate change mitigation and adaptation have been identified as relevant across the entire value chain, including:

- Upstream: Emissions from purchased goods and services (such as steel, plastics, batteries), supplier energy use and inbound logistics.
- Own Operations: Direct emissions from production, logistics, R&D centres and offices.
- Downstream: How our vehicles use energy, emissions from transportation to customers and end-of-life treatment.

The table below summarises how the subtopics of climate change align with value chain stages, materiality types and Honda's global climate ambition.

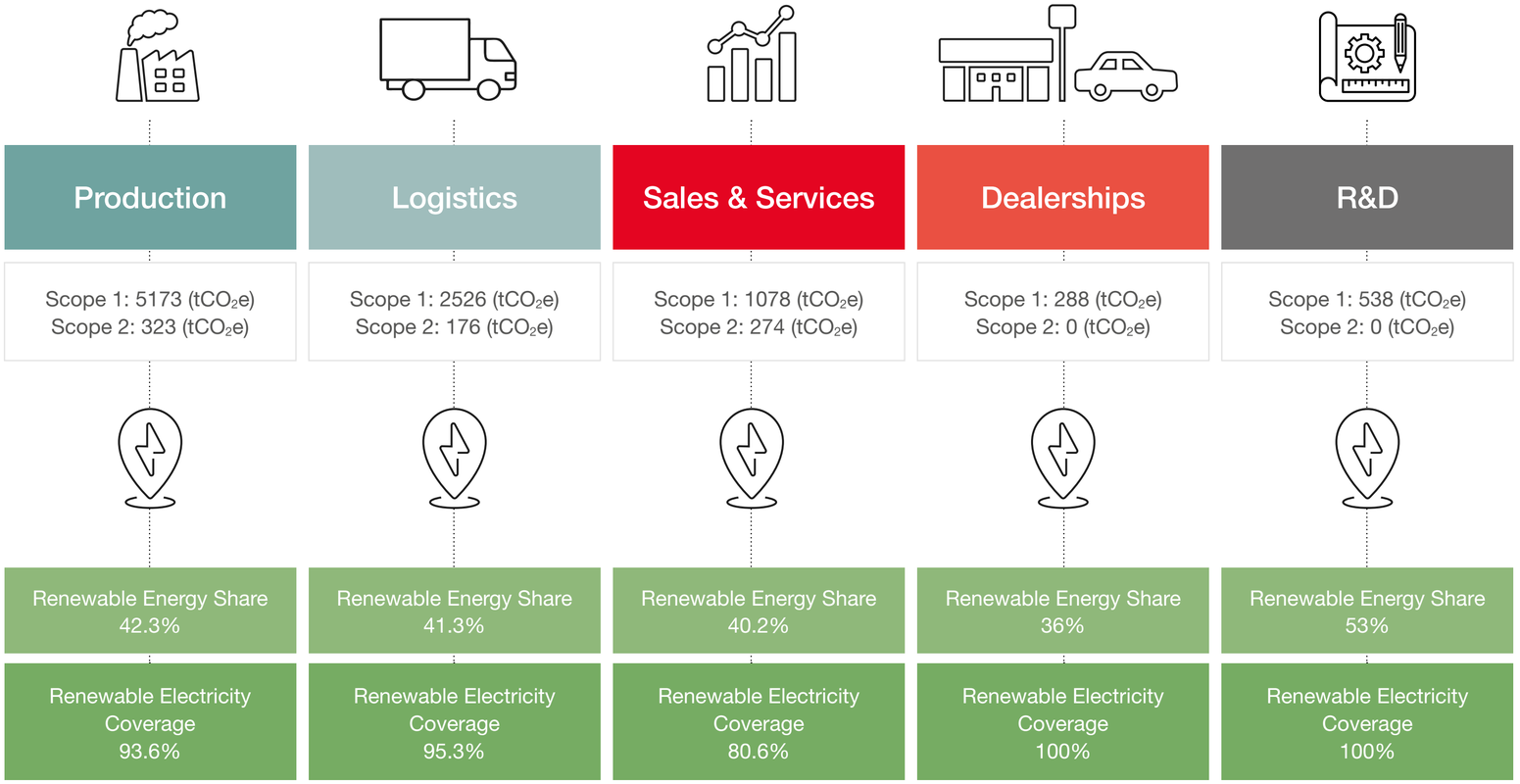
ESRS Category	ESRS Topic Title	Subtopic	Materiality Type	Time Horizon	Value Chain Location
Environment	Climate change	Climate change mitigation	Impact & Financial	Long-term	Across
		Climate change adaptation	Impact	Medium-term	Across
		Energy	Impact	Short-term	Across

Note: This classification corresponds to European Sustainability Reporting Standards E1, which mandates the disclosure of greenhouse gas emissions, energy mix, climate risk management, transition plans and resilience strategies.

Emissions Performance in Europe

Scope 1 and 2 Emissions Overview 2025

The following table presents Scope 1 & 2 greenhouse gas emissions across five functional areas in the EU.



Honda Motor Europe applies the same GHG calculation methods as the global report to ensure consistency.

Scope 1: Emissions are calculated from fuel use and non-energy sources using emission factors from the 2006 IPCC Guidelines and GWPs from the IPCC Fifth Assessment Report (AR5). Some values are estimated and mainly cover stationary sources.

Scope 2: Emissions from purchased electricity, steam, and hot water are calculated using the GHG Protocol market-based method, applying adjusted factors from local utilities or, where unavailable, national/regional factors from the IEA's Emissions from Fuel Combustion.

All results are expressed to three significant figures.

HEPS

Responses to Climate Change and Energy Issues

Three initiatives to achieve environmental performance targets

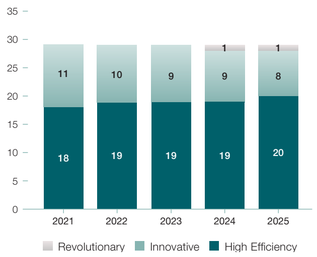
‘Use of products’ accounts for approximately 80% of the CO_2 emissions from Honda’s entire product lifecycle. As such, the business is working to reduce these levels during the manufacture and operation of its products, thereby establishing them as increasingly environmentally friendly with consumers.

To date, Honda has carried out the following three initiatives to reduce greenhouse gas emissions, most notably CO_2 emissions, while expanding production and sales globally:

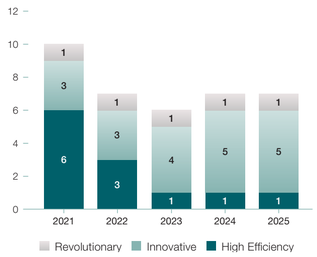
1. **Reducing CO_2 emissions from its internal combustion engines through efficiency improvements**
2. **Innovating and introducing more environmentally friendly technologies and diversified energy sources**
3. **Increasing the use of renewable energy and total energy management**

By implementing these initiatives in phases, Honda is steadily reducing its CO_2 emissions in accordance with the Honda Environmental Performance Standard (HEPS), which outlines a series of unique and advanced product guidelines first formulated in 2011.

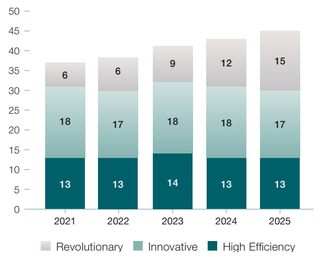
Motorcycle Models per HEPS Category



Car Models per HEPS Category



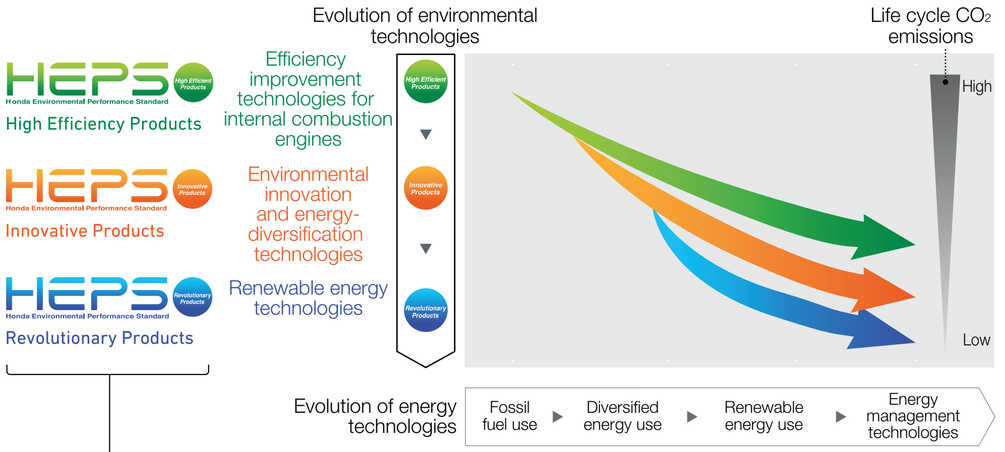
Power Equipment Models per HEPS Category



At the time of publication of this report, Honda’s HEPS-compliant European product range comprised 29 motorcycles, seven automobiles, and 45 power product models.

Honda’s ultimate goal is to make its entire product range HEPS compliant.

**In previous Honda European Environmental Reports (HEER), some classifications and figures related to HEPS were not fully accurate. These have been reviewed and updated in this year’s report.*



- **High Efficiency Products**

Products that lower CO_2 emissions by improving internal combustion engine efficiency. This category includes products that incorporate technologies for improving fuel combustion and transmission efficiency, and reducing friction between engine parts. Compliance is determined based on how much a product reduces CO_2 emissions during use compared to preceding models.

- **Innovative Products**

Products that lower CO_2 emissions because they use an environmentally innovative technology or a diversified energy source. Environmentally innovative technologies include motorcycles that incorporate Honda’s proprietary Idling Stop System, automobiles that incorporate hybrid or direct-injection engine technologies, and power products equipped with a fuel injection system (FI) feature. Diversified energy sources include motorcycles and automobiles that can run on ethanol, and power products that can run on gaseous fuels. Compliance is determined based on how much a product reduces CO_2 emissions during use as compared to preceding models.

- **Revolutionary Products**

Products that aim to achieve zero CO_2 emissions by harnessing renewable energies or facilitating total energy management. This category includes products that incorporate electromotive technologies or those which utilise renewable energy.

Case Studies

Renewable Energy

Honda Motor Europe took a major step in 2021, when we fully transitioned to 100% renewable electricity across our dealerships and R&D sites. Power comprises a combination of green electricity from the grid and energy produced on site from windmills and solar panels.

In 2025, Honda Italia Industriale (HII) will complete the installation of heat pump systems to manage the plant's heating, cooling and hot water. The company began replacing traditional natural gas boilers with high-efficiency electric heat pumps for heating and climate control. This replacement program was completed in early 2024, when HII finalized the upgrade of the office building's HVAC system and permanently decommissioned the gas boiler.

The final phase of the transition — installation of a dedicated heat pump for the canteen and sanitary water systems — is scheduled for completion by November 2025. The total estimated emissions reduction from these electrification and gas reduction measures is approximately 412 tonnes of CO_2.

The Train Project

HII launched the 'Train Project' in 2022 – a forward-thinking initiative aimed at making its logistics chain more sustainable. By shifting the transport of imported components from road to rail, the company introduced a new intermodal route from the Port of Trieste to the Manoppello warehouse, located just 75km from the Atessa factory.

Developed in collaboration with rail transport specialists, this strategic move addressed multiple critical challenges: motorway congestion, the need to decarbonise freight transport and cleaner supply chains. The impact was immediate and significant, leading to an annual reduction of 789 tons of CO_2 emissions linked to logistics.

The project was further enhanced in 2024 through optimization of the final leg of the delivery route. The destination was relocated closer to the production facility, significantly reducing transport distance between the warehouse and the plant. This adjustment led to a further decrease in road transport activity and additional reductions in CO_2 emissions.

Pollution

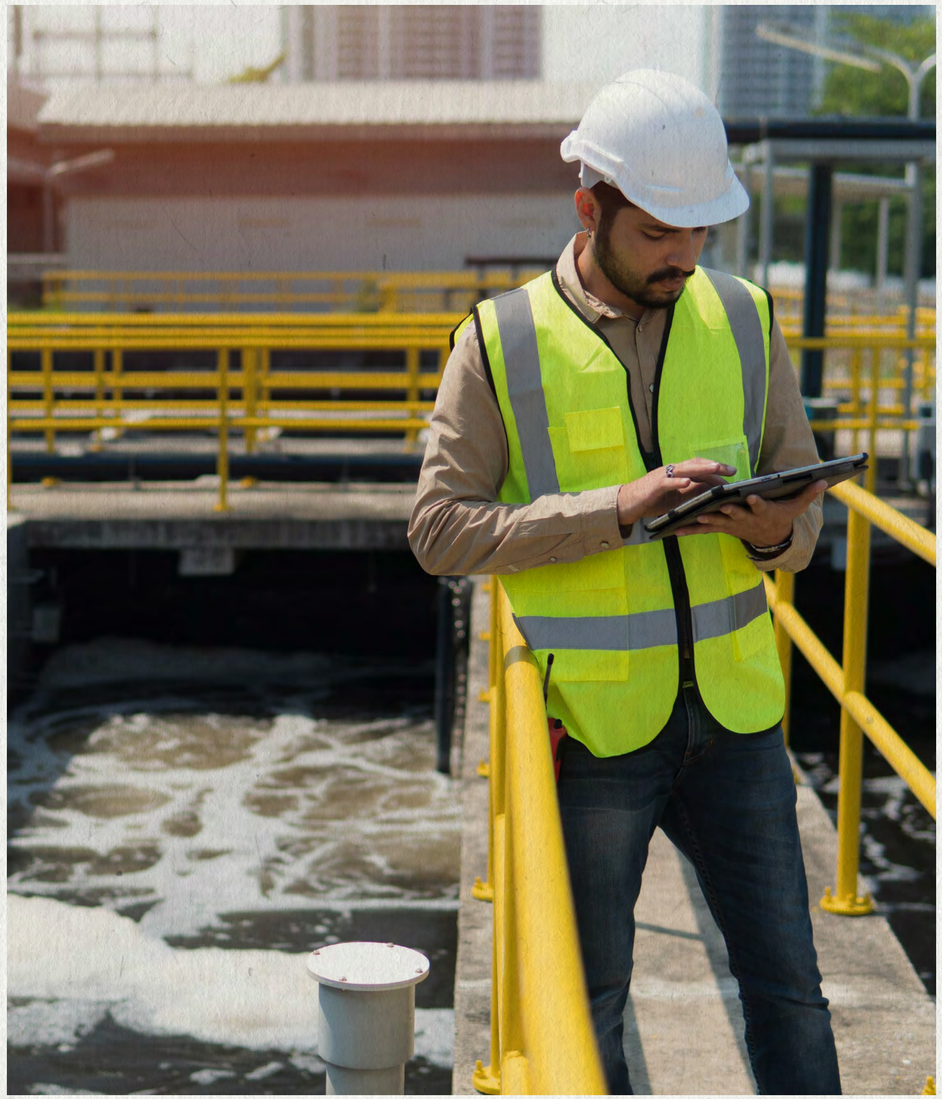
Pollution as a Material Topic

Pollution was identified as a material sustainability topic in our 2024 Double Materiality Assessment (DMA) – particularly air pollutants, hazardous substances and waste generated from operational processes.

The classification was based on the potential environmental and health impacts of pollutant emissions, especially in densely populated areas, and the financial risks associated with regulatory compliance and market reputation. While Honda Motor Europe's operations do not involve heavy industrial processes, several pollutants are still relevant across the value chain, including:

- Air pollutants, especially nitrogen oxides (NO_x) and volatile organic compounds (VOCs) from manufacturing, logistics and facility heating.
- Substances of Very High Concern (SVHCs) used in paints, solvents and other materials. They are regulated under the EU's registration, evaluation, authorisation and restriction of chemicals (REACH) law.
- Water and soil pollutants, primarily in relation to pre-treatment processes and waste streams.

These pollutant types are linked to both current and emerging EU regulations, including the Industrial Emissions Directive (IED), the Air Quality Standards Directive and the Waste Framework Directive.



Double Materiality Alignment

The table below presents the pollution-related subtopics identified as material in the DMA and their classification under the Corporate Sustainability Reporting Directive (CSRD)/ European Sustainability Reporting Standards (ESRS) framework:

ESRS Category	ESRS Topic Title	Subtopic	Materiality Type	Time Horizon	Value Chain Location
Environment	Pollution	Air pollutants (NOx, VOCs)	Impact	Short-term	Own operations
		Substances of very high concern	Impact	Short-term	Own operations
		Pollution of Living Organisms / Food Resources	Impact & Financial	Medium-term	Across

These topics were prioritised based on stakeholder feedback, operational relevance and regulatory proximity. While these pollutants may not carry the same company-wide financial risks as climate-related topics, their localised impacts and reputational exposure render them critical to Honda's European operations.

Global Policy Alignment

Honda's global report highlights key group-level efforts, such as:

- A push toward eliminating VOCs and SVHCs in production and service operations.
- The reduction of wastewater discharges via closed-loop water systems.
- Continued adherence to REACH, including the substitution of high-impact substances across global supply chains.
- ISO 14001 certification and continuous improvement cycles at production and logistics sites worldwide.

These principles are embedded in the day-to-day management of pollution risk at Honda Motor Europe.

Current Practice in Europe

In Europe, pollution prevention is guided by a combination of certified environmental management systems (EMS), legal compliance and internal operational controls. While pollutant-specific data (such as total NOx/VOC emissions) is not yet consolidated across the region, most operational sites manage pollutant risks through:

- **ISO 14001-based EMS**, including emission tracking, threshold compliance and pollution incident response.
- **Local air permits** that set caps for pollutants such as NOx and VOCs, especially in warehousing and production.
- **Responsible wastewater management practices**, especially in production where pre-treatment and surface finishing occur.

Implementation Outlook and Next Steps

While pollution is often less acknowledged than greenhouse gas emissions, we recognise that it has significant implications for local environments, community well-being and Honda's long-term viability. Pollution will remain a tracked material topic under our ESG governance and subject to future review as part of our annual DMA refresh and CSRD implementation roadmap.

Water

Initiatives

Water-related problems are becoming more serious, such as floods and droughts caused by the effects of climate change and the expected increase in water demand due to the growth of the world's population.

Honda recognises the potential impact on local communities and downstream water resources in areas where we draw water and is committed to water conservation.

We select regions that harmonise with surrounding water resources and conduct our corporate activities in accordance with each country's environmental assessment regulations.

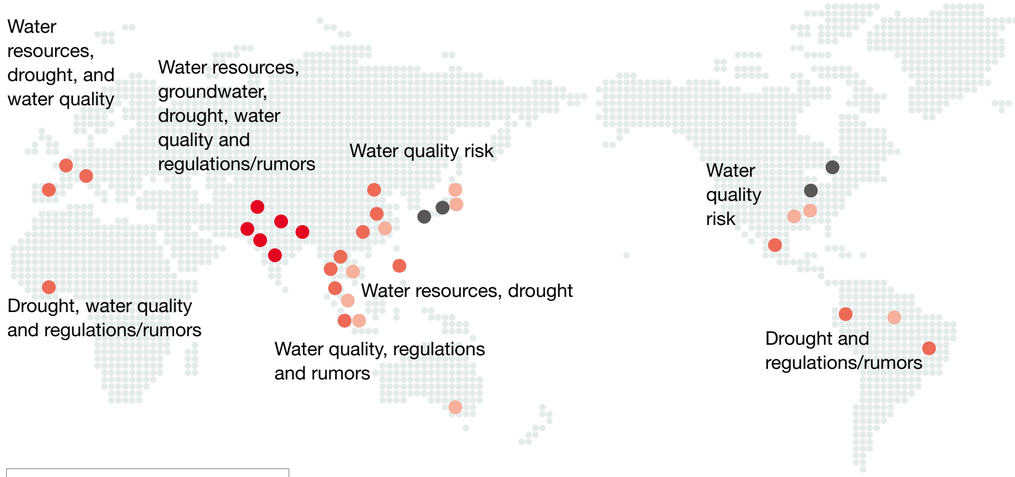
We aim to achieve zero industrial water withdrawal by 2050 and are working to minimise water use by using recycled water and via local water conservation efforts, accounting for regional conditions.

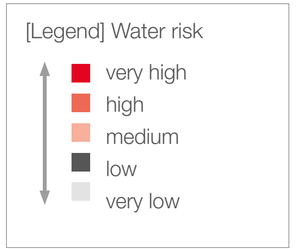
Water is unevenly distributed by region and season. At our production sites that use large amounts of water, we verify and identify local risks in terms of water resources, groundwater, drought, water quality, regulations and rumours using evaluation indicators such as the World Resource Institute's Aqueduct and WWF's Water Risk Filter to promote risk-based initiatives.

Metrics and Targets / Target for 2050

Management Indicator (KGI)	Category	Target	Target for 2050
		Fiscal Year Ending March 31, 2031	
Reduction rate of total water intake in corporate activities	Consolidated (compared to BAU)	12%	**Zero industrial water withdrawal**

Operational risk: Water heat map





Water Management Practices in Europe

Honda's European operations implement a range of controls and practices to responsibly manage water use and discharge. These include:

- Environmental Management Systems aligned with ISO 14001, which incorporate water use, discharge quality and efficiency.
- Water pre-treatment and filtration systems to ensure legal compliance prior to discharge.
- Monitoring of water use intensity and discharge volumes, reported to the relevant local authorities and in line with their requirements.
- Spill prevention protocols to avoid contamination of soil and waterways from chemicals or oils.

While the overall water demand from operations is modest, events such as process changes, future regulation or climate-related events could influence future water needs or constraints.

Outlook and Future Considerations

Honda Motor Europe will continue to monitor and manage water use and marine interaction as part of its broader environmental strategy. This includes:

- Maintaining compliance with EU and national water legislation.
- Exploring opportunities to enhance water efficiency and recycling.
- Strengthening visibility of water metrics in line with stakeholder expectations.
- Reviewing water-related risks and impacts during ongoing updates to environmental and sustainability assessments.

Future reports will provide more detailed information on water use performance indicators as Honda's data systems and sustainability frameworks are further developed.

Case Study

Water Treatment System in Honda Italia

The Honda Italia Industriale plant has planned to install an evaporation system to treat the water used in painting processes in 2025. Water can be recovered in the production cycle by reusing the distilled product in the washing cycle, significantly reducing the need for wastewater control.

The elimination of large quantities of untreated water also avoids logistical problems and costs related to storage and transport. The system's goal is to treat approximately 4,000 tons of water per year, while re-using about 75% of it. As well as addressing the problem of treating polluted water, the investment benefits from a short payback period and low maintenance costs.

Biodiversity and Ecosystems

Honda Approach

Honda set biodiversity conservation as a materiality factor as part of its Double Materiality Assessment (DMA).

Honda recognises 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, usage and disposal after use. In line with the Honda Biodiversity Guidelines established in 2011, the company is working to minimise or completely avoid impacting nature and has also introduced restoration and rehabilitative initiatives.

