Honda Philosophy and sustainability

Honda’s roots: Honda Philosophy

The Honda Philosophy, bequeathed to us by company founders Soichiro Honda and Takeo Fujisawa, is composed of Fundamental Beliefs (Respect for the Individual and the Three Joys), the Company Principle, and Management Policy. Our Philosophy forms the values shared by all Honda group companies and all of their associates, and is the basis for our corporate activities. Moving beyond words alone, Honda incorporates our Philosophy into our educational programs and gives it life throughout our decision-making in everyday business activities and management, so that every person in the company can responsibly continue putting the Philosophy into practice.

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<th>Fundamental beliefs</th>
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<td>Respect for the Individual</td>
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<td>Initiative</td>
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<td>Equality</td>
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Company principle

Maintaining a global viewpoint, we are dedicated to supplying products of the highest quality yet at a reasonable price for worldwide customer satisfaction.

Management policies

- Proceed always with ambition and youthfulness.
- Respect sound theory, develop fresh ideas and make the most effective use of time.
- Enjoy your work, and encourage open communications.
- Strive constantly for a harmonious flow of work.
- Be ever mindful of the value of research and endeavor.
believes that we have a social responsibility to enhance quality and safety while minimizing impacts on the environment, and also to put into practice corporate activities that earn the trust of our various stakeholders in international society.

In order to achieve both the creation of growth opportunities and a sustainable society as we fulfill these responsibilities, Honda has set striving to be “a company that society wants to exist” as its direction for the 21st century, and will advance the initiatives we have named “Creating the Joys,” “Expanding the Joys,” and “Ensuring the Joys for the next generation.”

“Creating the Joys” refers to sketching our dreams, moving ahead of the times to create new value through unrestrained ideas, and enhancing the fundamental beliefs that we call The Three Joys. “Expanding the Joys” refers to achieving our dreams with ever more people, contributing to local communities, and spreading The Three Joys throughout the world. “Ensuring the Joys for the next generation” refers to achieving the highest levels of environmental and safety performance aimed at the sustainable development of society, and carrying forward The Three Joys to future generations. Honda is engaging in these initiatives under the concept of “Open-minded, Challenge, Co-evolution” – that is, the concept of bringing into play our corporate culture of “taking up the challenge without fear of failure, free from the prejudice of preconceived ideas, and with a foundation of teamwork based on trust.”

Society’s expectations toward Honda continue to evolve with the times. As a responsible global company, we will undertake the resolution of problems while listening to the voices of our diverse stakeholders so as to meet their expectations and earn their trust.

Honda provides mobility that makes use of fossil fuels and emits CO₂ that causes global warming. As such, we have a responsibility to actively contribute to solving the global environmental problems that are a pressing issue for international society. We have set a major goal of halving our CO₂ emissions by 2050 and are positioning climate change issues and energy issues as priorities among the most important issues that we must address. At the same time, we are also making efforts toward the improvement of resource efficiency.

While the proliferation of mobility and the enhancement of transportation infrastructure make contributions to the advancement of society, these can also lead to social ills such as road congestion and traffic accidents. The needs of people with regard to safety are also growing. Against this background, Honda focuses on developing safety technology, on education related to traffic safety and driving, and on delivering information that supports safety, under the vision of “collision-free mobility society.”

Amid the expansion of global parts procurement and the localization of manufacturing, it is vital that our development, procurement, production, and other departments come together as one to build more assured quality into our products, so that we can provide high-quality products and services that satisfy customers worldwide.

As the issues of social dimension are diverse, in order to contribute to the sustainability of the Earth and of society, we must understand the expectations and demands of society through communication with stakeholders and address a variety of issues. Toward that end, diverse human resources are needed to take up the challenge of solving these issues. Under our fundamental belief of respect for the individual, we aim to make optimal use of diverse human resources globally so as to draw out the maximum capabilities of each individual. At the same time, we foster mutual recognition of diverse values, mutual respect, and cooperation among these individuals as we strive to become a corporate group with the ability to resolve problems.
Honda Philosophy and sustainability

Sustainability management structure

Around the world, the growth potential of companies is evaluated increasingly not by short-term performance but from a medium- to long-term perspective. Adapting to this tide, Honda believes that as a part of our growth strategy we must strengthen corporate governance and activities related to environment and societal aspects that have the potential to affect our performance from short-, medium-, and long-term perspectives. We further believe that sustainability is a vital element of corporate strategy.

In FY2015, Honda moved its CSR management functions to the Corporate Planning Division. We now possess a structure for integrally advancing global growth strategy and sustainability strategy under the direct control of the company President and CEO.

At the same time, we are expanding the themes deliberated by the World Environment and Safety Strategy Committee, a committee attended by all Executive Committee members to discuss strategy for the environment and safety, to also cover sustainability overall. Honda possesses a structure to consider Honda’s sustainability strategy from a broader perspective, perform decision-making from a longer-term perspective, and reflect these in our management strategy. The World Environment and Safety Strategy Committee, chaired by the company President and CEO, meets twice per year to debate and approve strategies concerning sustainability.

Sustainability management framework

Board of Directors

World Environment and Safety Strategy Committee (Executive Council)

Chair: President and CEO
Attendees: Chairman, all operating officers, standing auditors
Roles and responsibilities: Approval of direction, policies, and information releases concerning sustainability
Convened: Twice per year

Corporate Planning Division

Representative: General Manager of Corporate Planning Division
Roles and responsibilities: Support for direction, policy formulation, and information releases concerning sustainability

Related Operations and departments

Representative: Representative of each Operations/department
Planning and execution of initiative measures concerning sustainability in Business and Regional Operations