Honda Biodiversity Guidelines

Biodiversity Statement

We recognise, 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, next-generation cars, 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 “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

Extracted from Honda Global ESG Report 2025

Biodiversity and Ecosystems

Approach

Priority Site Assessment

We use indicators from the Integrated Biodiversity Assessment Tool (IBAT) to comprehensively evaluate biodiversity risks at our production sites. The evaluation is 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
- Effectiveness of environmental restoration/nature rehabilitation through conservation activities

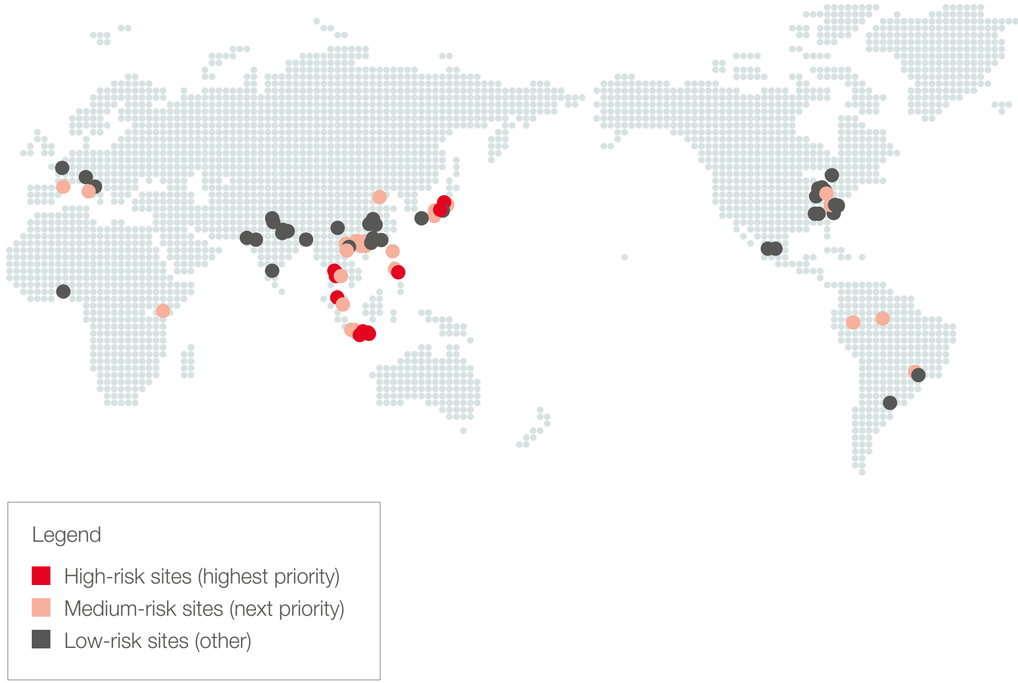
Based on the results, we identify relatively high-risk priority sites and consider specific measures for biodiversity conservation.

The assessment and identification of endangered species and priority sites is conducted with the support of BirdLife International Tokyo, a specialist organisation in biodiversity evaluation.

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

Priority Site Assessment: Heat Map

Priority Analysis for Biodiversity Conservation



Extracted from Honda Global ESG Report 2025

European Context

Risk Screening and Emerging Priorities

As part of global biodiversity screening of its facilities, Honda has designated two European sites as having a medium level of biodiversity risk:

- Honda Italia Industriale – Italy
- Montesa Honda – Spain

These sites were identified based on their proximity to semi-natural habitats, land use intensity, and potential surface-level ecological pressures. While they are not located within Natura 2000 areas (the European Environment Agency's protected natural areas), they serve as the start point for deeper site-specific exploration of biodiversity opportunities in the region.

Honda Motor Europe has not historically reported on biodiversity in a structured way. This marks the beginning of a more formal focus on how operational footprints intersect with local ecosystems.

These topics are aligned with European Sustainability Reporting Standards (ESRS) E4 disclosures, serving as foundations for future development and risk management key performance indicators.

Implementation Outlook and Next Steps

Honda Motor Europe is in the early stages of integrating biodiversity considerations into its sustainability approach. Building on global guidance and recent risk identification, a structured path is being considered that may include baseline assessments, engagement with local stakeholders and the progressive alignment of environmental management systems with biodiversity objectives.

Future disclosures will explore opportunities to define site-level indicators and describe actions taken around key locations such as Honda Italia Industriale and Montesa Honda. Additional guidance and further engagement will support these next steps.

This topic will be reviewed as part of Honda Motor Europe's ongoing corporate sustainability reporting directive (CSRD) implementation roadmap and updated in subsequent sustainability reports as work progresses.

Biodiversity Case Study

Protecting the Global Environment: Biodiversity in Rural and Urban Areas

Honda Bank-Spain, led a series of environmental workshops to increase sustainability knowledge and support biodiversity in the Espacio Rural Gallecs in St. Perpetua, Barcelona. An ESG committee launched an eco-orientation race, which tasked Honda associates with solving sustainability challenges while enjoying their surroundings.

Associates were then taught 'nendo dando' (a Japanese technique of creating seed bombs) and how to build nest boxes. Each activity helped to promote soil restoration and attract more wildlife respectively.

Resource Use and Circular Economy

Global Positioning and Strategic Direction

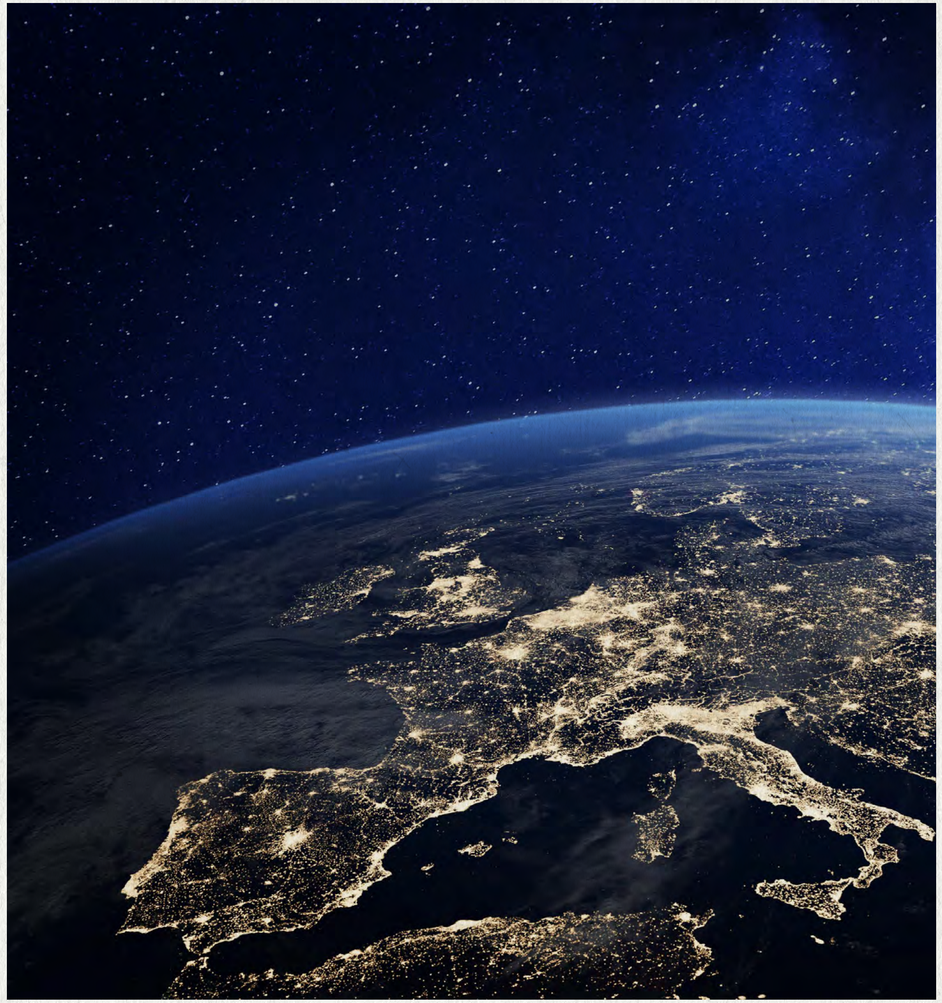
Honda's global sustainability strategy emphasises achieving zero environmental impact by 2050, and circular economy principles are central to this ambition. As such:

Honda aims to create a recycling society, where resources are used efficiently through all stages of the value chain – from design and procurement to production, use and recycling.

The approach includes:

- Designing products for durability, reusability and recyclability.
- Reducing dependency on virgin raw materials (those extracted directly from nature without processing, such as timber, coal or natural gas).
- Advancing battery re-use and recycling systems.
- Minimising waste and promoting recycled materials.

The company has established internal systems for monitoring resource inflow, product-level circularity and waste generation, which contribute to key targets under the Triple Action to ZERO framework.



Resource Use and Circular Economy

Honda Approach

Environmental Impact of Mining Scarce Resources Associated with Product Electrification

Our lives involve production, consumption and disposal, each of which relies on multiple resources. Global population growth and economic development means the demand for these continues to rise, and extensive extraction has become a societal issue. In addition to consuming limited resources in large quantities, such extraction entails energy consumption, CO_2 emissions and land alteration, resulting in environmental impacts that depend on and affect natural capital.

Electrification is an effective means of reducing CO_2 emissions when products are in use, but 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 in their construction.

The extraction of scarce resources involves substantial energy consumption and significant CO_2 emissions. It is therefore crucial to focus on efficient, low-energy resource use – referred to as resource circulation – and sustainable recycling.

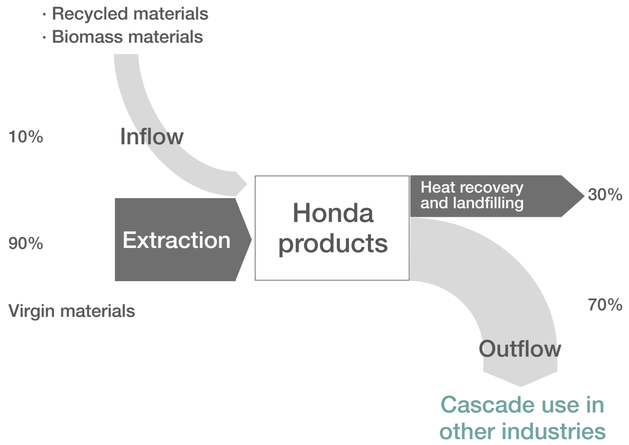
At present, approximately 90% of the resources used in new car manufacturing rely on newly mined materials. In addition, about 70% of the resources from dismantled vehicles are recycled and reused, often cascading into other industries, with the remaining 30% either incinerated for heat recovery or ending in landfill.

The exceptionally high standards for quality and safety adopted throughout the automotive industry presents challenges for the use of recycled materials. Moreover, advancing electrification increases the demand for scarce resources, leading to potential risks of rising prices and supply shortages, which could affect the availability of products and services. It is therefore essential to promote resource circulation that facilitates the use of recycled materials.

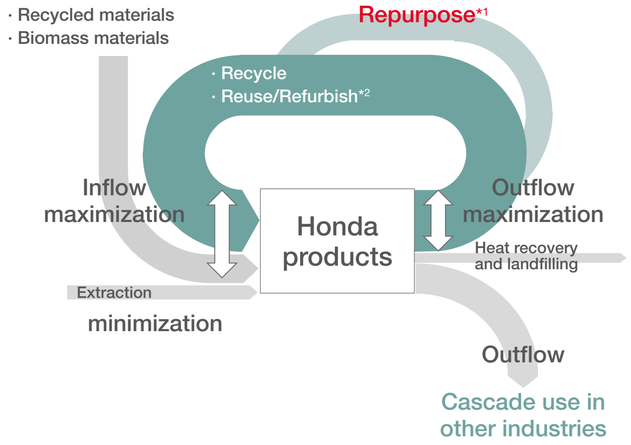
In a traditional, linear business model, based on production and disposal, the recycling process is not included in the supply chain. However, we are working to reach beyond the conventional business model and achieve resource circulation by collaborating with relevant industries.

Alongside our efforts towards achieving carbon neutrality, we are addressing societal challenges related to resource usage, striving to continuously provide the ‘joy and freedom of mobility’ through our products and services.

Traditional Material Flow



Ideal Circular Material Flow



*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

Resource Use and Circular Economy

Approach

Achieving Horizontal Recycling by Maximising the Use of End-of-Life Products

Honda aims to achieve resource circulation through horizontal recycling*, which maximises the use of end-of-life vehicles (ELVs). This approach requires the development of a new circular value chain, and Honda is working to acquire capabilities beyond its current corporate activities to build it. The insights and technologies gained from this effort are expected to support new businesses and products designed with a circular economy in mind, as well as the innovative technologies to achieve them. Consequently, we are focusing on transforming our business from a mass consumption model to a circular one.

Creating Economic Viability in Resource Circulation

Fully utilising the value of products and parts during their lifecycle, and highly efficient recycling of used products while ensuring economic viability, are both vital for resource circulation.

To fully utilise the value of products and components, we will focus on reusing and repurposing them. We will also use data to visualise value throughout the product lifecycle, facilitating regulatory compliance, proper transactions of products and components, and to promote their effective use.

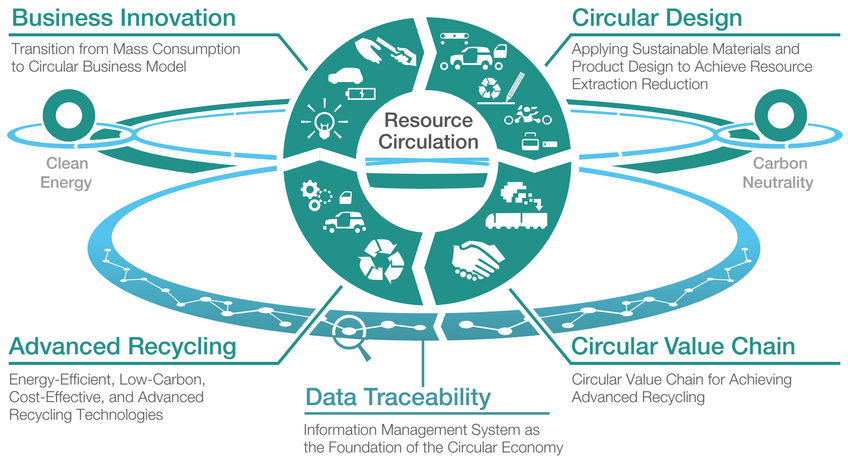
To efficiently recycle used products, it is crucial to incorporate circular-oriented materials into their initial design. For products currently under development, we are advancing the replacement of materials with those designed for circularity, integrating material types and adapting specifications 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 approaches into products, we will also focus on expanding future horizontal recycling efforts. We are working with our partners to develop advanced recycling technologies, including those for dismantling, shredding, sorting and reprocessing materials, all aimed at balancing environmental impact reduction and economic viability.

Extracted from Honda Global ESG Report 2025

Five Key Principles of Resource Circulation



Business Innovation
Honda is committed to shifting to a recycling-oriented business that uses up products and parts throughout their entire life cycle and efficiently recycles them.

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 visualisation of social values, such as lifecycle CO_2 emissions and recycling rate, to prove compliance with laws and regulations and to promote appropriate trade and use of recycled materials. The company is committed to proving maintenance history and improving resource recovery rates through the extensive use of digital technologies.

Circular Design
Honda is committed to creating a system based 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 to optimise 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 maximises economic efficiency.

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

Materiality and Relevance to Europe

Honda Motor Europe's 2024 Double Materiality Assessment (DMA) confirmed several subtopics under European Sustainability Reporting Standards (ESRS) E5 to be material from an impact perspective. This reflects increasing regulatory and stakeholder focus on resource resilience, material efficiency and end-of-life responsibility.

ESRS Category	ESRS Topic Title	Subtopic	Materiality Type	Time Horizon	Value Chain Location
Environment	Resource Use & Circular Economy	Resource inflows, including use	Impact	Medium-term	Upstream
		Resource outflow from products and services	Impact	Long-term	Across
		Waste generation and recycling	Impact	Short-term	Own operations

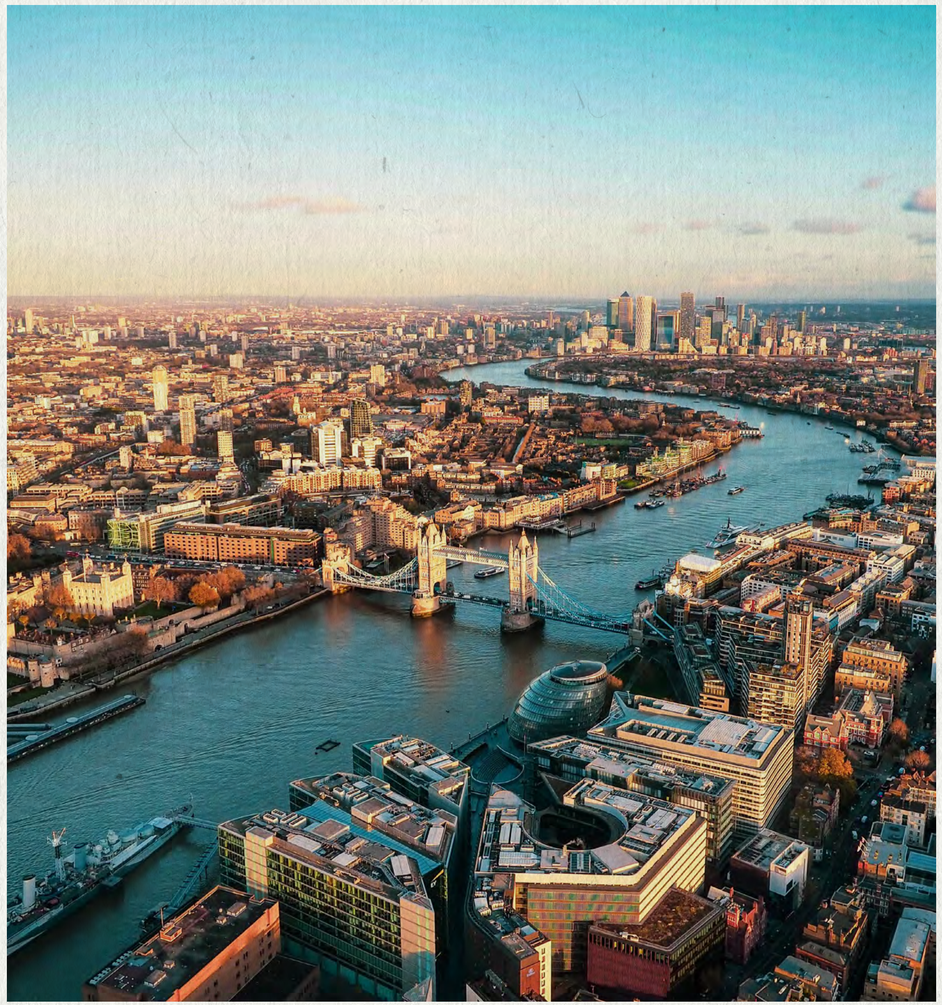
These areas are increasingly important, particularly due to the expansion of EU policy under the Circular Economy Action Plan, the Waste Framework Directive and Battery Regulation (EU) 2023/1542.

Circularity in Practice Across Europe

While regional circularity key performance indicators are under development, Honda Motor Europe has already introduced several practices that align with the global direction:

- Use of recycled-content packaging in parts logistics.
- Initiatives to support battery recovery and reuse.
- Efforts to extend product life cycles through robust design and shared infrastructure.

Several initiatives, already underway, demonstrate progress and innovation in these areas across the value chain (see Case Studies and Examples on next page).



Case Study

Development and Deployment of Swappable Battery Technology (Circular Design, Resource Efficiency)

The Honda Mobile Power Pack e: (MPP) is a portable and swappable lithium-ion battery, designed to power small electric mobility products and equipment. By enabling battery sharing and re-use across multiple applications – including electric motorcycles and power tools – the MPP system contributes to reducing environmental impact through resource circulation.

The battery pack is engineered for durability and safe, repeated recharging, which lends itself to a longer product life and, in turn, minimises battery waste. Through collaborations and the establishment of battery swapping infrastructure, Honda aims to expand the adoption of MPP technology globally, contributing to a carbon-neutral society by promoting electrification and efficient energy use.

Sustainable Packaging in Logistics

Honda Motor Europe Logistics (HMEL) is actively adopting more sustainable packaging by promoting both reusability and the use of recycled materials across its spare parts logistics operations. HMEL employs reusable iron crates for transport between Honda logistics centres and across international branches. These crates are colour-coded and returned to their respective owners, supporting a circular use model. Additionally, wooden collars are used between Ghent and Aalst to secure unstable loads during transit.

In line with material sustainability goals, all plastic packaging will aim to contain at least 35% recycled content, while cardboard packaging will aim to have a minimum of 70% recycled content. In line with these targets, the percentage of purchased cardboard packaging that contains more than 70% recycled material has increased from 81.16% to 96.66% between April 2025 and May 2025.

SNAM
SNAM GROUPE

Battery Recovery and Recycling (SNAM Partnership)

Batteries are a key consideration for the responsible end-of-life management as Honda continues the electrification of its product line-up. As such, the company has extended its long-standing partnership with battery recycler SNAM, to collect and recycle high voltage batteries from end-of-life hybrid and electric vehicles, including Honda's first electric motorcycle, the CUV e:, which will launch in Europe in the current financial year.

Honda has worked with SNAM since 2013 to ensure the traceability of end-of-life batteries. Through its network of collection partners and deep-rooted experience in battery recycling, it collects Honda batteries from across the continent, and recycles them in accordance with European standards. This creates black mass – the physical material that results from battery recycling – that can be refined and used in future battery production.

Packaging material reuse and recycling at Honda Italia Industriale

Numerous circularity initiatives for packaging materials have emerged within the inbound logistics department because of a bottom-up approach, in collaboration with other production areas. The teams have focused on recovering and reusing packaging materials from components and parts received from both local and overseas suppliers or those used by other production sections. In 2024, these initiatives involved the reuse of approximately:

- 26,000 plastic bags
- 10,000 bubble bags
- 20,000 foam bags
- 513kg of cardboard boxes

Rather than becoming waste, these materials have been repurposed to re-pack other components for new shipments. The environmental benefits include the reuse of 1,076kg of plastic and 513kg of cardboard, creating an estimated saving of 2.044 tons of CO_2.

Looking Ahead

Honda Motor Europe will continue to embed circular economy principles by:

- Aligning product design with extended lifespans and recyclability.
- Strengthening data systems to report resource use and waste outcomes.
- Collaborating with global teams and external partners to accelerate battery circularity.
- Increasing the use of secondary materials in packaging and product components.

Circularity is expected to be a growing area of strategic focus and disclosure in future reporting cycles.

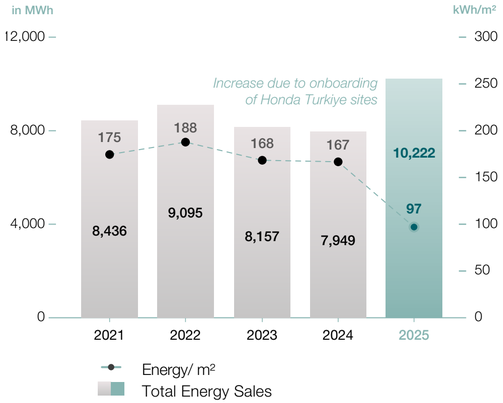
Scope

This section covers the consolidated data of Honda's sales subsidiaries across Europe. For the first time, this year's reporting includes environmental data from three Honda Turkiye A.Ş. (HTR) sites. The inclusion of these sites has resulted in a significant increase in reported figures for energy consumption, CO_2 emissions, waste generation and water usage across the sales and HTR subsidiary categories. Year-on-year variations in the data are also influenced by ongoing organisational restructuring and changes in the utilisation of site surface areas, which affect operational intensity and environmental performance.

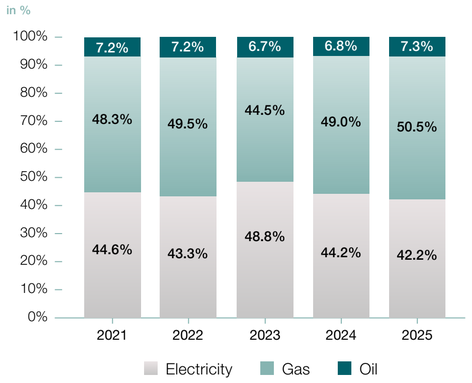
Sales

Sales Subsidiaries

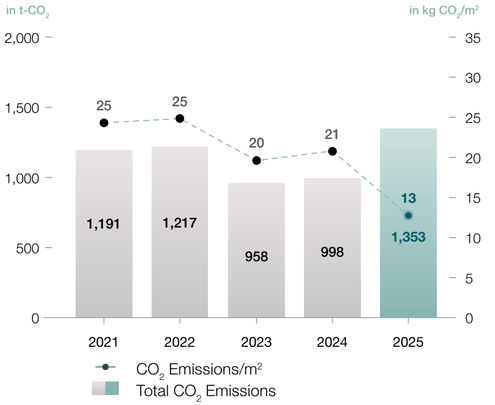
Energy Consumption for Sales Offices



Energy by Source for National Sales Offices



CO_2 Emissions for National Sales Offices



Energy

Over the past five years, total energy consumption across sales offices has remained relatively stable, with only minor year-on-year fluctuations. In 2025, however, there is a noticeable increase – driven by the inclusion of energy data from three newly added Honda Turkiye A.Ş. sites. This change has resulted in a 29% increase in overall energy consumption compared to the previous year.

Despite this increase in absolute energy use, energy intensity – measured as consumption per square metre – decreased significantly by 46%. This reflects improved energy efficiency across the expanded operational footprint and highlights the positive impact of consolidation and optimisation efforts within the sales network.

Energy Mix

The energy mix across sales offices has remained stable over the past five years, with electricity and gas consistently accounting for most of the total energy use. There have been no significant changes in the proportions of electricity, gas or oil used during this period.

This trend has continued in 2025, with no major shifts in energy sourcing or fuel types. The consistent mix reflects stable operational practices and energy procurement strategies within the sales network.

CO_2

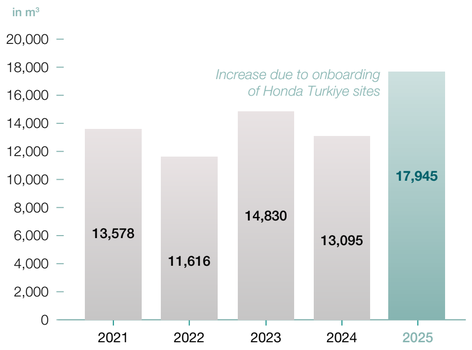
Since 2021, total CO_2 emissions from national sales offices have decreased by 17%, largely driven by improved energy efficiency measures and the gradual transition to renewable electricity sources. This downward trend reflects ongoing efforts to reduce the environmental impact of operational activities.

In 2025, total emissions increased due to the inclusion of data from three additional Honda Turkiye A.Ş. sites. However, when adjusted for floor space, emissions intensity (CO_2 per m²) improved significantly, dropping from 21 kg CO_2/m² in 2024 to 13 kg CO_2/m² in 2025. This indicates enhanced efficiency across the broader reporting base, despite the rise in absolute emissions.

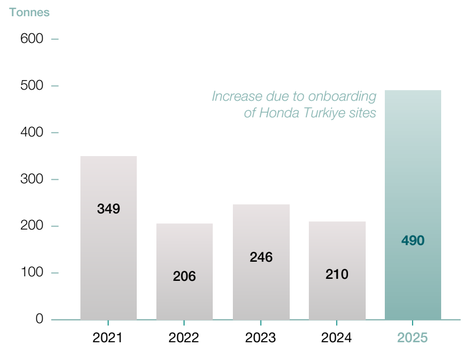
Sales

Sales Subsidiaries

Water Usage for Sales Offices



Total Waste for Sales Offices



Water Consumption

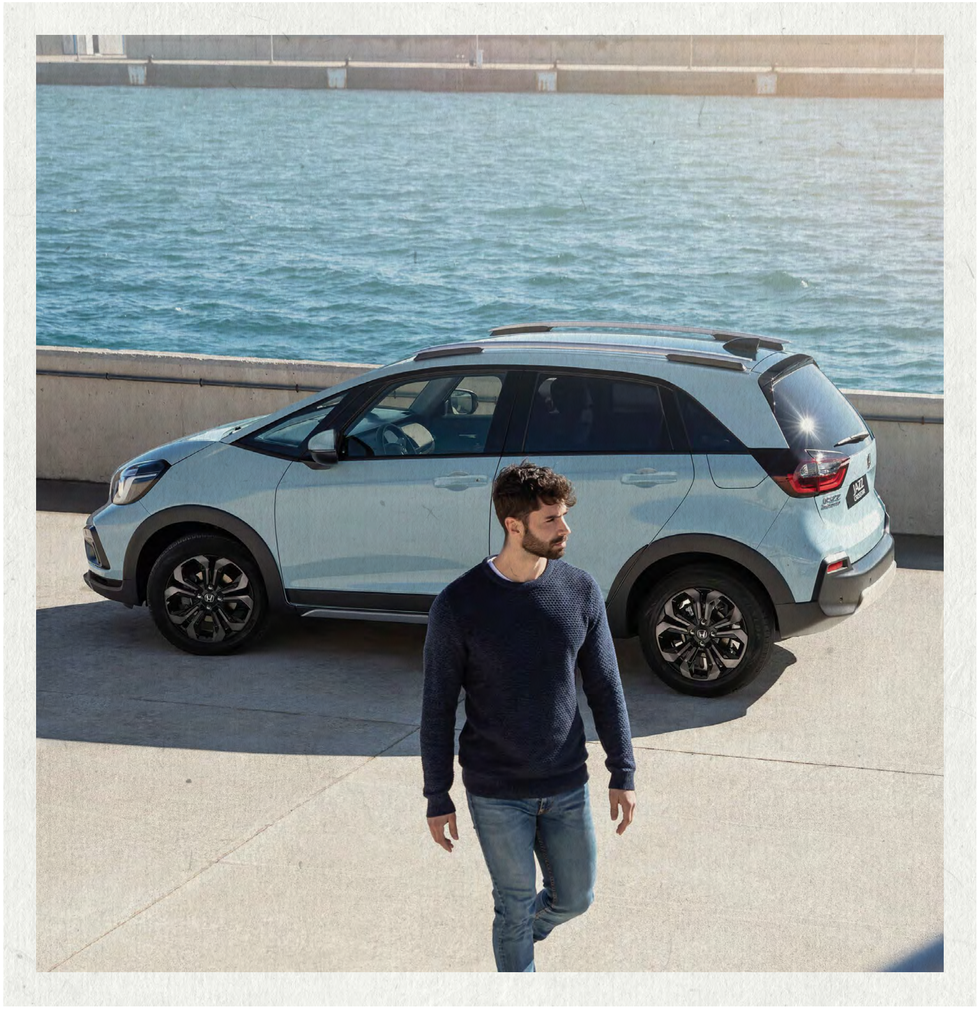
Water usage across sales offices has generally followed a gradual downward trend in recent years, largely due to reduced irrigation needs at southern sites such as those in Spain. These improvements reflect ongoing efforts to enhance water efficiency in non-production facilities.

In 2025, however, total water consumption rose significantly, reaching 17,945 m³, compared to 13,095 m³ in 2024. This represents a 37% year-on-year increase, primarily due to the inclusion of water data from the newly added Honda Turkiye A.Ş. sites. Despite this absolute increase, performance across existing sites remained aligned with the ongoing efficiency trajectory.

Waste

Total waste generated by sales offices saw a sharp increase in 2025, rising to 490 tonnes – more than double the previous year's figure of 210 tonnes. This spike is primarily attributed to the inclusion of waste data from three additional Honda Turkiye A.Ş. sites, which were added to the reporting scope for the first time.

Prior to this, waste volumes had remained relatively low and stable, reflecting routine office-based activities and effective waste management practices. The current increase reflects a broader operational footprint, rather than a decline in performance at existing locations.



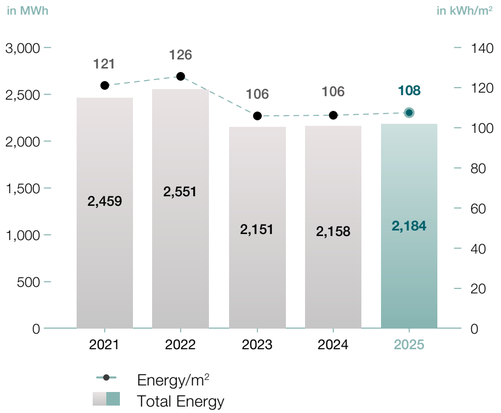
Scope

This section covers environmental data from nine Honda-owned dealer sites, comprising six in Switzerland and three in Germany. These are the only retail operations included in the consolidated reporting scope. All nine dealerships use 100% renewable electricity, reinforcing Honda's commitment to decarbonising retail operations and supporting local clean energy markets.

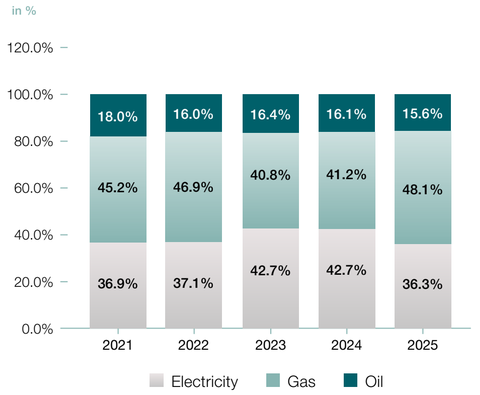
Sales

Dealers

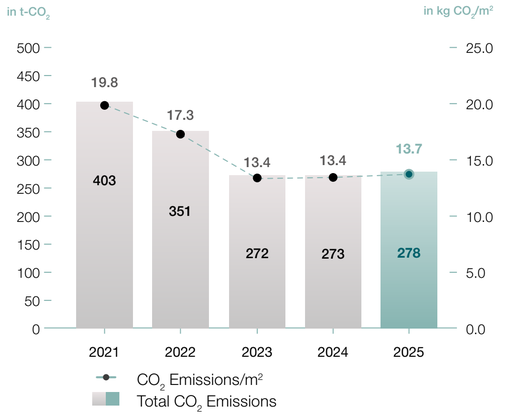
Energy Consumption for Dealers



Energy by Source for Sales Dealers



CO_2 Emissions for Dealers



Energy

Energy consumption across Honda's owned dealerships has remained broadly stable over the past five years. After a slight increase early in the period, consumption fell by nearly 16% at its lowest point, before edging up again in the most recent year.

Energy intensity followed a similar pattern, with a notable efficiency gain of around 16% from peak levels, and only a marginal recent increase. These trends reflect consistent operational control and improved energy management practices.

Importantly, all dealership operations continue to be powered by 100% renewable electricity, supporting Honda's decarbonisation goals in the retail space.

Energy Mix

The energy mix at Honda-owned dealerships has remained relatively consistent over the five-year period, with electricity and gas together accounting for more than 80% of total consumption.

Electricity use peaked midway through the period, rising by nearly six percentage points, before declining to levels similar to the start of the period. Gas has remained the dominant energy source throughout, with its share increasing slightly in the most recent year. Oil usage has steadily decreased, falling by more than two percentage points compared to 2021.

Despite these small year-on-year shifts, the overall energy mix has remained stable, with no major changes in sourcing. All electricity used continues to come from 100% renewable sources.

CO_2

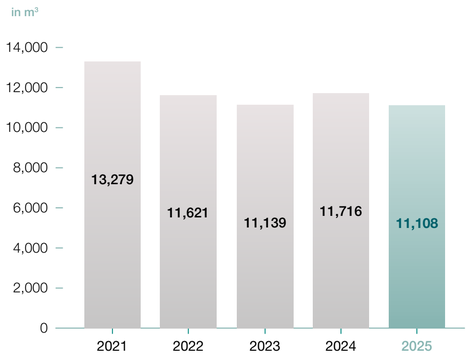
CO_2 emissions from Honda-owned dealerships have declined steadily since 2021, with overall emissions falling by more than 30% over the five-year period. This reduction is largely attributed to efficiency gains and the continued use of 100% renewable electricity, which eliminates emissions from that portion of the energy mix.

Despite these improvements, gas remains the largest source of CO_2 emissions in dealership operations. Emissions intensity (CO_2 per square metre) also followed a downward trend, with a slight variation in recent years, but remained well below initial levels, indicating sustained progress in emissions performance relative to operational scale.

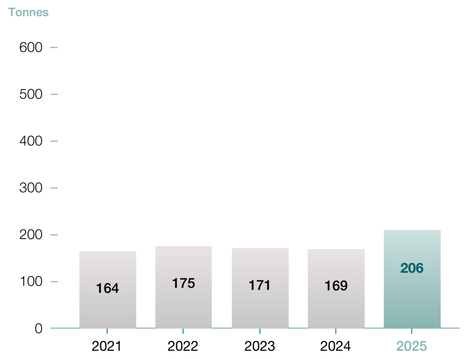
Sales

Dealers

Water Consumption at Sales Dealers



Waste at Sales Dealers



Water Consumption

Water consumption at Honda-owned dealerships has declined by approximately 16% since 2021, reflecting steady progress in reducing water use across retail operations. After a slight rebound in 2024, usage returned to its downward trajectory in the most recent year.

This overall reduction is likely linked to efficiency measures in facility operations, such as optimised cleaning practices and reduced reliance on water-intensive landscaping. This continued focus on responsible resource use supports Honda's broader environmental objectives at site level.

Waste

From 2021 to 2024, waste generation at Honda-owned dealerships remained consistently low and stable, with only slight year-to-year fluctuations. In 2025, total waste volumes increased modestly to 206 tonnes, up from 169 tonnes in 2024 — a rise of around 22%.

This increase was primarily due to a site refurbishment at one of our German dealerships, which generated a temporary spike in construction-related and demolition waste. Excluding this one-off activity, underlying waste generation across the dealership network remained broadly consistent with prior years, reflecting continued attention to waste management and recycling practices.

Scope

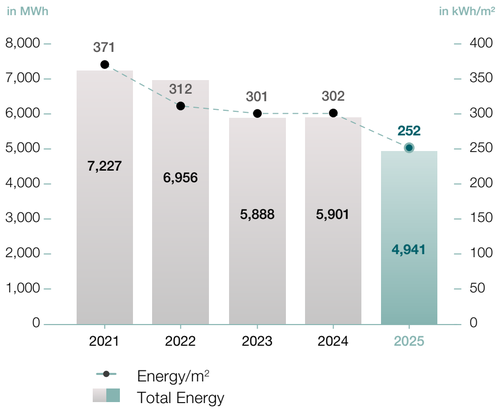
This section consolidates environmental data from three Honda research and development (R&D) facilities in the region. While these R&D sites are not operationally part of Honda Motor Europe, they are included in this report as affiliated Honda Co. entities in Europe and therefore fall within the central consolidated reporting scope.

The data covers key environmental indicators – including energy, CO_2 emissions, water usage and waste – generated through R&D-specific activities, and is reported separately from production, retail and sales operations.

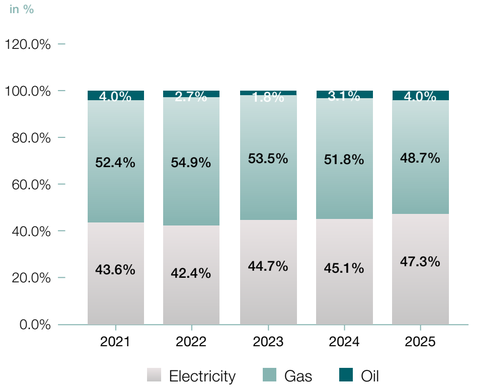
Research & Development

R&D Facilities

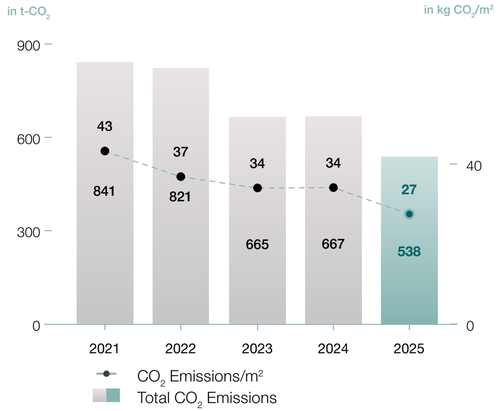
Total Energy R&D



Energy by Source for R&D



CO_2 Emissions for R&D



Energy

Energy consumption at Honda's R&D sites has shown a consistent downward trend over the past five years. Since 2021, total energy use has decreased by more than 30%, reflecting efforts to optimise building operations and reduce energy demand from testing and development activities.

Energy intensity, measured in kWh per square metre, also declined significantly – falling by 32% from its peak. This demonstrates improved operational efficiency and more effective use of available space, even as core R&D functions continue. These reductions highlight the positive impact of energy-saving initiatives and facility-level optimisation across the R&D network.

Energy Mix

The energy mix at Honda's R&D facilities has remained relatively stable over the past five years, with gas and electricity consistently making up more than 95% of total energy use. Gas remains the dominant source, although its share has gradually declined, falling by nearly six percentage points since 2022. In contrast, electricity has steadily increased its share, now accounting for just under half of total energy use.

Oil use continues to make up a small portion of the energy mix, generally below 5%, with only minor year-to-year variation. These trends suggest a gradual shift toward lower-emission sources within R&D operations.

CO_2

CO_2 emissions from R&D operations have declined steadily over the past five years, with total emissions dropping by approximately 36% since 2021. This reduction reflects ongoing efforts to improve energy efficiency and optimise facility operations.

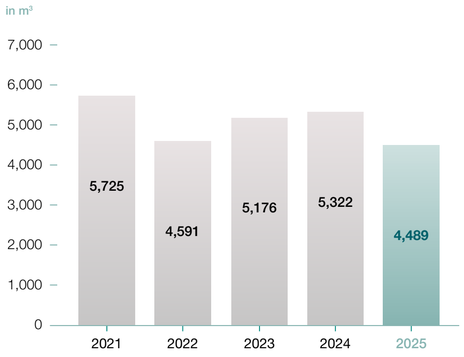
Emissions intensity, measured per square metre, decreased by more than 35% over the same period, indicating that emissions have fallen not just in absolute terms, but also relative to the physical footprint of R&D activities.

Despite these positive trends, gas continues to be the largest contributor to CO_2 emissions across R&D sites, underscoring the need for further transition to lower-carbon energy sources.

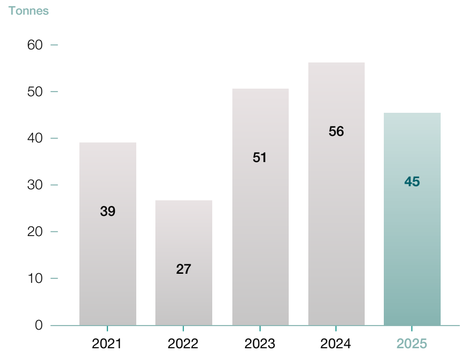
Research & Development

R&D Facilities

Water Consumption at R&D



Waste Generated at R&D



Water Consumption

Water consumption at R&D facilities has decreased by more than 20% since 2021, reflecting targeted efforts to reduce usage in facility operations and equipment processes. While there were slight increases in 2023 and 2024, overall consumption remained below the 2021 baseline in each subsequent year.

The most recent data shows a renewed decline in 2025, aligning with the broader environmental efficiency gains seen across energy and emissions. This continued reduction demonstrates strong water stewardship within R&D environments, despite the technical demands of research activities.

Waste

Waste generation at R&D sites has shown some fluctuation over the five-year period. A sharp drop in 2022 was followed by a sustained increase over the next two years, peaking in 2024. In 2025, waste volumes decreased by approximately 20% year-on-year, indicating progress in managing material use and disposal.

However, the unusually low level in 2022 does not reflect typical operational volumes and was largely driven by the COVID-19 pandemic. Current levels remain somewhat elevated compared to earlier years, suggesting further opportunities for improvement in waste prevention and process efficiency.

Scope

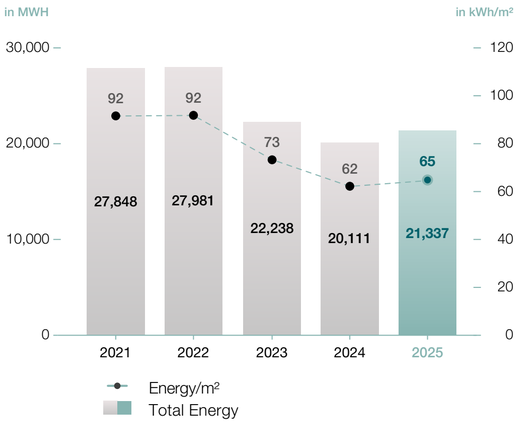
Honda Motor Europe's logistics operations encompass inbound, outbound and aftersales transport across the European region. This section focuses specifically on the warehousing activities of Honda Motor Europe Logistics, headquartered in Ghent, Belgium, with six regional branches across Europe.

The environmental data presented here pertains solely to logistics facilities and processes and does not include emissions or energy related to transport operations.

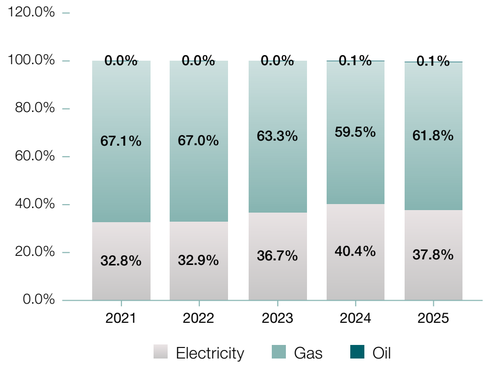
Logistics

Warehousing

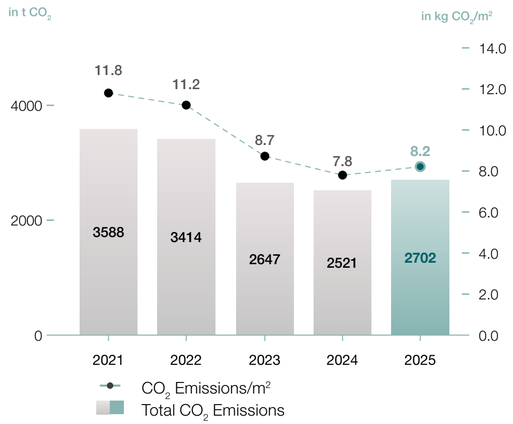
Total Energy for Warehousing



Energy by Source for Warehousing



CO_2 Emissions for Warehousing



Energy

Total energy consumption across Honda Motor Europe Logistics' warehousing operations fell by just over one fifth over the five-year period. This reflects ongoing efforts to reduce energy demand through facility upgrades and improved efficiency practices. Although there was a moderate increase in the latest year, overall usage remains substantially lower than the earlier years in scope.

Energy intensity – expressed as consumption per square metre of warehouse space – has also improved steadily. From a stable baseline in the first two years, intensity dropped by nearly a third at its lowest point and ended the period roughly 30% lower than where it began. This suggests meaningful gains in spatial energy efficiency, even with changes in operational volumes.

Energy by source

The energy mix for warehousing operations has gradually shifted over time, with a growing share of electricity relative to gas. In the early part of the period, gas accounted for approximately two thirds of energy use, while electricity made up just under one third.

By the most recent year, electricity's share had increased to nearly two fifths, with gas reduced to just over three fifths. A small amount of oil also entered the mix in the last two years, but its contribution remains negligible.

CO_2 Emissions

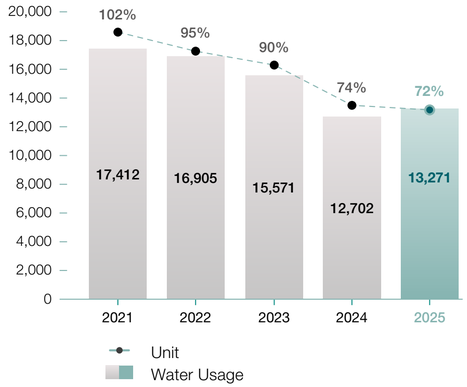
CO_2 emissions associated with warehousing activities have shown an overall decline over the reporting period. Emissions per square metre have steadily decreased by nearly one-third between the initial and latest years, reflecting ongoing improvements in energy efficiency and emissions intensity.

While there was a slight increase in the most recent year, emissions remain well below earlier levels, reflecting that energy saving measures and a gradual shift in the energy mix are having a lasting impact.

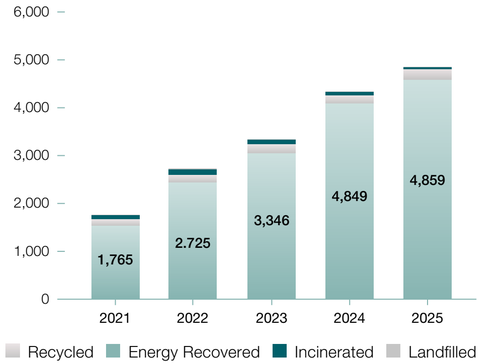
Logistics

Warehousing

Water Usage for Warehousing



Total Waste for Warehousing by Treatment Method



Water

Water consumption across warehousing sites has steadily declined over the reporting period. Normalised usage per unit area has decreased by nearly a third, reflecting increased efficiency in facility operations and awareness around resource conservation.

While the downward trend continued in the latest year, the pace of improvement has begun to stabilise. This shows that earlier optimisation efforts are now embedded into day-to-day operation.

Waste

Total waste generated from warehousing activities increased steadily across the reporting period. The vast majority continues to be recycled, maintaining a strong preference for material recovery over other disposal methods. Smaller proportions of waste are directed to energy recovery, incineration and minimal landfilling, which collectively remain consistent and marginal in volume.

The rise in total waste volumes is likely linked to business growth, higher throughput or operational changes, though the treatment mix reflects continued commitment to responsible waste management.

Scope

This section covers environmental data from Honda's two motorcycle production facilities in Europe:

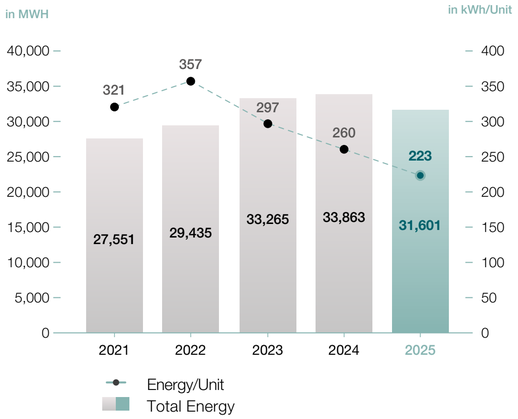
- Montesa Honda S.A. (MHSA) in Spain
- Honda Italia Industriale S.P.A. (HII) in Italy

The figures presented reflect the consolidated environmental performance of these factories – including energy consumption, emissions, water use and waste generation – as part of Honda's central production reporting scope for the region.

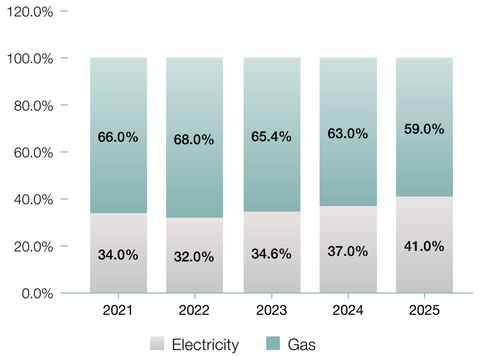
In-House Production

Motorcycle Production

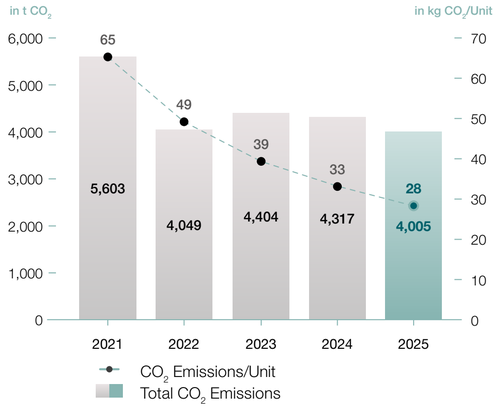
Energy Consumption for Motorcycle Production



Energy by Source for Motorcycle Production



CO_2 Emissions for Motorcycle Production



Energy

Total energy consumption across Honda's European motorcycle factories has gradually increased over the past five years, reflecting rising production volumes and facility usage. However, energy efficiency per unit produced has improved significantly, with energy intensity falling by nearly 38% since its peak in 2022.

This steady reduction – from more than 350 kWh per unit to just over 220 kWh per unit – demonstrates the success of operational improvements, equipment upgrades and energy management measures at both production sites. The trend suggests a strong decoupling of energy use from output, highlighting enhanced productivity and environmental performance.
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Energy by source

The energy mix for motorcycle production has gradually shifted over the past five years, with a notable increase in the share of electricity and a corresponding reduction in gas dependency. Electricity now accounts for more than 40% of total energy use – up from just under a third in 2022 – while the share of gas has declined by nearly 10 percentage points over the same period. This shift reflects Honda's efforts to transition toward lower-emission energy sources and improve the environmental performance of its manufacturing operations.

The trend supports broader decarbonisation goals, particularly as electricity sources become increasingly renewable.

Emissions

Total CO_2 emissions from motorcycle production have declined by nearly 30% since 2021, even as production volumes remained steady or increased. This reduction is largely driven by improved energy efficiency and a gradual shift toward a more electricity-based energy mix.

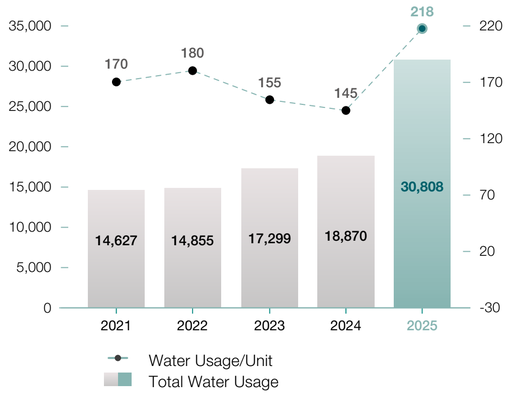
Emissions per unit produced have also fallen significantly – nearly halving over the five-year period – highlighting major gains in carbon efficiency across operations.

These results reflect sustained investment in cleaner technologies and smarter facility management at both European production sites.

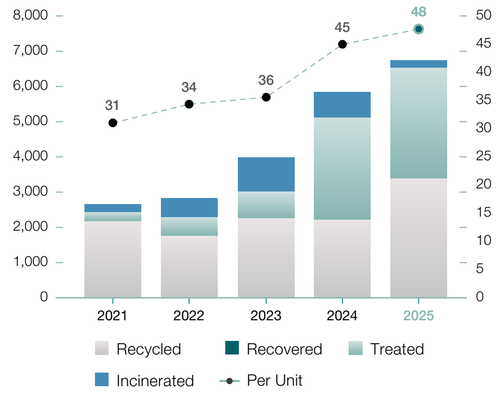
In-House Production

Motorcycle Production

Water Usage for Motorcycle Production



Waste for Motorcycle Production



Water

Water consumption in motorcycle production has increased steadily over the past five years, with total usage more than doubling since 2021. In 2025, water intensity rose by more than 50% compared to the previous year, marking the highest level in the reporting period.

This increase is largely attributed to a higher frequency of water replacement in pre-treatment processes at painting plants during 2024. The increased usage was mostly driven by the lead-time implementation of the new system and heightened quality requirements, with these two factors contributing significantly to the overall change. Looking ahead, the completion of a new water treatment system – a vacuum evaporator – next year is expected to improve performance. This system will enable recovery and reuse of processed water, helping to stabilise and reduce water demand in future cycles.

Waste

Total waste volumes from motorcycle production have steadily increased over the past five years, with a rise of more than 50% since 2021. Waste generated per unit has also grown, exceeding baseline levels by more than 50%.

The increase has been driven primarily by a sharp rise in treated waste, while recycled and incinerated waste volumes have remained relatively consistent. This suggests changes in waste classification or disposal requirements, potentially due to regulatory shifts or evolving material profiles in production. Despite the rise, a significant portion of waste continues to be managed through recovery, recycling, or energy recovery routes, reflecting Honda's ongoing commitment to circular resource management.

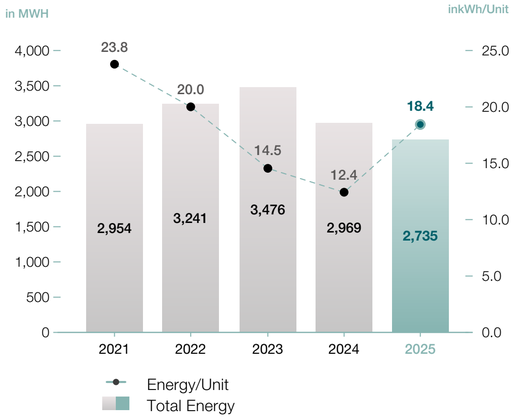
Scope

This section covers environmental performance data from Honda France Manufacturing S.A.S. – Honda's sole facility in Europe dedicated to the production of lawn and garden equipment, including Miimo robotic lawnmower.
The data reflects the site's operations across key environmental indicators, including energy, emissions, water use and waste, as part of the central consolidated reporting scope for Honda in Europe.

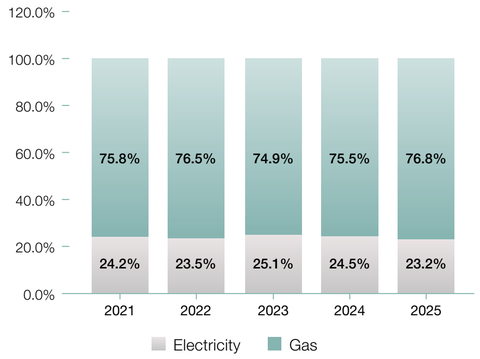
In-House Production

Power Products Production

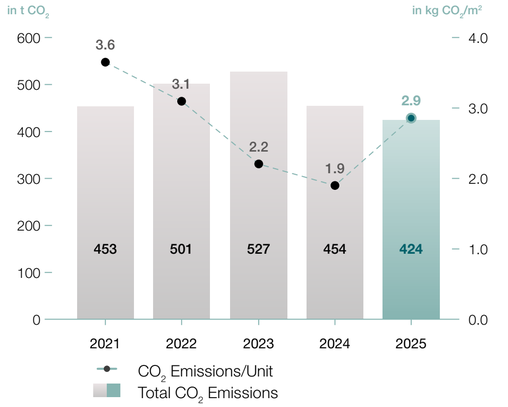
Energy Consumption for Power Equipment Production



Energy by Source for Power Equipment Production



CO_2 Emissions for Power Equipment Production



Energy

Energy consumption at Honda France Manufacturing has fluctuated over the past five years, with total usage peaking in 2023, then declining through 2025. However, despite the drop in total energy, energy intensity per unit increased by nearly 50% in 2025 compared to the previous year.

This reversal reflects a decrease in production volume or a change in product mix, requiring more energy-intensive processes. While long-term improvements in energy efficiency were evident between 2021 and 2024, the recent increase highlights the need to stabilise performance and maintain efficiency gains going forward.

Energy by source

The energy mix at Honda France Manufacturing has remained dominated by gas, which accounted for approximately 75-77% of total energy use over the past five years. Electricity made up the remaining 23-25%, with only minor year-to-year variations.

Despite small fluctuations, there is no clear trend toward decarbonisation in the energy source mix. The continued reliance on gas underscores the need for targeted action – such as process electrification or increased procurement of renewable electricity – to reduce emissions intensity over time.

Emissions

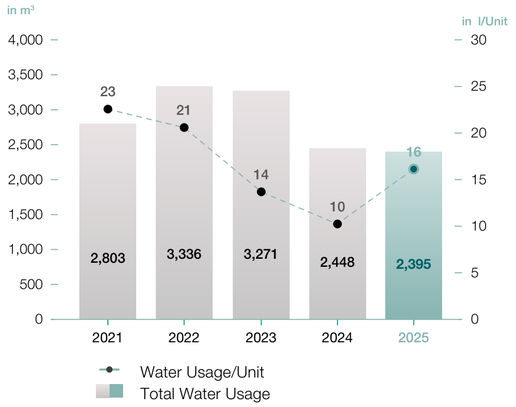
CO_2 emissions at Honda France Manufacturing have fluctuated over the five-year period. After peaking in 2023, both total emissions and emissions intensity declined in 2024, suggesting temporary improvements in operational efficiency.

However, in 2025, emissions intensity rose by more than 50% compared to the previous year, despite a further drop in absolute emissions. This increase likely reflects lower production volumes rather than changes in energy source or process efficiency. With gas continuing to dominate the energy mix, decarbonising energy supply and stabilising output levels will be critical to maintaining long-term progress on emissions reduction.

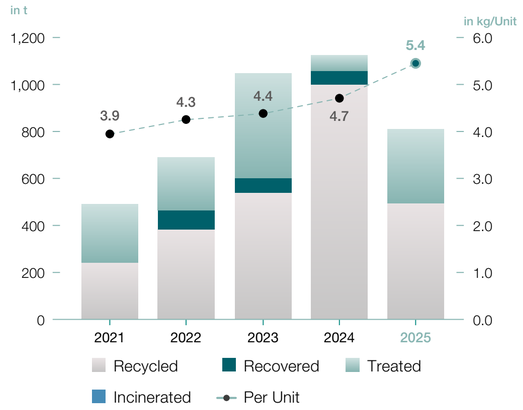
In-House Production

Power Products Production

Water Usage for Power Equipment Production



Waste for Power Equipment Production



Water

Water usage at Honda France Manufacturing has remained relatively stable over the five-year period, with some variation linked to production volumes. After a low point in 2024, total water consumption decreased by 28% compared to peak levels but increased slightly in 2025.

Water intensity followed a similar pattern, with efficiency improving consistently until 2024, before rising by more than 50% in 2025. This reversal likely reflects reduced output rather than a fundamental change in water management practices.

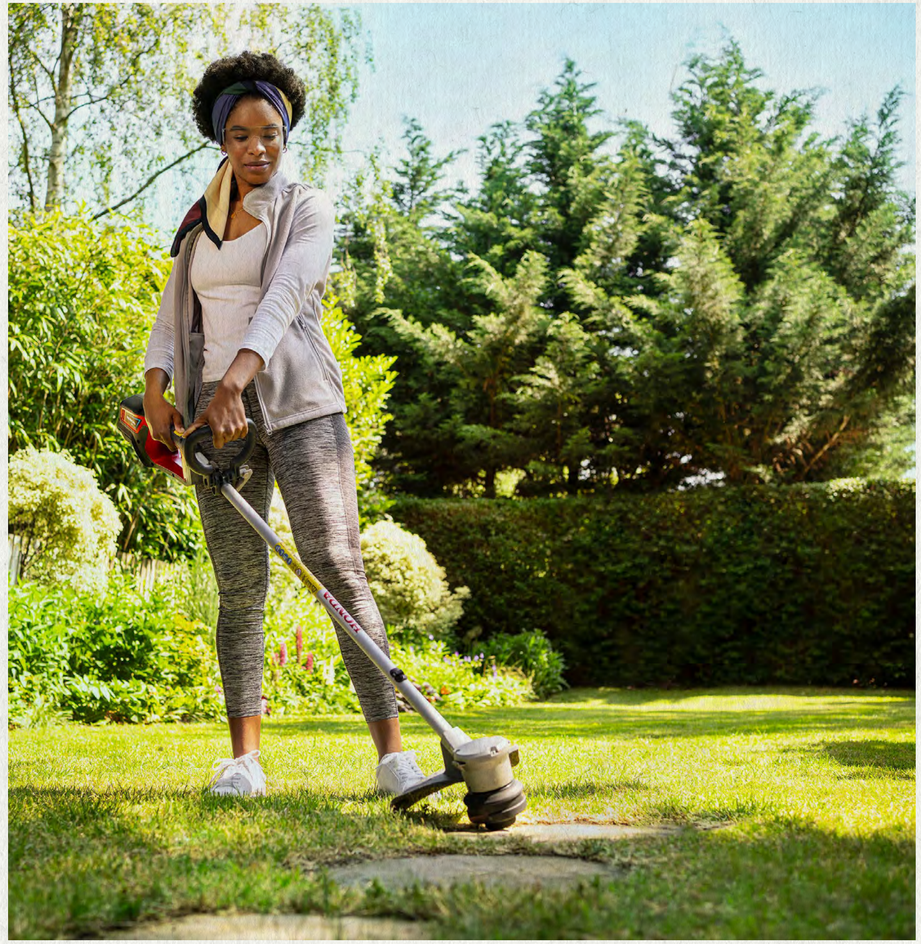
Continued focus on process optimisation and reuse will be important to maintaining water efficiency, particularly during years of lower production volume.

Waste

Waste generation at Honda France Manufacturing increased steadily from 2021 to 2024, with total volumes more than doubling during this period. In 2025, total waste decreased, but waste intensity per unit continued to rise, reaching its highest level in the five-year period – an increase of nearly 40% since 2021.

This rise in per-unit waste reflects lower production volumes rather than an increase in overall waste creation. Recycled waste consistently made up the largest portion of total waste, while the share of treated and recovered waste also expanded, suggesting growing efforts to divert materials from landfill.

To stabilise performance, further improvements in process efficiency and volume-normalised waste control will be critical moving forward.



Scope

This section covers environmental performance data from Honda's two parts manufacturing operations in Europe:

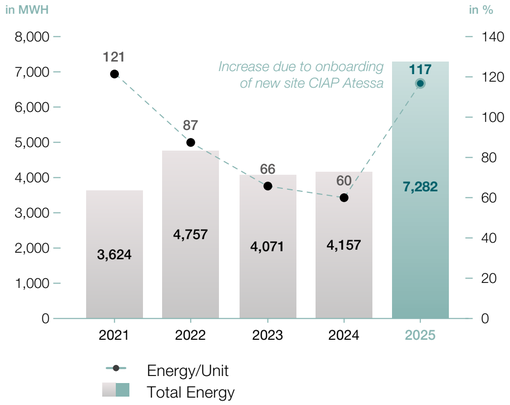
- Montesa Honda S.A. in Spain
- CIAP S.P.A. in Italy

For the first time, data from both CIAP Bologna and CIAP Atessa are included in the consolidated figures. The addition of CIAP Atessa in 2025 contributes to an increase in overall consumption and emissions values compared to the previous year. These changes reflect an expanded reporting boundary rather than a deterioration in performance at existing sites.

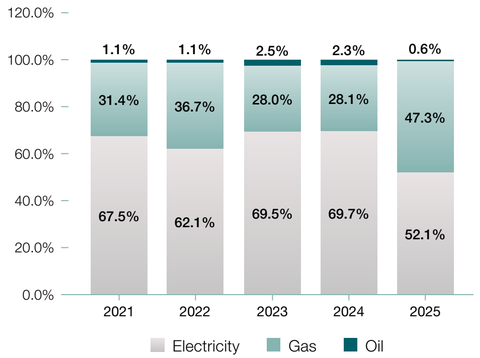
In-House Production

Parts Production

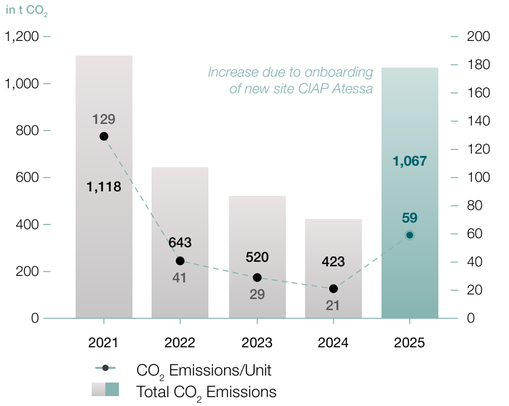
Energy Consumption for Parts Production



Energy by Source for Parts Production



CO_2 Emissions for Parts Production



Energy

Total energy consumption in parts production increased significantly in 2025, rising by more than 75% compared to 2024. This jump is primarily due to the inclusion of CIAP Atessa, which expanded the reporting scope and operational footprint.

Prior to 2025, total energy use remained relatively stable, with gradual year-on-year reductions in energy intensity per unit, which improved by more than 50% between 2021 and 2024. In 2025, however, energy intensity increased sharply, reversing previous gains. This reflects the onboarding of a new site with its own operational profile, rather than a deterioration in underlying energy efficiency. Ongoing monitoring will help to assess and stabilise performance as CIAP Atessa becomes fully integrated into the reporting baseline.

Energy by Source

The energy mix for parts production has been largely electricity-dominant in recent years, with electricity consistently accounting for more than 60% of total energy use from 2021 to 2024. However, in 2025, the share of electricity dropped to just over 50%, while the share of gas increased sharply to nearly half of total consumption.

This shift reflects the integration of CIAP Atessa, which operates with a more gas-intensive energy profile. Oil has remained a minimal contributor across all years, never exceeding 2.5%. As the new site becomes fully incorporated into operations, a reassessment of energy sourcing may be needed to realign with decarbonisation targets.

Emissions

Total CO_2 emissions from parts production decreased steadily from 2021 to 2024, falling by more than 60% during that period, due to efficiency improvements and stable operations. However, emissions rose sharply in 2025 – more than doubling year-on-year – due to the inclusion of the CIAP Atessa site.

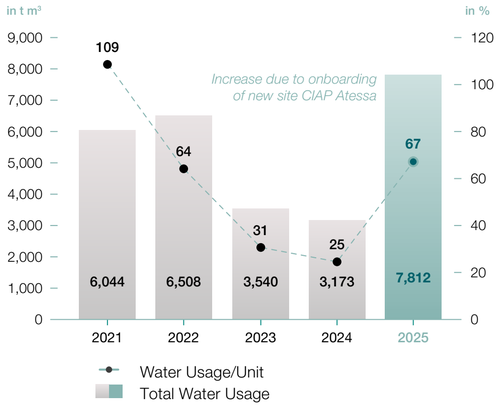
Emissions intensity per unit also increased in FY2025 after four consecutive years of improvement. This reflects the gas-heavy energy profile of the newly added site and a temporary shift in the emissions baseline.

While the increase is expected from an expanded reporting scope, continued focus on energy source optimisation and emissions mitigation will be essential in the coming years.

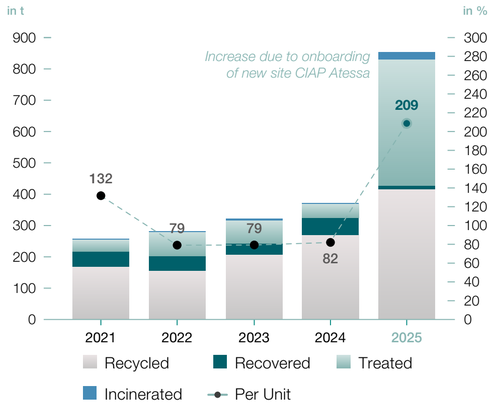
In-House Production

Parts Production

Water Usage for Parts Production



Waste for Parts Production



Water

Water consumption in parts production declined steadily between 2021 and 2024, with both total volume and intensity per unit showing consistent improvements. This progress reflected enhanced water efficiency practices at existing sites.

In 2025, total water usage increased by more than 145% compared to the previous year. This was largely due to the first-time inclusion of CIAP Atessa in the reporting boundary. While the site's operations contributed to higher absolute consumption, intensity per unit also rose to 67 litres/unit, up from 25 litres/unit in 2024. The increase highlights the importance of harmonising water efficiency measures across all production locations as part of Honda's regional environmental performance strategy.

Waste

Waste volumes from parts production remained relatively stable between 2021 and 2024, with modest year-on-year increases and per-unit intensity hovering around 79-82 kg/unit. Recycled waste consistently accounted for the largest share of total waste generated.

In 2025, total waste generation rose sharply, reaching more than 850 tonnes, with intensity increasing to 209 kg/unit. This was largely attributable to the inclusion of CIAP Atessa in the reporting scope for the first time, significantly expanding the operational footprint. All waste treatment routes saw absolute increases, particularly in the treated and recycled categories. Despite the increase, the waste composition continues to reflect Honda's commitment to diversion from landfill and responsible waste handling.

3

Social

Own Workforce

Global Context and Approach

People are at the heart of Honda's philosophy.

We believe that respect for individuals and the growth of our associates* are essential to creating societal value.

Honda's global workforce programmes are structured around five core themes:

- Health, safety and wellbeing.
- Diversity, equity and inclusion.
- Talent development and learning.
- Associate engagement and communication.
- Fair employment practices, including pay equity and work-life balance.

These themes guide regional workforce priorities, including in Europe, where building a safe, skilled and inclusive organisation is considered essential to delivering Honda's mission.

Double Materiality Assessment Results

The 2025 Double Materiality Assessment confirmed that Own Workforce (S1) is a material topic for Honda Motor Europe, with five subtopics identified as priorities:

ESRS Topic	Subtopic	Materiality Type	Time Horizon	Value Chain Scope
Own Workforce (S1)	Health & Safety	Impact	Short-term	Own Operations
Own Workforce (S1)	Work-life balance	Impact	Medium-term	Own Operations
Own Workforce (S1)	Diversity and Inclusion	Impact	Medium-term	Own Operations
Own Workforce (S1)	Gender Equality and Equal Pay	Impact	Medium-term	Own Operations
Own Workforce (S1)	Training and Skills Development	Impact	Medium-term	Own Operations

These areas are impact driven with strong links to Honda's long-term success and enterprise value creation.

NB: 'associate' is Honda's term for employee

Honda Approach

Policy for Personnel Management – Human Resources Management based on the Honda Philosophy

Honda believes human beings are born free and unique, with the capacity to think, reason, create and dream. It aims to be a company where people can gather, respect individual differences, trust each other as equal partners, exercise abilities to the fullest and share joy.

Our ethos of respect for the individual comprises three elements – initiative, equality and trust – which form one of the fundamental beliefs of the Honda Philosophy. The company believes this spirit should permeate all relationships, both within the Honda Group and in all companies with which it does business.

We follow our three principles of personnel management – respecting initiative, ensuring fairness and encouraging mutual trust – when managing human resources in areas such as recruitment, training, assignment and utilisation, evaluation, and treatment. Honda endeavours to build an environment in which all associates are self-motivated and can fully demonstrate their abilities, individuality and creativity, while striving to support each individual's willingness to take on new challenges.

We established associate relations policies in March 2012, which apply to Honda's daily corporate actions and put the three principles of personnel management into practice. They also account for the company's universal declaration of human rights as well as the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Extracted from Honda Global ESG Report 2025

Honda Approach

Our Fundamental Beliefs

Honda Philosophy: Respect for the Individual

Initiative	Equality	Initiative
Respecting Initiative Respecting the individuality, creative thinking and judgment of each associate. **Challenge / Open-mindedness**	**Respecting Initiative** Providing every person with equal employment opportunities. An individual's age, educational background, race, gender, religion, national origin and social or economic status have no impact on the individual's opportunities. **Challenge / Open-mindedness**	**Respecting Initiative** Respecting, trusting and recognizing each other as individuals and making sincere efforts to fulfill our responsibilities. **Challenge / Open-mindedness**

Three Principles of Personnel Management

Associate Relations Policies

To put the three principles into practice, Honda has established the following associate relations policies:

1. Respecting individual human rights

- We accept the individual characteristics and differences of our associates and respect their willingness and initiative.
- We will always respect each individual's basic human rights and will not allow forced labour or child labour.

2. No discrimination

- Based on the principle that all human beings should have equal employment opportunities, we will strive to create opportunities for free and fair competition.
- We will not tolerate discrimination or harassment of any form in the workplace on the basis of an individual's race, ethnicity, national origin, religion, gender or age, among other characteristics.

3. Complying with laws and ordinances

- We will respect the social norms, customs and culture of each country.
- We will comply with the laws, regulations and ordinances enacted in each country and region.

4. Creating an environment of free, open-minded dialogue

- The associates and the company will respect each other's views and endeavour to promote mutual understanding. Maintaining a relationship of mutual trust, the associates and the company will make every effort to engage in sincere discussions about any issues that might arise or exist.
- Respecting freedom of association, or not to associate, and collective bargaining, the company will attempt to resolve any and all issues in line with the laws, conventions and usages of each respective country and region.

5. Maintaining a working environment where each associate can work with a sense of security

- The company will provide a safe and healthy workplace where all associates can concentrate on work with a sense of security.

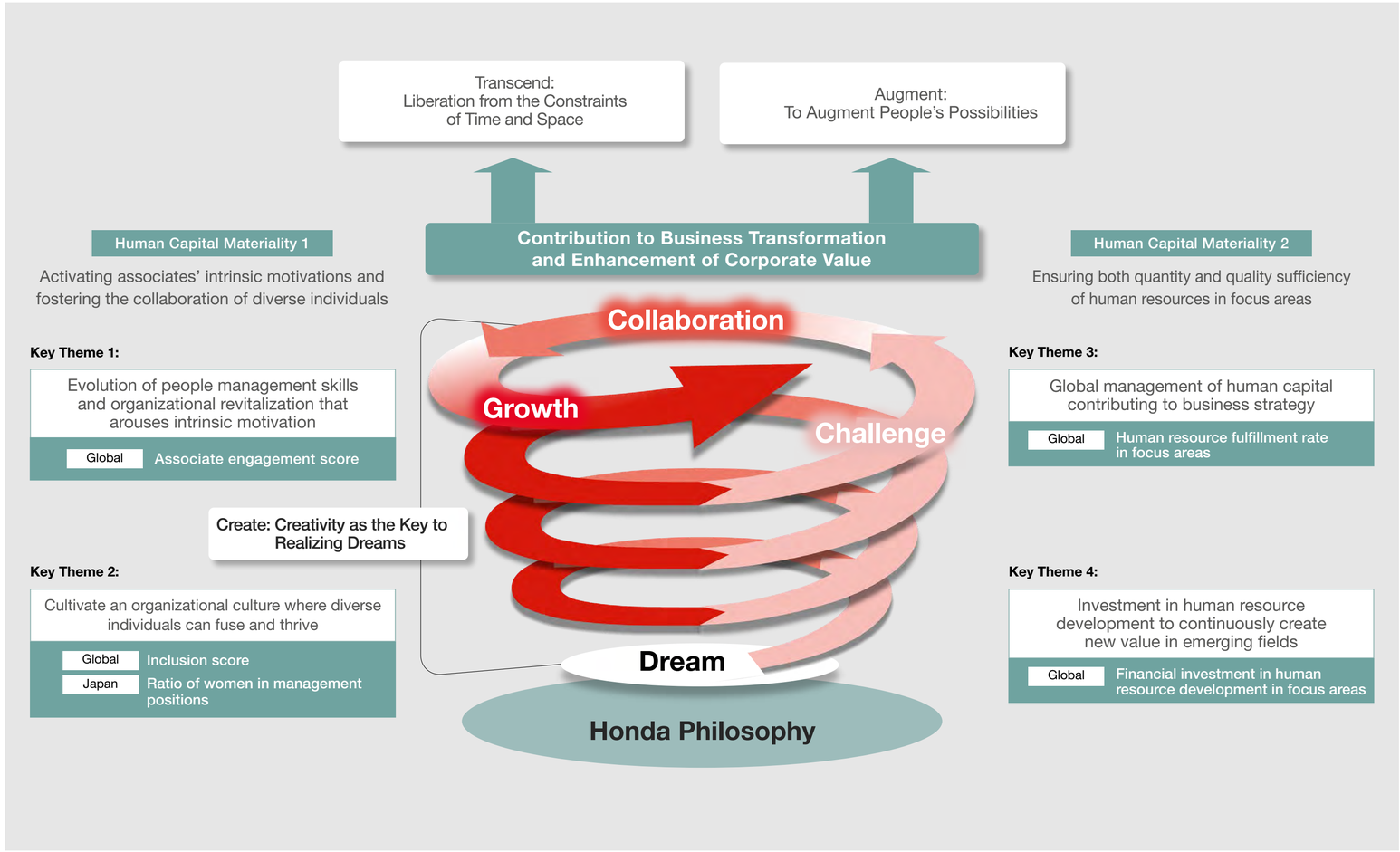
Extracted from Honda Global ESG Report 2025

Human Capital Strategy

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

Honda aims to create a talent portfolio that allows it to reach its goal of becoming a 'comprehensive mobility company that advances people and society driven by the dreams of each individual'. With the power of dreams and speed as competitive advantages, Honda drives transformation in people and organisations through a cycle of challenges, collaboration and growth – all rooted in the Honda Philosophy.

To achieve this, we have identified two key, medium- and long-term human capital materialities: activating associates' intrinsic motivations and fostering the collaboration of diverse individuals. From a short- to medium-term perspective, our focus is on ensuring both the quantity and quality of human resources.



* Until March 2025, the scope of each KGI was limited to operations in Japan. Since April 2025, however, Honda has expanded the scope globally and is advancing initiatives to achieve the set goals.

The global geographic breakdown, excluding Japan, is divided into five categories. Names of each region and the countries where the headquarters are located are as follows:

- North America Region: USA
- South America Region: Brazil
- Europe, Africa, and Middle East Region: UK
- Asia-Pacific Region: Thailand
- China Region: China

Extracted from Honda Global ESG Report 2025

Human Capital Strategy

Occupational Health and Safety

Honda's efforts to build a safe and secure work environment have their origin in the company principle formulated in 1956. They are also based on our fundamental beliefs of respect for the individual and the three joys.

Under the health and safety principle of 'no safety, no production,' which has existed since the company was founded, Honda seeks to create a work environment that brings the joy that everyone can work with a true sense of security.

Based on this principle, we have established basic policies for occupational health and safety according to regional needs and conditions. We promote activities aimed at preventing industrial accidents and their recurrence, as well as ensuring the health of everyone who works for Honda.

We created the safety and health policy in December 2022. Based on this policy, Honda strives to create a safe and healthy workplace, while each associate works to maintain such standards and to prevent and minimise accidents.

Health and Safety

Principles

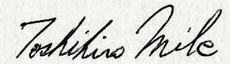
Honda's principle of 'no safety, no production,' is based on the concept that every associate should be able to work safely and to the best of their abilities, and that the company will strive to create a safe workplace.

Policy

Aiming for a safe, healthy and lively workplace, we adhere to the health and safety management activities listed below, based on the company-wide safety policy with the aim of fostering and spreading a culture of safety among all associates.

1. We will perform a risk evaluation of work-related business operations and invest resources to prevent occupational accidents.
2. We will distribute the health and safety policy, and all associates will support a safe and secure workplace by implementing safety training and safety activities.
3. We will observe the related regulations and internal standards and work on all aspects of accident prevention and health maintenance promotion.
4. We will implement this policy and the health and safety management manual accordingly and aim to improve associates' safety awareness.
5. We will support and promote mental and physical wellbeing and management.
6. We will have the awareness and responsibilities as associates of Honda to eradicate four pernicious traffic violations and positively act on "zero traffic accidents".

Establishment: 8 December 2022



Honda Motor Co, Ltd
Director, President and Representative Executive Officer, Chief Executive Officer

Extracted from Honda Global ESG Report 2025

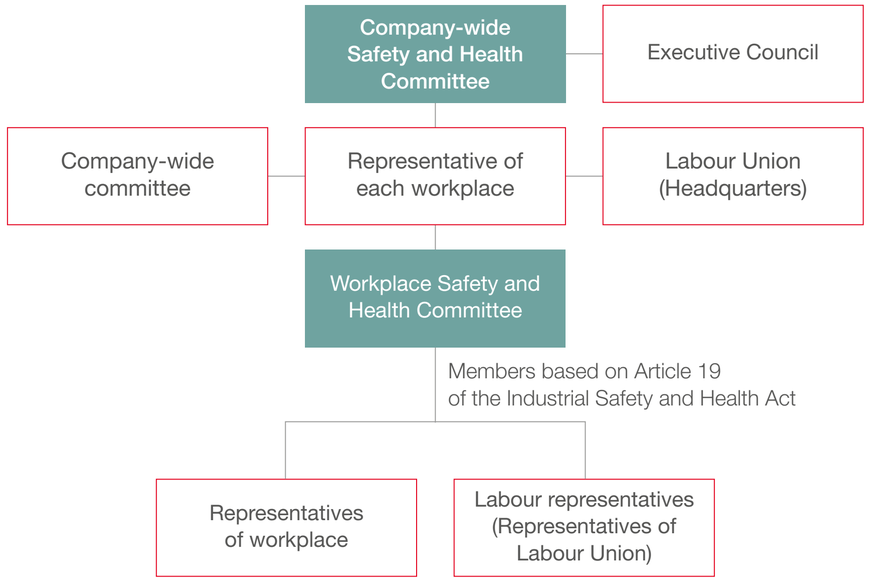
Human Capital Strategy

Safety and Health Governance Structure

In 2022, Honda established a company-wide health and safety committee, chaired by the vice president, to create company-wide policies and implementation instructions regarding the occurrence of serious accidents.

We also established a health and safety committee, led by the health and safety management division. Issues are shared and discussed jointly among the workforce and management, to establish a safe and comfortable work environment.

Committee System Diagram



In the fiscal year ending March 2025, the following instructions were issued by the chairman of the company-wide health and safety committee.

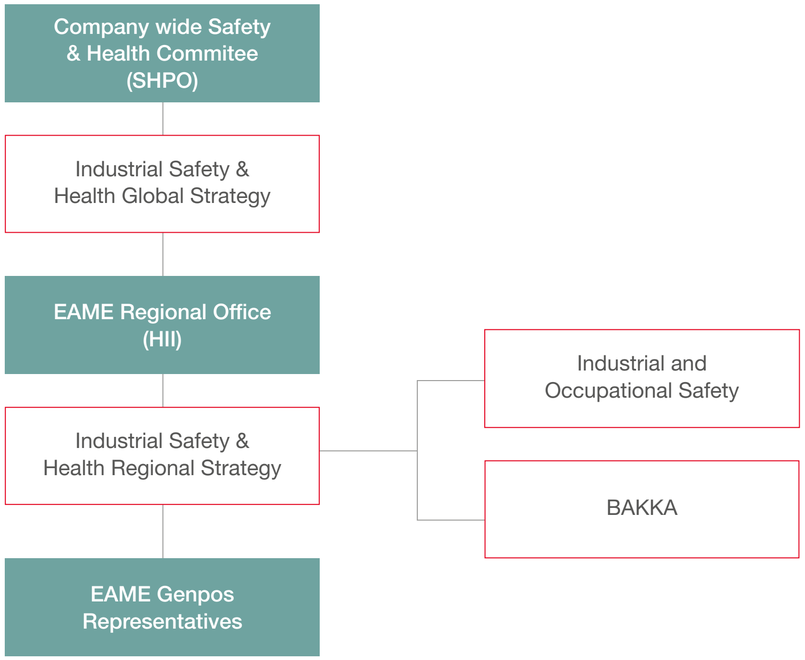
- Implement measures to achieve strong health and safety standards throughout the company by sharing mental health best practice.
- Develop a health checkup assessment flow and build a system to ensure proper health checkups based on autonomous chemical substance management. Additionally, as part of company-wide occupational safety and health management, audits are conducted to confirm the operation of an Occupational Safety and Health Management System (OSHMS) in accordance with JISQ 45100 and the implementation of compliance-related matters.

The company-wide health and safety audit committee, chaired by the vice-chairman of the company-wide health and safety committee, conducts occupational safety and health audits to ensure high standards throughout the business.

Extracted from Honda Global ESG Report 2025

Safety and Health

Europe and Middle East Regional Office Organization



HII	Honda Italia Industriale SpA
HFM	Honda France Manufacturing SAS
MHSAU	Montesa Honda SAU
HMEL	Honda Motor Europe Logistic Aalst
CIAP	Costruzione Italiana Apparecchi Precisione
HMK	Honda Motorcycle Kenya Ltd.
HMN	Honda Manufacturing Nigeria Ltd.
HTR	Honda Turkiye AS

Associate Engagement

Associate Survey

This remains a top priority in the European region, as we focus our efforts on hearing the associate voice and finding meaningful ways to empower people.

With anonymous engagement surveys carried out every two years, associates are invited to give their opinions on a range of important topics, allowing the business to hear the voice of our staff associates and identify focus areas for improving satisfaction and engagement.

The survey includes topics such as job satisfaction, trust, inclusion, company direction and safety, with a participation rate that is regularly above 80% and includes associates from all divisions and locations within the business.

By tracking the results in subsequent surveys, we can measure the impact of any countermeasures implemented, and we are already making great progress in improving associate understanding of company direction and will continue developing internal communication channels in this area.

New Ideas or Quality Improvements (NIQI)

In addition, we have recently launched a new engagement initiative across the region – NIQI – to encourage teamwork, problem solving and innovation. This includes two work streams for associates to choose from - New Ideas (NI) or Quality Improvements (QI). Through this initiative we aim to foster collaboration, creativity, and a culture of innovation, turning the Power of Dreams into tangible actions that drive Honda's growth, quality and excellence.

This initiative is designed to enable associates of all levels to use Honda's Total Quality Management tools alongside their own innovative thinking to create proposals for the business, thereby giving associates the chance to bring their ideas to life.

Diversity and Inclusion (D&I)

Our aim is to remove the physical or perceived barriers for anyone to join and progress within the company. Our recruitment activities are unbiased, carry an inclusion and diversity statement and we publicise our respect for diversity in all job advertisements and communications with associates.

We have established a HR D&I working group in 2025 to investigate further opportunities for inclusion and belonging. In our diverse and multicultural region, we recognise the significant benefits of employing people from different backgrounds, and with different perspectives and experiences, and aim to create a working environment where everyone feels valued, heard and is provided with equal opportunities.

We conduct a monthly analysis of the number of females in management positions and the number of foreign nationals in management grades (excluding Japanese expatriates) at our Honda Motor Europe head office in the UK.

Our revised mobility policy means we can provide more flexibility in job rotation and assignments both in an associate's home country and when working from other countries. We have also implemented improvements to job vacancy information across the European business, simplifying the internal application process to remove barriers for associates keen to apply for new opportunities within the region.

Investment in Focus Areas and Fulfilment of Human Resources

Our regional leadership programmes are designed to develop and evaluate future leadership potential as part of our wider succession planning activities, ensuring we have a strong pipeline for the future. Three levels of programmes operate annually: Developing Leadership, Advanced Leadership, Senior Leadership across the organisation. Each promotes leadership competency, agile mindsets and self-awareness, using a range of dynamic assessment and development methodologies to enhance leadership capability.. Participants are also given opportunities to strengthen their professional networks and widen their business perspectives.

In our research and development function in Germany, further investment and progress is being made in areas such as high voltage systems and electrical engineering to enhance the capabilities linked to electric vehicles. These investments ensure associates can develop their skills and qualify to conduct related developments for future products and services.

Case Study

Honda DNA, Safety Culture and Network

Honda DNA Event, Honda Motor Europe Logistics, Ghent

In 2024, Honda Motor Europe Logistics organised the Honda DNA event at its Ghent site to strengthen connections and immerse associates in the company's values. Designed around the question 'What connects us?', the initiative reflected Honda's philosophy of respect and collaboration, recognising that these values are now essential in a rapidly changing world.

Through an interactive walking quest, groups of eight associates explored Honda's history, its founding principles and its cultural foundations, completing collaborative tasks and challenges along the way. Held twice weekly, the programme has provided a structured and engaging way for colleagues to reconnect with one another, reflect on Honda's heritage and reinforce a shared sense of purpose that supports the company's culture and long-term sustainability.

Building a Proactive Safety Culture through Safety Week, Honda Motor Europe Logistics, Ghent

Honda Motor Europe Logistics' 2024 Safety Week was organised by an associate workgroup and aligned with the International Day of Safety on 28 April, bringing together warehouse associates to strengthen safety awareness.

With an Olympic Games theme, the programme combined engaging and educational activities, including video messages from company director, Erik Chabot, and company president Wakuda-san, live safety-awareness performances by actors on the Ghent site, first-aid training sessions and themed welcome messages. This annual initiative reflects our commitment to embedding a proactive safety culture, ensuring that safety remains a shared responsibility and a core element of daily operations.

Safety Networking Across the European Region

Safety and environmental protection have long been integral priorities within Honda's European regional strategy. To reinforce these commitments, the company has established a dedicated regional organization responsible for managing and coordinating safety and environmental initiatives across its production facilities in Europe.

Since the early 2000s, this organization has convened the Pan-European Safety and Environment Meeting (PESEM) — a forum bringing together production leaders from across the region to discuss targets, projects, and performance related to safety and the environment. The forum also ensures alignment with global policies and guidelines issued by Honda Motor Co., Ltd.
The 2024 PESEM meeting marked an important milestone. The regional team defined shared objectives and timeframes for key priorities, including the "Zero Accidents by 2030" and "Zero Emissions (Scope 1 and 2) by 2034" goals.

During the same financial year, a global reorganization brought together the Africa/Middle East and European regions under a single structure. This reorganization also initiated the process to resume production operations in Turkey, scheduled for 2026.

In line with this, Honda Turkiye A.Ş. announced plans to establish a new motorcycle production facility in Aliaga, İzmir, supporting growth in the local and global motorcycle markets. The decision follows record-breaking sales in 2024, driven by increasing demand for personal and commercial mobility solutions.

Production at the new plant is expected to begin in mid-2026, with an initial annual capacity of 100,000 units, expandable to 200,000 units in the future. The total planned investment is approximately USD 20 million, and the facility is expected to create around 300 new jobs.

This expansion underscores Honda's commitment to sustainable growth, safety excellence, and environmental leadership across its integrated regional operations.

Workers in the Value Chain

Context and Global Approach

Honda's value chain spans thousands of suppliers, logistics partners and service providers, and ensuring fair, safe and dignified working conditions across these external partners is a global priority.

Honda's global human rights policy and supplier sustainability guidelines cover:

- Respect for internationally recognised human rights (such as UN Guiding Principles and International Labour Organisation conventions).
- Prohibition of forced labour and child labour.
- Safe and healthy working conditions.
- Freedom of association and collective bargaining.
- Anti-discrimination and ethics requirements.

Honda Approach

Honda upholds the idea of respect for the individual in the Honda Philosophy and includes respect of human rights in the Honda Code of Conduct to show its policy to 'maintain its stance as a company committed to practicing fairness and sincerity and respecting human rights'.

The Code specifically requires staff to 'respect fellow associates, interact with them in a sincere and appropriate manner, and never engage in any form of harassment or unjust, discriminatory remarks or conduct in the workplace'.

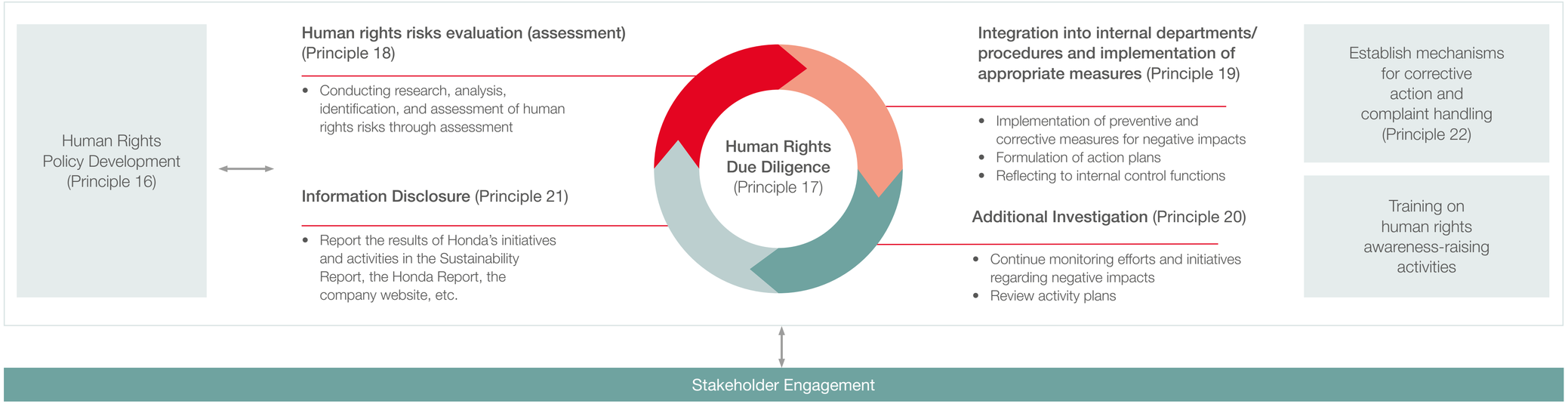
Honda has also formulated the Honda Human Rights Policy to fulfil its responsibility to respect the human rights of stakeholders affected by its business activities. This policy applies to all officers and associates of the Honda Group, and we work to ensure that all business partners, including suppliers and dealers, understand this policy and collaborate to resolve issues together.

Suppliers are also required to agree to and implement the Honda Supplier Sustainability Guidelines. Honda is committed to respecting human rights that are set out in the International Bill of Human Rights and the International Labour Organization's 10 core conventions, as set out in the Declaration on Fundamental Principles and Rights at Work. The company also supports the United Nations Guiding Principles on Business and Human Rights.

Honda has specifically identified and intends to actively address the following human rights issues:

- Prohibition of forced labour and child labour.
- Elimination of discrimination and harassment, respect and acceptance of diversity.
- Creation of a free, open-minded dialogue environment.
- Maintenance of a safe working environment.

Honda's Human Rights Initiatives Framework



Honda Supplier Sustainability Guidelines: https://global.honda/sustainability/cq_img/report/pdf/supply-chain/supplier-sustainability-guidelines.pdf

Extracted from Honda Global ESG Report 2025

Human Rights Policy

Human Resources Policy Development

Based on the company's basic approach, Honda formulated the Honda Human Rights Policy in June 2022.

Human Rights Policy

Since our founding in 1948, Honda has continuously worked to provide value to help people and create a better society through our technologies, ideas and designs. The starting point of such efforts is our desire to help people and society and expand the potential of people's lives. The underlying basis of these efforts is the concept of respect for the individual, which constitutes Honda's fundamental beliefs.

Honda believes that human beings are born free and unique individuals with the capacity to think, reason and create – and the ability to dream. Our wish is to nurture and promote these characteristics in Honda by respecting individual differences, trusting each other as equal partners, exercising abilities to the fullest and sharing joy.

From this perspective, we adopt respect for the individual, consisting of the three elements of initiative, equality and trust, as one of our fundamental beliefs. We believe this spirit should permeate all our relationships with everyone. Based on the concept of respect for the individual, Honda has formulated the Honda Human Rights Policy to fulfil our responsibility to respect the human rights of stakeholders who may be affected by our business activities.

By putting the policy into practice, we will cooperate with our stakeholders to undertake business activities in a sustainable manner and continue to be a company society wants to exist.

1. Commitment to the respect for human rights

Honda recognises that our business activities may impact the human rights of internal and external stakeholders.

We are committed to respecting human rights that are set out in the International Bill of Human Rights and the International Labour Organisation core conventions, as set out in the Declaration on Fundamental Principles and Rights at Work.

We also endorse the United Nations Guiding Principles on Business and Human Rights and endeavour to practice these principles in business activities.

We also comply with applicable laws and regulations of each of the countries and regions in which our business activities are conducted. If requirements of the local laws and regulations conflict with internationally recognised human rights, we seek ways to honour them to the greatest extent possible.

2. Scope of responsibility

The policy applies to all executives and associates of the Honda Group, and we expect all of our business partners to understand it.

3. Governance

Respect for human rights is one of Honda's key management issues, and we will establish an adequate internal structure to reflect the policy in necessary business policies and procedures while clearly specifying the director responsible for the policy's formulation and execution.

4. Human rights due diligence

Honda will establish and continuously implement a system of human rights due diligence, which will identify adverse impacts on human rights and prevent or mitigate them.

5. Remedy

We commit to take appropriate measures to remediate any adverse impact on human rights which Honda clearly caused or contributed to. In addition, we will work to establish a practical grievance mechanism to enable appropriate remedies.

6. Engagement with stakeholders

In enhancing and improving its efforts to respect human rights, Honda will leverage external knowledge and engage with relevant stakeholders.

7. Education

Honda will undertake appropriate education and awareness-raising activities to facilitate understanding and practice of the policy.

8. Information disclosure

Honda will disclose its efforts to respect human rights through our corporate website and other means on a regular basis.

Established: June 1, 2022
Revised: June 1, 2023

Toshihiro Mibe

Honda Motor Co, Ltd
Director, President and Representative Executive Officer, Chief Executive Officer

Extracted from Honda Global ESG Report 2025

* The Policy has been approved by the executive council and board of directors of Honda Motor Co., Ltd.

Human Rights Policy

Issues Addressed by Honda

1. Commitment to the respect for human rights

Honda proactively addresses human rights issues, including those listed here, to respect the human rights of all people with whom we engage through our business activities. The human rights issues included here will be reviewed periodically based on changes in societal demand, including legal requirements and in our businesses.

(1) Prohibiting forced labour and child labour

We respect each individual's fundamental human rights and do not allow forced labour or child labour of any form, including human trafficking.

(2) No discrimination and harassment, respect for diversity and inclusion

Based on the principle that all human beings are equal, we respect diversity and inclusion, prohibit any discrimination and do not tolerate harassment of any form based on an individual's race, ethnicity, national origin, religion, gender, gender identity, sexual orientation, age or disabilities, among other characteristics.

(3) Creating an environment of free, open-minded dialogue

- The associates and the company respect each other's views and endeavour to promote mutual understanding. Maintaining a relationship of mutual trust, the associates and the company make every effort to engage in sincere discussions about any issues that might arise or exist.

- Respecting freedom of association, or not to associate, and collective bargaining, the company attempts to resolve issues in line with the laws, conventions and customs of each respective country and region.

(4) Maintaining a working environment where each associate can work with a sense of security

The company provides a safe and healthy workplace where all associates can concentrate on work with a sense of security.

Extracted from Honda Global ESG Report 2025

Human Rights Initiatives

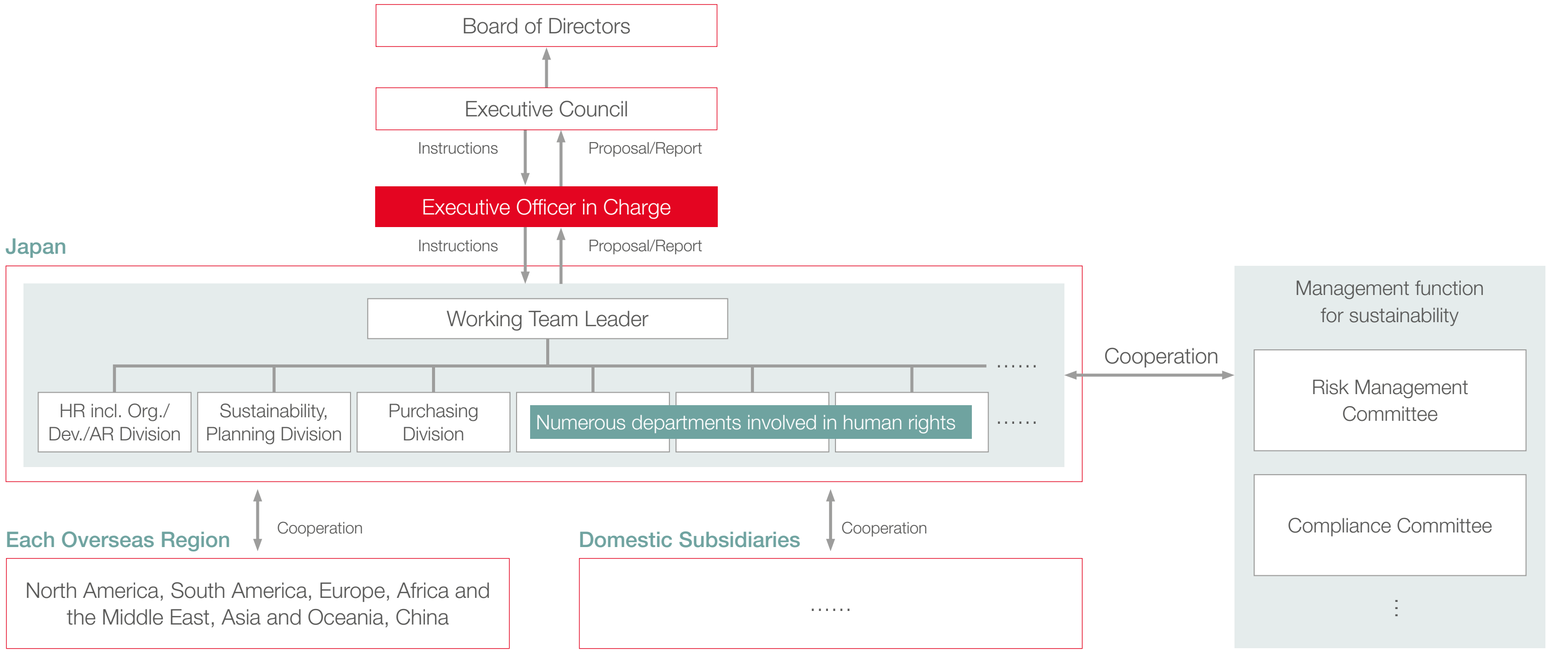
To sustainably implement initiatives to respect human rights, Honda has clarified the officers responsible for the initiatives and established a human rights working team. The team is led by the human resources and labour affairs divisions, and collaborates with many divisions involved in human rights, including purchasing divisions and those in charge of sustainability planning.

The human rights working team aims to strengthen the initiatives and encourage associates to take appropriate action through human rights due diligence measures, including assessments for Honda Group domestic and overseas business sites and suppliers, as well as awareness-raising activities.

The team has also established a system to prevent and mitigate negative impacts and risks related to human rights in cooperation with the compliance committee and the risk management committee.

These activities are reported annually to the executive council and the board of directors and are linked to the company's sustainability management strategy.

Human Rights Working Team



Extracted from Honda Global ESG Report 2025

Human Rights Initiatives

Due Diligence

Human rights-specific assessments are conducted annually at Honda, its subsidiaries and each overseas affiliate to identify and assess any potential or actual negative human rights impacts that may result from corporate activities and transactions.

Furthermore, Honda periodically checks internal control functions once a year to ensure that each department is taking appropriate measures according to the Honda Human Rights Policy.

In its company-wide risk assessment activities, Honda established a category on human rights, and conducts a risk assessment once a year, in accordance with the Honda Group's common criteria. The priority risks are then identified based on the assessment results and appropriate responses are implemented accordingly.

Honda also performs monthly checks on the status of labour management of all overseas subsidiaries, including joint ventures, and shares the results in the Global Monthly Report. To respond appropriately if risks or concerns are identified, Honda has a system to share and discuss issues through meetings with regional human resources officers.

Throughout each assessment, no incidents were identified in the fiscal year ending 31 March 2025.

Supplier Initiatives

The company asks suppliers to agree to the Honda Supplier Sustainability Guidelines, and periodic policy briefings and ESG surveys are requested of suppliers with high business volumes, among other influential factors.

In the written survey, Honda confirm suppliers' initiatives according to its basic approach on human rights and labour, including the prohibition of forced labour and child labour.

If the results identify risks, interviews or on-site inspections are conducted with suppliers according to the degree of risk. Honda will request that suppliers make improvements if issues are identified and will consider suspending business with the supplier if the improvements are not carried out.

Human Rights Assessment

Objectives	Identify and assess the potential or actual negative human rights impacts (human rights risks) that may be entailed by corporate activities and transactions
Scope	Honda Group companies covered by the Honda Human Rights Policy
Details	• Confirmation of the status of efforts to address each human rights issue • Confirmation of the occurrence or non-occurrence of violation cases related to each human rights issue
Items of questions	• Prohibition of forced labour (no trafficking in any form, including human trafficking, etc.) • Prohibition of child labour (e.g., confirmation of age for employment) • Elimination of discrimination and harassment • Dialogue with associates • Respect and acceptance of diversity (promoting women's participation in the workplace, employment of people with disabilities, etc. • Wages (compliance with minimum wage standards, efforts to realise equal pay for equal work, etc.) • Working hours (limiting overtime work, encouraging the use of paid leave, etc.) • Safe and healthy working environment (consideration for childbirth, childcare, and nursing care, support for balancing work and childcare, etc.)

Extracted from Honda Global ESG Report 2025

Double Materiality Assessment Outcomes

The 2025 Double Materiality Assessment (DMA) identified workers in the value chain as a material impact area, primarily upstream, with direct links to human rights, working conditions, and health and safety.

ESRS Category	ESRS Topic Title	Subtopic	Materiality Type	Time Horizon	Value Chain Location
Social	Workers in Value Chain	Child labour	Impact	Short-term	Upstream
		Forced labour	Impact	Medium-term	Upstream
		Working Conditions - Health & safety	Impact	Medium-term	Downstream

Sustainable Supply Chains

Honda recognises the critical role of supply chain management in advancing its Triple Action to ZERO strategy. We collaborate closely with suppliers to foster environmental, social, and governance (ESG) maturity, align with Honda's sustainability goals, and drive continuous improvement.

To enhance governance, Honda Motor Europe has launched a sustainable supply chain working group, led by a sustainability supply chain lead. This role oversees our supplier sustainability policy, manages ESG risks, and drives sustainability performance improvement through dedicated programmes focused on transparency and ESG resilience.

EcoVadis: Supplier ESG Risk Management

Honda Motor Europe partners with EcoVadis, a global leader in sustainability ratings, to monitor and assess all Tier 1 suppliers across 21 ESG criteria – including environment, labour and human rights, ethics and sustainable procurement.

Through this partnership:

- We ensure transparency and accountability in our Tier 1 supplier relationships.
- Suppliers are incentivised to improve sustainability performance through access to the EcoVadis Academy and sustainable financing opportunities.
- Our procurement teams gain real-time insights to inform sourcing decisions and contract negotiations.

In 2025, nearly 700 Tier 1 suppliers were onboarded, with plans to expand. EcoVadis ratings will be integrated into annual performance reviews to track supplier alignment with Honda's sustainability standards and risk protocols. The platform also enables proactive mitigation of ESG risks such as modern slavery, ethical sourcing and environmental impacts.

Green Track: Managing Scope 3 Emissions

Scope 3 emissions – which largely come from the supply chain – account for approximately 20% of Honda's total emissions. To address this, we launched the Green Track initiative in Q3 2025 to measure and forecast supplier emissions based on actual data. The tool has been developed by Honda and helps to track, manage and reduce Scope 3 emissions over time by providing clear forecasting based on actual supplier data.

Currently, 70% of suppliers by spend are engaged in this program, and Honda provides tools, training and support to help them improve. Green Track is pivotal to achieving carbon neutrality by 2050 under the Triple Action to ZERO strategy.

Case Study

Honda Italia Industriale

Local Supplier ESG Training

Honda Italia Industriale (HII) organised a sustainability training program designed for local suppliers in September 2024, comprising two 1.5-hour sessions. The objective was to raise awareness, build capacity and foster a shared commitment to sustainability principles, with a particular emphasis on the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Session 1:
Environmental Sustainability and Governance

The first session focused on key environmental and governance topics. The environmental segment addressed climate change and energy efficiency, circular economy principles, pollution prevention and biodiversity protection.

The governance section explored essential aspects of responsible corporate governance, emphasising transparency, ethical business conduct and alignment with ESG frameworks.

Session 2:
Social Sustainability

The second session concentrated on the social dimension of sustainability. It covered human rights, labour standards, diversity and inclusion and occupational health and safety. Discussions highlighted the importance of fair working conditions and social responsibility throughout the supply chain.

Through this program, Honda aimed to enhance understanding of ESG requirements and prepare local suppliers to align with evolving regulatory expectations, while promoting long-term sustainable practices across the value chain. As a result, 31 people representing more than 20 Italian suppliers were trained.

Consumers and End Users

Honda's commitment to its customers is inseparable from its mission to deliver safe, sustainable and accessible mobility for all. Our Global Safety Vision sets two key milestones: to reduce traffic fatalities involving Honda vehicles by 50% by 2030 and eliminate them entirely by 2050.

This approach is grounded in the reality that around 1.19 million people die every year in traffic accidents worldwide, according to the World Health Organisation, with many linked to human error.

Honda's global strategy integrates:

- **Safety technologies:** To prevent and mitigate collisions.
- **Education and outreach:** To influence road user behaviour.
- **Inclusive mobility:** Enabling access to safe mobility solutions for all communities.

Honda Approach

A Society Where Everyone Can Enjoy Freedom of Mobility with Total Peace of Mind

For many people, mobility is essential for a better quality of life. Mobility, including motorcycles and automobiles, plays an important role in people's lives as a tool for work and as social infrastructure, while recent technological advancements in online services make life without physical movement increasingly feasible.

However, Honda believes people's desire for mobility remains unchanged under these circumstances. This is because the joy of expanding one's range of activities, guided by curiosity and experiencing the real world with all five senses, is a natural part of life from childhood. A secure society for all people is always essential for this joy to flourish, and safety it a crucial element in achieving this.

Honda's slogan, 'Safety for Everyone,' reflects our commitment to pursuing personalised safety and the idea that improving the safety of each member of society will ultimately enhance overall social safety.

Historically, Honda has pioneered new technologies regardless of whether society demands them or not, setting higher targets beyond regulatory requirements and creating what did not exist.

While restricting people's mobility could enhance their safety, it is not the kind of society Honda envisions. To promote the joy and freedom of mobility for all, Honda will continue to actively pursue safety measures as part of its social responsibility.

Extracted from Honda Global ESG Report 2025

Honda Environmental and Safety Vision

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

Global Safety Slogan

Safety for Everyone

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

Honda Approach

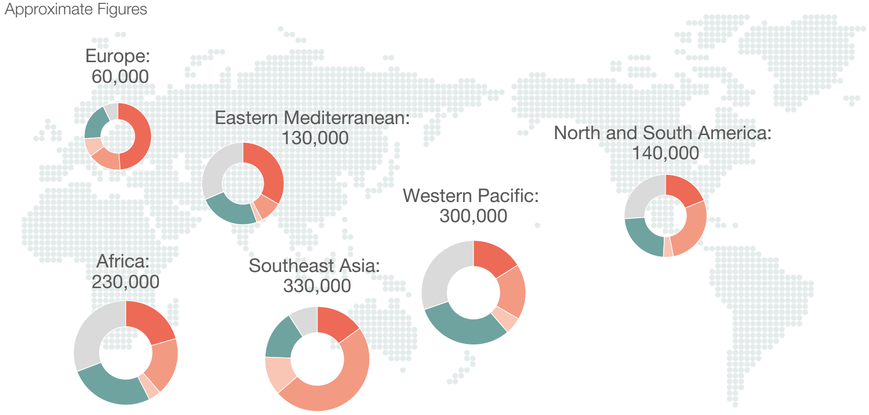
Environment Recognition

Global road traffic fatalities remain a serious issue, with approximately 1.19 million every year. Breaking these down by road user type, automobiles account for about 25%, motorcycles and three-wheeled vehicles about 30%, bicycle users about 5% and pedestrians about 21%. Regionally, Southeast Asia accounts for about 28% and Africa about 19%, highlighting the crucial need to address the safety of vulnerable road users such as motorcyclists and pedestrians in emerging countries*1.

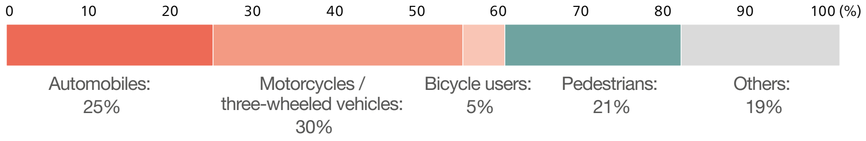
Eliminating traffic fatalities is a societal responsibility for mobility manufacturers. As the world's biggest motorcycle manufacturer, Honda is particularly committed to spearheading safety initiatives for all road users.

Global Traffic Accident Statistics (WHO)

Approximate Figures



Global Traffic Fatalities by Road User Type

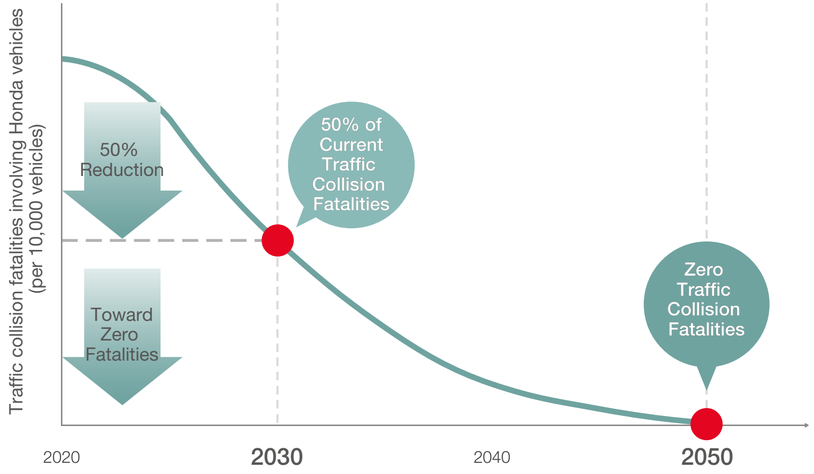


Extracted from Honda Global ESG Report 2025

Honda's Vision

Honda aims for zero traffic collision fatalities involving its own motorcycles and automobiles*2 globally by 2050. As a milestone, the company's target is to halve worldwide traffic fatalities involving its vehicles by 2030 compared to 2020 levels*3. This includes not only new vehicles but all registered Honda motorcycles and automobiles.

Honda Safety Goals Scenario toward the Realisation of "Zero Traffic Collision Fatalities" by 2050



*1 Source: WHO Global Status Report on Road Safety 2023.

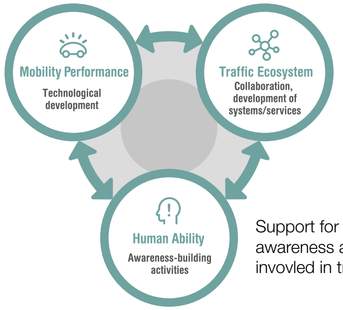
*2 Traffic collisions involving Honda motorcycles and automobiles (rider, driver and passengers), as well as pedestrians and bicycles as other involved parties (excluding intentional violation of traffic rules with malicious intent and cases of wilful incapacitated status due to use of alcohol, drugs or other substances).

*3 Halve the number of traffic collision fatalities per 10,000 vehicles involving Honda motorcycles and automobiles worldwide in 2030 compared to 2020.

Approach Toward the Vision

Honda is addressing various factors leading to collisions by evolving and combining human ability (awareness-building activities), mobility performance (technological development), and traffic ecosystem (collaboration, development of systems/services) – collectively referred to as the three elements of safety. These measures align with the safe system approach recently recommended by the United Nations to various countries, which is to promote safety measures with technologies and activities in various areas in response to a single collision case. Additionally, these three elements of safety have been established as material issues that Honda must address.

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



Contribution to creating environment and systems to bring people and mobility into harmony

Support for the enhancement of knowledge, awareness and experience of everyone invovled in traffic society

Toward 2030

Honda recognises the need to reduce fatal collisions involving motorcycles in emerging countries as a major challenge toward 2030. To address this, we will actively develop instructor training programs, corporate training at traffic education centres* and schools for individuals in human ability (awareness-building activities).

In mobility performance (technological development), for motorcycles, Honda will expand the application of advanced braking systems such as ABS (anti-lock braking system) and CBS (combined braking system) as well as high visibility lights for riders and other road users.

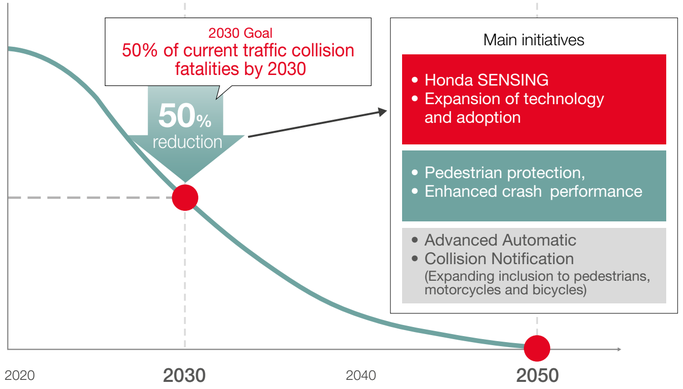
For automobiles, Honda will actively promote the functional evolution and widespread use of advanced driver-assistance systems (ADAS), such as Honda SENSING with a motorcycle detection function in emerging countries and Honda SENSING 360 in developed countries, tailored to the local requirements of each region.

In the traffic ecosystem (collaboration, development of systems/services), we are strengthening our collaboration with international organisations, such as the United Nations, in relation to traffic safety. We will support safety policies such as institutional reform, awareness-building and infrastructure development by providing the knowledge and the knowhow cultivated from Honda's long-standing safety activities to countries around the world, with a focus on emerging countries.

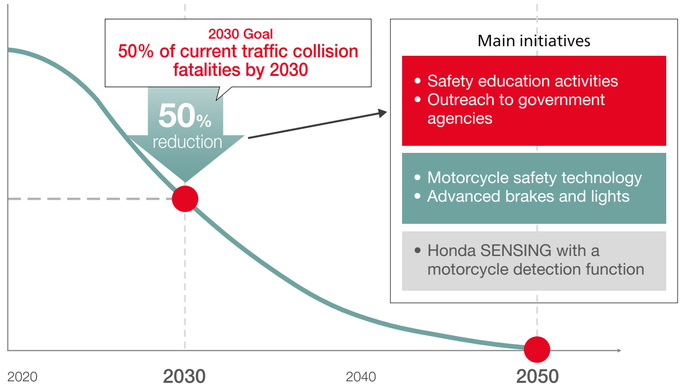
Extracted from Honda Global ESG Report 2025

Scenario for Halving the Number of Traffic Collision Fatalities by 2030

Developed countries - Automobiles



Emerging countries - Motorcycles



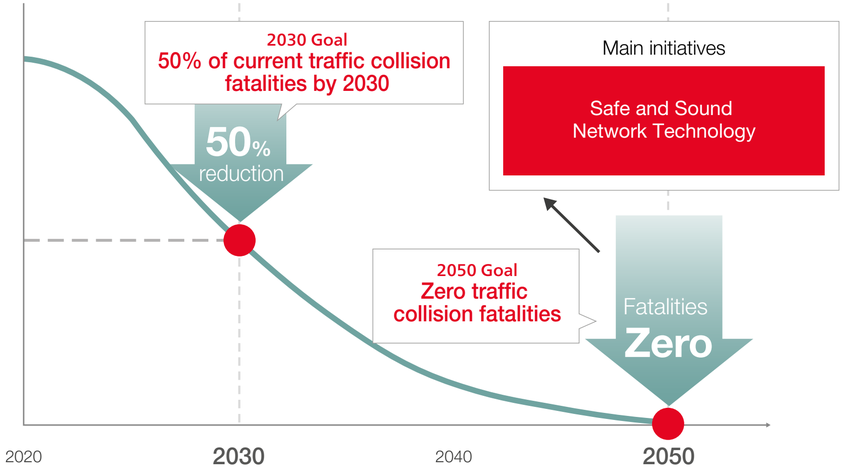
* Honda facilities where internal and external traffic safety instructors are trained and driving safety education is provided to corporations, schools and individual customers.

Approach Toward the Vision

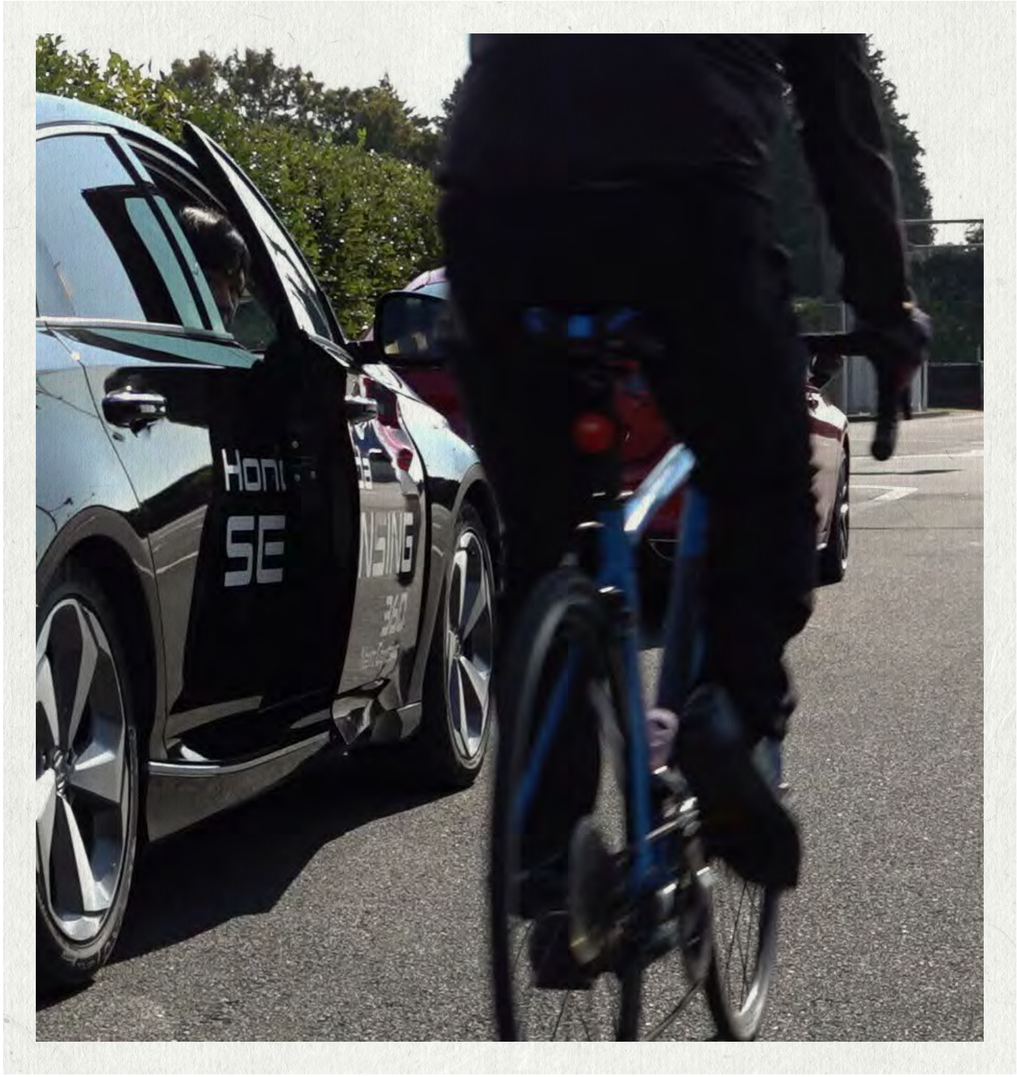
Toward 2050

A major challenge for 2050 is to reduce traffic collision fatalities among pedestrians, cyclists and motorcycle riders – those classed as vulnerable road users. To address this challenge, Honda will accelerate the efforts of the traffic ecosystem (collaboration, development of systems/services). Specifically, we will promote research and development relating to 'Safe and Sound' network technology and standardisation of technologies for social implementation, which provides information through telecommunications to help people prepare for and respond to the risks of collision before they occur.

Scenario toward the Realisationn of "Zero Traffic Collision Fatalities" by 2050



Extracted from Honda Global ESG Report 2025



Human Ability: Awareness-Building Activities

Honda Approach

The cornerstone of traffic safety is human. Since the establishment of the Traffic Safety Promotion Operations in 1970, Honda has been actively involved in traffic safety awareness building activities, targeting not only riders and drivers but also everyone sharing the road, from children to the elderly. These activities are based on the principles of 'passing safety education from person to person,' to enable more people to empathise with and understand safety, and 'providing participatory hands-on education' to effectively deepen understanding by experiencing potential hazards in a safety environment.

They are designed to improve human abilities, not only in driving skills and cognitive judgment ability but also in aspects such as empathy and consideration of others. Based on these principles, Honda will use digital tools and generative AI to evolve these activities into safety education tailored to each person's awareness, abilities, experience level and physical capabilities.

Extracted from Honda Global ESG Report 2025

Approach

As of March 2025, Honda has been actively developing instructor training, corporate training at its Traffic Education Centres and schools for individuals in 43 countries and regions worldwide, including Japan. In March 2025, a Traffic Education Centre was opened in Korea. We also collaborate with local businesses, schools and Honda dealerships to provide programmes tailored to all age groups, from children to the elderly, at various locations.

In the fiscal year ending March 31, 2025, approximately 4.4 million people attended our educational programmes. Moving forward, we will aim to further expand such educational opportunities to support everyone sharing the road.

Countries and regions engaged in traffic safety activities

Double Materiality Assessment Results

The 2025 Double Materiality Assessment (DMA) confirmed end users and customers as a material topic for Honda Motor Europe.

The focus areas are:

ESRS Category	ESRS Topic Title	Subtopic	Materiality Type	Time Horizon	Value Chain Location
Social	Consumers and End Users	Access to products and services and inclusion of vulnerable users	Impact	Medium-term	Downstream
		Personal safety of consumers and/or end-users - health and safety	Impact & Financial	Long-term	Downstream
		Social inclusion of consumers and/or end-users - access to products and services	Impact & Financial	Medium-term	Downstream

European Actions and Programmes

In Europe, Honda translates the global vision into specific initiatives that combine technology, training and engagement.

Technology as a foundation

All automobiles sold in Europe are available with either Honda SENSING or SENSING 360 equipment, utilising cameras, radar and sensors together with driver assisted functions to help avoid collisions.

Education: addressing the human factor

Technology alone cannot address the reality that 90% of accidents stem from human error. As a result, Honda has invested in education and training in an effort to minimise the risk for riders and other road users.

Honda has built a broad training ecosystem that allows it to educate both current riders and the next generation. Using online tools, face-to-face interaction and a number of fully equipped training sites, it is supporting riders to identify risks and hazards, improve safe riding skills and instil safe riding practices.

- **High-Quality Training (HQT):** Programmes across Europe deliver structured post-licence training. Courses last a minimum of six hours and can reduce collision risk by up to 30%. High-quality training is widely regarded as the most effective way to reduce traffic fatalities.
  To increase the number of training participants and broaden its reach, we plan to develop the Honda Training Quality Label, for use with third parties – such as training centres, safety programmes and instructors. Our European chief instructor will assure the development and implementation of Honda's training standards.

- Dealer networks will incorporate hands-on safety feature demonstrations into the vehicle delivery process.

Engagement: Expanding reach

Honda is expanding its impact through digital outreach. Our video content and safety campaigns reached 94,000 users in 2025, while more than 100,000 customers accessed training materials using QR-linked keychains. Honda also engages with the next generation through school-based programmes, such as those in Turkey, where more than 1,000 students a year participate in road safety workshops.

Honda Safety Institute, Spain

Honda Türkiye Training Site

Motorcycles: Education as a Core Strategy

Human Factor Focus: 90% of accidents are due to human error, which means driver and rider education are essential.

Honda Safety Institute, Spain

- Operational since 2009 on a 20,000 m² site.
- Offers 12 tailored courses for all skill levels and ages (including children aged 6-12).
- Trained 30,000 motorcyclists and conducted 2,500 courses.
- Achieved a 9.52/10 satisfaction rating and an average 2.7-point improvement in self-assessed riding skills.

Technology Enhancements

- Motorcycles: Equipped with anti-lock braking systems, combined braking and LED lighting for visibility.
- Automobiles: Features such as Honda SENSING 360 use cameras, radar and sensors for proactive safety.

Balanced Approach

- Honda emphasises that technology and education must work together.
- Plans to expand reach through digital training platforms, making safety education more accessible and engaging.

Overall, Honda has created a broad training ecosystem that allows it to educate both current riders and the next generation. Using online tools, face-to-face interaction and a number of fully equipped training sites, it is helping to reduce numerous risks for riders and other road users as it instils safer practices and measurable skill improvements.

Case Study

Motorcycle Training: Honda Italia Industriale

As part of Honda's commitment to promoting road safety and achieving zero fatal accidents in its vehicles by 2050, Honda Italia Industriale (HII) has developed young riding school and advanced training programmes:

Young Riding School

An internal training programme designed specifically for HII associates, with a focus on first-time riders. The program includes a comprehensive and structured learning path consisting of:

- **Theoretical Induction:** Foundational knowledge of road safety, traffic regulations and responsible riding behaviour.
- **Static Training:** Practical sessions using a riding simulator developed in-house by the HII team, allowing trainees to experience riding and road scenarios in a safe environment.
- **Stop & Go Training:** Hands-on exercises focusing on basic controls and manoeuvring skills such as starting, stopping and balancing the vehicle.

Dynamic Test

A dynamic test that takes place at the HII plant. In 2024, two Young Riding School sessions were organised, and 12 participants were successfully trained. In the first quarter of 2025, 22 participants attended the training sessions, and an advanced training scheme is also planned for this year.

Motorcycle Safety Training: Hungary

Honda Motor Europe Hungary introduced motorcycle safety training to enhance riders' awareness and riding skills. The training comprises a classroom session to help participants understand basic principles: motorcycle components, maintenance methods, traffic rules, riding posture and road signs.

This is followed by practical training, in which riders are tasked with navigating tight corners, emergency braking, hazard perception and obstacle avoidance.

A total of 144 participants attended the training sessions between June and October 2024.

4

Governance

Governance (ESRS G1)

Governance is fundamental to Honda's ability to deliver long-term value and achieve its sustainability ambitions. Honda's global governance is guided by the Honda philosophy, focusing on respect for individuals, integrity and transparent decision-making.

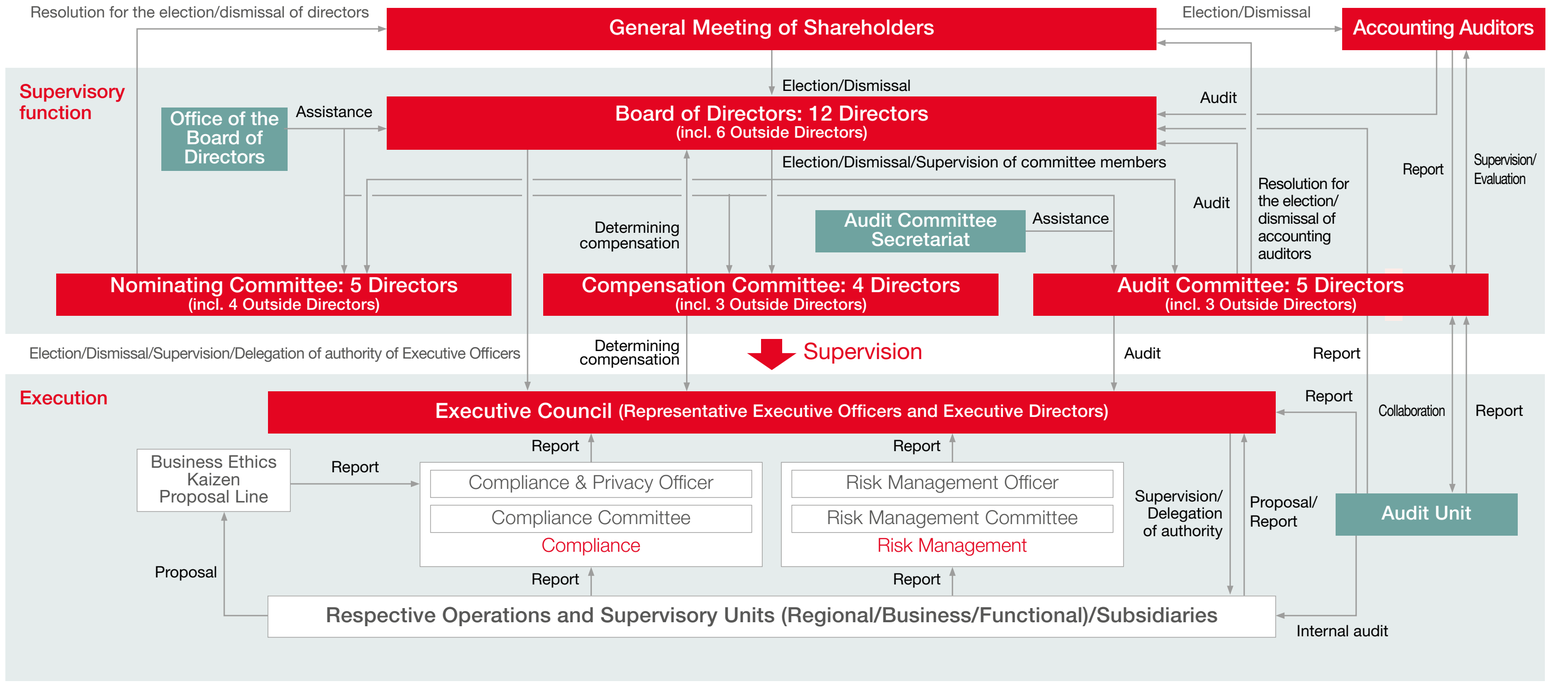
Honda Approach

Based on its fundamental beliefs, Honda strives to enhance the trust of shareholders, investors, customers and society, while encouraging prompt, decisive and risk-conscious decision-making, thereby achieving sustainable growth and enhancing corporate value over the medium- to long-term. Through these efforts, the company is working to enhance corporate governance as one of its key management priorities to become 'a company society wants to exist'.

To clearly segregate the supervisory and execution functions of management, strengthen the supervisory function and enable prompt and flexible decisions, Honda has created a nominating committee, an audit committee and a compensation committee, and more than 50% of each is composed of outside directors. Honda has also adopted a 'company with three committees' structure, which allows the broad delegation of the business execution authority from the board of directors to executive officers.

Honda is making efforts to appropriately disclose corporate information including the release of quarterly financial results and management policies, in a timely and accurate manner, to bolster the trust and appreciation of shareholders/investors, customers and society, and it will continue to strive to ensure the transparency of its management.

Corporate governance structure (as of June 19, 2025)



Please see the Honda corporate governance basic policies and the corporate governance report (the link below) for information about Honda's corporate governance policy.

Honda Corporate Governance Basic Policies, Corporate Governance Report
https://global.honda/en/investors/policy/governance.html

Extracted from Honda Global ESG Report 2025

Honda Approach and Awareness-raising / Education Activities

Honda defines compliance as not merely observing laws and regulations but ensuring every executive and associate acts with integrity and ethics toward customers and society. This is the company's basic approach to compliance.

As specific systems to put the policies into practice, we have developed and implemented the following measures: formulation and distribution of the code of conduct, appointment of the compliance and privacy officer, establishment and operation of the compliance committee and installation and operation of the Business Ethics Kaizen Proposal Line. Furthermore, through training for new associates, newly certified executives, newly appointed executives and other rank-specific and division-specific training opportunities, we conduct awareness-raising and education activities related to compliance. This includes the contents of the code of conduct and various laws and regulations (anti-bribery, insider trading regulations, competition law, personal information protection law, subcontract law, etc). Through these efforts, Honda continuously fosters and improves awareness of compliance.

Honda Code of Conduct

To earn the trust of customers and society and achieve sustainable growth, we must not only comply with laws and regulations but also practice sincere and ethical conduct.

The Honda Code of Conduct summarises the integrity expected of all Honda associates around the world. It is shared throughout the company, including with subsidiaries in Japan and overseas.

We work to instil the Honda Code of Conduct in every executive and associate through awareness-raising activities and case studies distributed via smartphones and leaflets, posters, educational videos and the company intranet, as well as conducting training sessions. The status of these activities is regularly reported to the compliance committee after confirmation by each division and subsidiary.

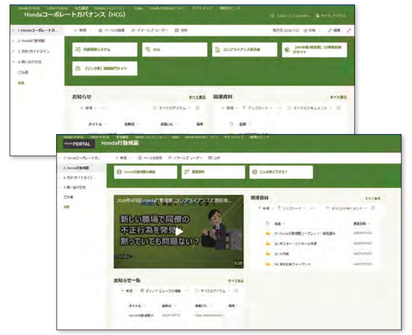
Honda Code of Conduct
https://global.honda/en/about/codeofconduct.html

Compliance Committee

Honda has established a compliance committee, headed by a compliance and privacy officer designated by the board of directors. This committee also includes executive officers and other business execution managers who are appointed by the executive council. The committee determines important measures for the internal control system, including the formulation and revision of compliance policies, checks the status of the development and operation of the internal control system, supervises the proper operation of the Business Ethics Kaizen Proposal Line and determines measures to prevent the recurrence of serious compliance-related matters. When a particularly important compliance-related matter arises, it will be deliberated on or reported at a meeting of the executive council or the board of directors, depending on the nature of the matter.

The compliance committee met six times (four regular meetings, two extraordinary meetings) in the fiscal year ending 31 March 2025, when it reported on the status of development, the operation of internal control systems and the operation status of the Business Ethics Kaizen Proposal Line, among other things. In the same fiscal year, the executive council approved the details of the recurrence prevention measures regarding the finding of an improper incident in model application for automobiles dated 3 June 2024, and the compliance committee confirmed the progress of the measures.

Honda Code of Conduct



Intranet

Extracted from Honda Global ESG Report 2025

Business Ethics Kaizen Proposal Line

Honda established the Business Ethics Kaizen Proposal Line as a structure for improving corporate ethics issues. This hotline accepts proposals and provides consultation for any violations of laws/regulations or internal rules in the workplace from a fair and neutral standpoint. Associates can use the hotline for issues that are difficult to remedy or resolve in the workplace, such as difficulties consulting with their superiors.

In addition to cases of a clear violation of laws/regulations or internal rules, the hotline responds to enquiries about the details of internal rules when questionable cases have occurred and can also confirm the facts. Proposals are accepted by email, letter, telephone or fax from all subsidiaries and suppliers in Japan and overseas, as well as from Honda. This hotline ensures protection of the Kaizen proposers from any adverse treatment and accepts anonymous proposals. Fact-finding investigations are conducted on accepted proposals, and if a problem is identified, it is handled appropriately in cooperation with the relevant departments.

Honda has also established a point of contact through an external law office to create an environment in which it is easier to make proposals. Local points of contact have been established in all regional operations, while some subsidiaries set up their own points of contact.

In the fiscal year ending 31 March 2025, 400 proposals and consultations were handled by the Business Ethics Kaizen Proposal Line, including from points of contact outside the company. Of these, 165 concerned Honda, 222 concerned subsidiaries and 13 concerned other matters.

Following investigations of the proposals and consultations submitted, disciplinary action was taken in seven cases within Honda and nine cases within subsidiaries. One case involving the Company resulted in punitive dismissal. None of the cases involved violations of the Honda policy on the prevention of bribery and corruption.

To raise internal awareness of the points of contact, Honda issues notices on its intranet, distributes information cards to all associates – including fixed term associates and temporary workers – and displays information posters in each workplace. These tools clearly state that the Kaizen proposers are protected. In addition, Honda observes how well the point of contact is recognised through an annual associate vitality survey. For departments found in these surveys to have low recognition of the point of contact, the company makes additional efforts to increase awareness.

Incentives to Prevent Bribery and Corruption

Honda prohibits bribery and corruption.

The Honda Code of Conduct requires that the company complies with laws and regulations, and states that ‘as an independent corporate entity, Honda maintains appropriate relationships with political entities (political organisations and politicians) and administrative entities (governmental agencies and government officials)’ and ‘will interact with political and administrative entities in an appropriate manner in compliance with laws, regulations and company policies and will not offer politicians or government officials entertainment or gifts (both monetary and non-monetary) that are prohibited by laws, regulations and company policies’. The code stipulates that associates ‘will not receive from or provide to business partners benefits in the form of goods (both monetary and non-monetary) or entertainment beyond what is generally considered appropriate by society’.

The Honda policy on the prevention of bribery and corruption provides guidelines and stipulates specific compliance and prohibited items. These are posted on the intranet for Honda associates, along with related educational content.

Honda strives to further reduce the risk of bribery and corruption by educating all associates through awareness-raising activities for the Honda Code of Conduct, and by providing training to personnel stationed overseas and newly appointed managers based on their positions and roles. For subsidiaries, the company has established training programmes tailored to each company’s situation and is working to raise awareness of bribery and corruption prevention.

Extracted from Honda Global ESG Report 2025

Initiatives for Prevention of Anti-Competitive Behaviour

As a company engaged in global business, Honda takes great care in its daily activities to comply with competition laws in the countries in which it operates.

The Honda Code of Conduct states that 'Honda will engage in free and open competition with competitors to maintain its stance as a company trusted by customers and society' and that each associate 'will comply with competition laws (antitrust laws)' to ensure compliance with competition laws.

As a part of its measures to strengthen compliance, Honda implements individual training for related departments to prevent anti-competitive behaviour. It also incorporates programs on the topic of anti-competitive behaviour in training for personnel stationed overseas and for newly appointed managers. Additionally, Honda publishes awareness-raising content concerning anti-competitive behaviour on its associate intranet.

Rules on Conflict Minerals

The rules for disclosure on conflict minerals adopted by the U.S. Securities and Exchange Commission (SEC) and mandated by the Dodd-Frank Wall Street Reform and the Consumer Protection Act (Dodd-Frank Act) require corporations to confirm that the purchase and use of conflict minerals from the Democratic Republic of the Congo and neighbouring countries are not contributing to the funding of armed groups or the abuse of human rights in conflict areas.

Honda's policy aims to be conflict-free, which means not using conflict minerals associated with illicit activities, such as funding armed groups and human rights violations in conflict areas.

Honda conducts surveys based on the standards prescribed in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Through the surveys, we are working with domestic and international industry organisations and suppliers to resolve the conflict minerals issues.

The Japan Automobile Manufacturers Association, Inc. has prepared a manual for suppliers to fill out the survey forms and tools to tabulate the results.

In collaboration with the Japan Auto Parts Industries Association, the Japan Electronics and Information Technology Industries Association and other organisations, we are also conducting regular working activities to examine efficient survey methods and to understand and analyse survey results. In North America, Honda is working with the Responsible Minerals Initiative (RMI) – an international organisation promoting responsible mineral procurement – to encourage smelters and refiners to participate in the Responsible Minerals Assurance Process (RMAP).

We share the Honda supplier sustainability guidelines with our suppliers, which describe our sustainability initiatives, including our handling of conflict minerals, and promote procurement in line with the guidelines. We also encourage our first-tier suppliers to implement the same initiatives toward their sub-tier suppliers.

Since 2013, Honda has surveyed its suppliers worldwide concerning the use of conflict minerals. In the fiscal year ended 31 March 2025, Honda received responses from more than 7,000 suppliers. The survey results have been reported to the SEC and are available on the website (see the link below, FORM SD/Conflict Minerals Report).

If the survey results reveal any minerals of concern, regardless of the source country, Honda works together with its suppliers to take appropriate measures. The company also strives to improve the accuracy of its survey by requesting re-surveys when survey responses are insufficient.

Honda Supplier Sustainability Guidelines
https://global.honda/sustainability/cq_img/report/pdf/supply-chain/supplier-sustainability-guidelines.pdf

From the IR Library website 'Form SD/Conflict Minerals Report
https://global.honda/investors/library.html

Extracted from Honda Global ESG Report 2025

Double Materiality Assessment Results

The 2025 Double Materiality Assessment for Honda Motor Europe identified two governance (G1) subtopics as material:

ESRS Topic	Subtopic	Materiality Type	Time Horizon	Value Chain Scope	Global Vision Link
Governance (G1)	Corporate Culture	Impact & Financial	Short-term	Own Operations	Ethical leadership, tone from the top, accountability
Governance (G1)	Management of Relationships with Suppliers including Payment Practices	Impact	Medium-term	Upstream Value Chain	Fair, responsible and transparent supplier relationships

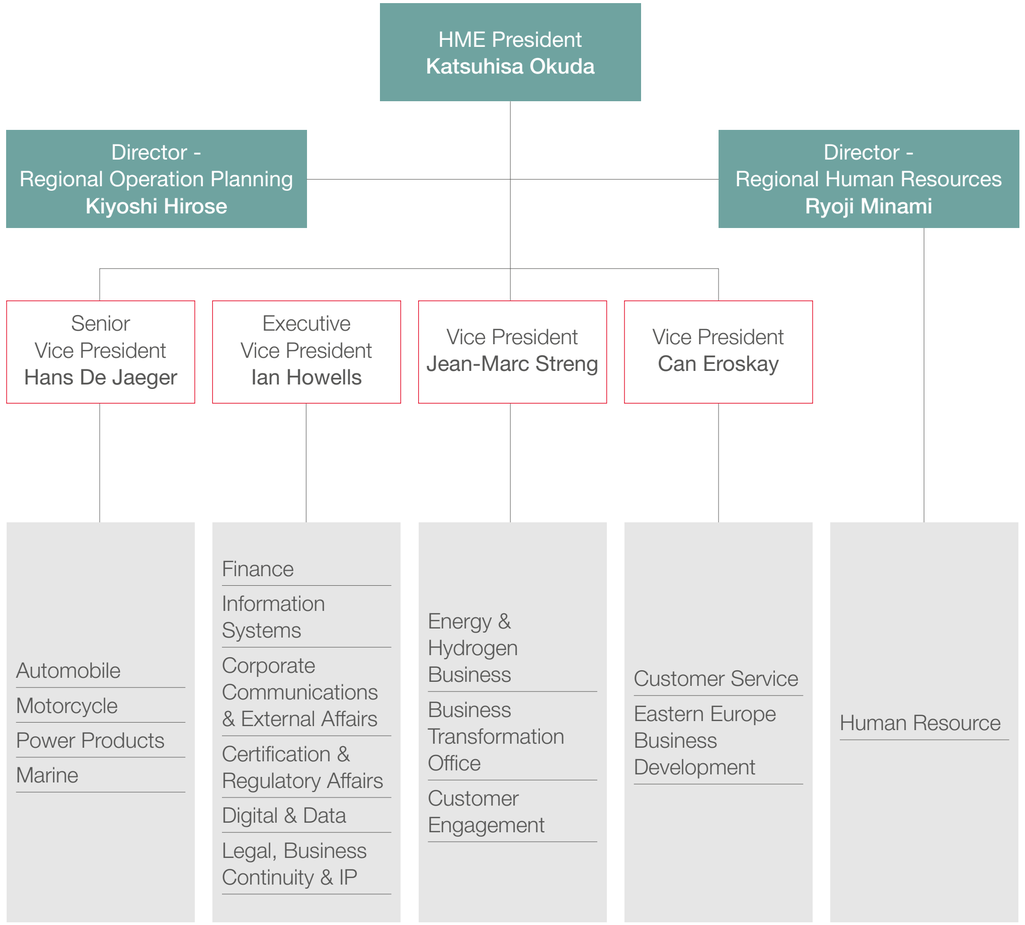
The Regional Sustainability Board (below) oversees environmental, social, and governance (ESG) matters across the region. The President of Honda Motor Europe and the senior management team, under the regional sustainability board, are responsible for implementing the sustainability strategy in Europe, which is informed by the DMA.

Outlook

Moving forward, Honda Motor Europe will:

- Strengthen leadership accountability and corporate culture key performance indicators via surveys and monitoring.
- Expand supplier engagement programmes that focus on sustainability, performance and transparent practices.
- Further integrate these governance topics into risk management and business planning, ensuring they underpin all strategic decisions.

Committee system diagram



5

CSR

Corporate Social Responsibility: Associate Activities

Honda's philanthropic initiatives began in the 1960s and were designed to strengthen ties with local communities. Honda Motor Europe associates regularly engage with a wide variety of social contribution activities, especially those that reflect local circumstances.

Honda Approach

Honda's Social Contribution Activities

Honda currently runs a variety of social contribution activities in the seven regions in which it operates worldwide, aiming to share joy with people around the world and to be a company society wants to exist.

Honda strives to support initiatives that reflect local circumstances in its corporate activities and will continue to pursue social contribution activities while communicating with customers and community residents.

Honda Approach to Social Contribution Activities

In 1998, Honda devised the philosophical basis and principles of the Honda Philanthropy for its social contribution activities. In 2006, the company formulated its Global Policy for Social Contribution Activities to unify the direction of global activities with the aim of creating a society full of dreams for tomorrow. The policy was revised in 2018 in response to a changing environment, and Honda has since engaged in activities to realise its 2030 Vision to "serve people worldwide with the joy of expanding their life's potential".

Based on its Fundamental Beliefs of Respect for the Individual and The Three Joys, Honda will accelerate the proactive efforts of each associate on a global scale.

Global Policy for Social Contribution Activities

Corporate Philosophy

Honda will proactively exercise its social contribution initiatives – founded on the fundamental principles of Respect for the Individual and The Three Joys – to improve the quality of people's daily lives.

Objective

Honda will aspire to become a company that society wants to exist and will contribute to the realisation of a sustainable society by serving people worldwide with the joy of expanding their life's potential through its social contribution activities.

Activity Policy

- Honda will earn social acceptance by creating empathy and trust through active community engagement and by being a good corporate citizen.
- Honda will use its resources and workforce to contribute to society from a global viewpoint.
- Honda will promote and facilitate maximum associate participation in, and passion for social contribution activities.

Honda's social contribution activities are based on four core policies:

- Supporting our youth for the future
- Protecting the global environment
- Promoting traffic safety
- Addressing local community needs

Extracted from Honda Global ESG Report 2025

Initiatives for Social Contribution Activities

Our social contribution activities are tailored to local circumstances in accordance with Honda's Global Policy for Social Contribution Activities, with the aim of creating future societies "that are full of dreams".

Toward the realisation of our vision of a zero environmental impact society and a collision-free society, we work to nurture mindsets that respect the environment and prevent accidents through people-focussed safety awareness activities. This report provides representative examples of our activities in Europe.

Case Studies

Youth Support and Mum's Project

Supporting our Youth for the Future: Educational Programmes in Italy

Honda Italia Industriale (HII) has collaborated with 3 Istituti Tecnologici Superiori - ITS - based in Lanciano, Ortona and Vasto since 2015 to provide local students with education programmes designed to improve their employability. The scheme combines learning in principles, theories and methodologies with Honda's experience and best practice, and began by offering a basic programme for post-diploma students on mechatronics and logistics and supply chain courses.

An advanced programme for mechanical engineering university students was launched in 2021, covering manufacturing operations, new model development, industrial automation, and sustainability, and in 2024, the scheme was provided to 60 students from ITS and mechanical engineering universities. More than 400 students have participated since the scheme was introduced.

Supporting Parenthood through the Mums Project

To support female associates on their journey to motherhood, Honda Italia Industriale (HII) launched the Mum's Project in collaboration with psychology professors from the University of D'Annunzio of Chieti. The initiative aims to promote the wellbeing of new mothers by planning for motherhood and the return to work and by fostering a supportive culture.

In its pilot phase, four mothers-to-be participated in a structured programme that included a three-hour group session during the last quarter of pregnancy, an interview at the start of maternity leave, a three-hour follow-up session in the first three months after the baby's birth, and a reintegration session with colleagues upon return to work using the LEGO® Serious Play® approach – a methodology developed by the toy company to encourage participation and contribution among employees.

Building on this positive experience, the 2025 project will evolve into parenting courses aimed at supporting associates through the different developmental stages of their children and adolescents.

Addressing Local Community Needs

Donating to Local Causes and Supporting those in Need

Honda Motor Europe Logistics Aalst Belgium donated support packages to Ukraine, including medical goods, personal protection equipment, first aid supplies and clothing.

Honda Germany, Honda Bank-Germany and Honda R&D associates worked with Frankfurter Entsorgungs- und Service GmbH to collect rubbish in Frankfurt's Ostund neighbourhood and Offenbach. A total of 44 associates, equipped with bin bags, gloves and tongs, set to work in their respective areas, demonstrating their commitment to sustainable action by collecting more than 100 kilos of waste.

For the past 11 years, Honda Centre Germany has been the start point for the Biker 4 Kids Motorcycle parade. The charity supports children's hospice work in Düsseldorf, and prides itself in helping the wider family unit through hard times. The event has become one of the biggest yearly motorcycle charity events in Germany, often with more than 2,000 motorcycles and 5,000 visitors in attendance.

6

Annexes

Certificates and Registrations

Safety and the environment have always been an integral part of Honda's operations across the globe.

A healthy, safe and environmentally responsible workplace and workforce is vital to us, and to achieve this we operate all aspects of our business in compliance with our stated policies and procedures.

We also comply with all relevant legislation as an absolute minimum, aiming to exceed these standards wherever we can. Our Safety and Environment policies are the starting point of this activity, supported by company action guidelines that provide direction to our improvement and clearly establish our responsibilities.

Honda's environmental and safety activities are reinforced by the achievement of the Environmental Management standard ISO 14001:2015 and the Safety Management standard ISO 45001:2018. This has strengthened the process of continuous improvement and assured compliance with legislation.

Safety Policy

Honda will ensure a safe and healthy working environment by building safety into our processes and equipment, helping to achieve the highest level of safety awareness in our associates, as there can be no production without safety. In a global capacity, Honda's quest for safety in its products is not limited to the needs of car drivers and motorcycle riders.

Our total commitment to 'Safety for Everyone' extends to passengers, pedestrians, occupants of other vehicles and everyone on the road. We will therefore continue to develop and refine our innovative technologies to realise a safer society.

Environment Policy

Honda will make every effort to protect the environment from the effects of its manufacturing operations and will achieve, by means of continual improvement, the expectations of society and our local community.

From its early days, Honda has implemented proactive measures to help solve environmental challenges. As we continue in our ongoing efforts, we have set for ourselves clear targets to help preserve our environment and strive to be 'a company society wants to exist' through leadership in environmental and energy technologies.


LRQA

Certificate of Approval

This is to certify that the Management System of

Honda Motor Europe Logistics N.V.

Langerbruggestraat 104, 9000 Gent, Belgium

has been approved by LRQA to the following standards:

ISO 14001:2015

Approval number(s): ISO 14001 – 0018726

This certificate is valid only in association with the certificate schedule bearing the same number on which the locations applicable to this approval are listed.

The scope of this approval is applicable to:

Centralized control & management of all logistics operations in Europe, Africa and Middle East for all Honda products: logistics for cars, motorcycles and power equipment; purchase, sales and logistics for spare parts for all Honda products; sales and logistics of industrial engines and development and management of information systems.

Paul Graaf

Area Operations Manager, Europe

Issued by: LRQA Limited


LRQA

Certificate Schedule

Location	Activities
Honda Motor Europe Logistics N.V. Langerbruggestraat 104, 9000 Gent, Belgium	ISO 14001:2015 Centralized control & management of all logistics operations in Europe, Africa and Middle East for all Honda products: logistics for cars, motorcycles and power equipment; purchase, sales and logistics for spare parts for all Honda products, sales and logistics of industrial engines and development and management of information systems.
Honda Motor Europe Logistics N.V. Wijngaardveld 1, 9300 Aalst, Belgium	ISO 14001:2015 Painting of automotive parts, body parts and others. Logistics handling of service parts.
Honda Motor Europe Logistics AT Hondastrasse 1, 2351 Wiener Neudorf, Austria	ISO 14001:2015 Logistic center for motorcycles and powerequipment and parts for all Honda products.
Honda Motor Europe Logistics IT Via Maestri del Lavoro 1, 37068 Vigasio (VR) Italy	ISO 14001:2015 Logistic center for motorcycles and powerequipment and parts for all Honda products.
Honda Motor Europe Logistics NV (Spółka Akcyjna) Oddział w Polsce ul. Poznańska 87, 62-045 Pniewy, Poland	ISO 14001:2015 Logistic center for parts for all Honda products.
Honda Motor Europe Logistics ES Carrer Mar del Nord 1, 08130 Barcelona, Spain	ISO 14001:2015 Logistic center for motorcycles and parts for all Honda products.
Honda Motor Europe Logistics SE Videvägen 2, 232 91 Arlöv, Sweden	ISO 14001:2015 Logistic center for parts for all Honda products.
Honda Motor Europe Logistics UK Viscount Way, Swindon, SN3 4TN United Kingdom	ISO 14001:2015 Logistic center for motorcycles and powerequipment and parts for all Honda products.


LRQA

Certificate of Approval

This is to certify that the Management System of

Honda Motor Europe Logistics N.V.

Langerbruggestraat 104, 9000 Gent, Belgium

has been approved by LRQA to the following standards:

ISO 45001:2018

Approval number(s): ISO 45001 – 0015727

This certificate is valid only in association with the certificate schedule bearing the same number on which the locations applicable to this approval are listed.

The scope of this approval is applicable to:

Centralized control & management of all logistics operations in Europe, Africa and Middle East for all Honda products: logistics for cars, motorcycles and power equipment; purchase, sales and logistics for spare parts for all Honda products, sales and logistics of industrial engines and development and management of information systems.

Paul Graaf

Area Operations Manager, Europe

Issued by: LRQA Limited


LRQA

Certificate Schedule

Location	Activities
Honda Motor Europe Logistics N.V. Langerbruggestraat 104, 9000 Gent, Belgium	ISO 45001:2018 Centralized control & management of all logistics operations in Europe, Africa and Middle East for all Honda products: logistics for cars, motorcycles and power equipment; purchase, sales and logistics for spare parts for all Honda products, sales and logistics of industrial engines and development and management of information systems.
Honda Motor Europe Logistics N.V. Wijngaardveld 1, 9300 Aalst, Belgium	ISO 45001:2018 Painting of automotive parts, body parts and others. Logistics handling of service parts.
Honda Motor Europe Logistics AT Hondastrasse 1, 2351 Wiener Neudorf, Austria	ISO 45001:2018 Logistic center for motorcycles and powerequipment and parts for all Honda products.
Honda Motor Europe Logistics IT Via Maestri del Lavoro 1, 37068 Vigasio (VR) Italy	ISO 45001:2018 Logistic center for motorcycles and powerequipment and parts for all Honda products.
Honda Motor Europe Logistics NV (Spółka Akcyjna) Oddział w Polsce ul. Poznańska 87, 62-045 Pniewy, Poland	ISO 45001:2018 Logistic center for parts for all Honda products.
Honda Motor Europe Logistics ES Carrer Mar del Nord 1, 08130 Barcelona, Spain	ISO 45001:2018 Logistic center for parts for all Honda products.
Honda Motor Europe Logistics SE Videvägen 2, 232 91 Arlöv, Sweden	ISO 45001:2018 Logistic center for motorcycles and parts for all Honda products.
Honda Motor Europe Logistics UK Viscount Way, Swindon, SN3 4TN United Kingdom	ISO 45001:2018 Logistic center for motorcycles and powerequipment and parts for all Honda products.

Certificates & Registrations

Factories

Validity Date	ISO 14001	ISO 45001	ISO 50001	EMAS
Honda Italia Industriale S.P.A.	July 2028	June 2028	-	June 2025
C.I.A.P. S.P.A.	December 2028	December 2028	-	-
Montesa Honda S.A.	November 2024	November 2024	November 2027	-
Honda France Manufacturing S.A.S.	November 2027	November 2027	-	-

Logistics Centres

Validity Date	ISO 14001	ISO 45001	EMAS
Honda Motor Europe Logistics - Aalst	May 2026	May 2026	Replaced by Sustainability Report
Honda Motor Europe Logistics - Ghent			
Honda Motor Europe Logistics - Austria			
Honda Motor Europe Logistics - Poland.			
Honda Motor Europe Logistics - Spain			
Honda Motor Europe Logistics - Italy			
Honda Motor Europe Logistics - Sweden			
Honda Motor Europe Logistics - UK			

* Honda Motor Europe Logistics NV centralises the environmental and health management system for itself and the Honda Logistics Centres in Europe.
All sites are covered by the same system.

Honda Sites

Factories

	Name	City	Country
HII	Honda Italia Industriale. S.P.A.	Atessa	Italy
CIAP	C.I.A.P. S.P.A .	Castel Guelfo (Bologna)	Italy
MHSAU	Montesa Honda S.A.U.	San Perpetua de Mogoda (Barcelona)	Spain
HFM	Honda France Manufacturing S.A.	Ormes (Orléans)	France

Honda Motor Europe Logistics Sweden

Logistics

	Name	City	Country
HMEL	Honda Motor Europe Logistics NV	Gent & Aalst	Belgium
HMEL AT	Honda Motor Europe Logistics Austria	Guntramsdorf	Austria
HMEL PL	Honda Motor Europe Logistics Poland	Pniewy	Poland
HMEL ES	Honda Motor Europe Logistics Spain	Barcelona	Spain
HMEL IT	Honda Motor Europe Logistics Italy	Vigasio	Italy
HMEL SE	Honda Motor Europe Logistics Sweden	Malmö	Sweden
HMEL UK	Honda Motor Europe Logistics UK	South Marston (Swindon)	UK
HACE	Honda Access Europe N.V.	Aalst	Belgium

Honda Motor Europe, Bracknell Headquaters, UK

Honda Sites

Sales

	Name	Location	Country
HME	Honda Motor Europe Ltd.	Bracknell	UK
HME-DE	Honda Deutschland Niederlassung der Honda Motor Europe Ltd.	Frankfurt	Germany
HME-CH	Honda Motor Europe Ltd, Succursale de Satigny/Geneve	Satigny Geneve	Switzerland
HME-AT	Honda Austria branch of Honda Motor Europe Ltd.	Wiener Neudorf	Austria
HME-BEB	Honda Motor Europe Ltd. Belgian Branch	Aalst	Belgium
HME-FR	Honda Motor Europe Ltd. (France)	Marne la Vallée	France
HME-IT	Honda Motor Europe Ltd. (Italia)	Rome	Italy
HME-ES	Honda Motor Europe Ltd. Sucursal en Espana	San Perpetua de Mogoda (Barcelona)	Spain
HME-BEA	Honda Motor Europe Ltd. Belgian Branch - Aalst Office	Aalst	Belgium
HME-PT	Honda Motor Europe Ltd. Sucursal en Portugal	Sintra	Portugal
HME-CZ	Honda Motor Europe Ltd. Ceska Republica	Praha 5	Czech Republic
HME-SK	Honda Motor Europe Ltd. Organizacna Zlozka	Bratislava	Slovakia
HME-HU	Honda Motor Europe Ltd. Magyarorszagi Fioktelepe	Budaörs	Hungary
HME-PL	Honda Motor Europe Ltd. (Spolka Z Orgraniczona Odpowiedzialoscia) Odzial W Polsce	Warszawa	Poland
HME-NR	Honda Motor Europe Ltd. Filal Sverige	Malmö	Sweden
HME-NO	Honda Motor Europe Ltd. Norge norsk avdeling av utenlansk foretak	Drammen	Norway
HME-DK	Honda Motor Europe – Denmark filial af Honda Motor Europe Ltd. United Kingdom	Kolding	Denmark
HTR	Honda TURKIYE AS	Istanbul, Maltepe	Turkey

Honda Centre, Frankfurt, Germany

Montesa Honda S.A.U Barcelona Spain in place of HCG

Honda Sites

Finance Subsidiaries (Administration)

	Name	Location	Country
HFE	Honda Finance Europe PLC	Bracknell	UK
HBG	Honda Bank GmbH	Frankfurt, Barcelona	Germany
HVG	Honda Versicherungsdienst GmbH	Frankfurt	Germany, Spain

Honda R&D Europe (Deutschland) GmbH, Offenbach, Germany

Research & Development

	Name	City	Country
HRE-UK	Honda R&D Europe (U.K.) Ltd.	Theale, Reading	UK
HRE-G	Honda R&D Europe (Deutschland) GmbH	Offenbach	Germany
HRI-EU	Honda Research Institute Europe G.M.B.H.	Offenbach	Germany
HRE-I	Honda R&D Europe (ITALIA) S.R.L.	Roma	Italy

Honda Sites

Dealers

	Name	Location	Country
GG	Garge Du Golf	Aigle	Switzerland
GCS	Garage City Servette S.A.	Geneve	Switzerland
GB	Honda Retail Group S.A.	Lausanne	Switzerland
GJ	Garage des Jordils S.A.	Neuchatel	Switzerland
GVC	Garage de Villars Chandolan S.A.	Fribourg	Switzerland
LG	Letzigraben Garage AG, Spreitenbach Branch	Zurich	Switzerland
HC-G	Honda Center - Germany GmbH	Frankfurt	Germany
	Honda Center - Germany GmbH	Düsseldorf	Germany
	Honda Center - Germany GmbH	Leipzig	Germany

Organisation changes since 31/3/2023

Honda Racing Corporation UK Limited -	Not part of HME legal structure but there is a management relationship. Company incorporated 28 February 2024. Related data will be included as from the 2025 Year Report onwards.

ESRS

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ESRS

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HONDA
The Power of Dreams

How we move you.
CREATE ▸ TRANSCEND, AUGMENT

Honda Motor Europe Ltd. - Head Office
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