# **Honda Motor Co., Ltd. - Climate Change 2020**

## **C0. Introduction**

## **C0.1**

### **(C0.1) Give a general description and introduction to your organization.**

Honda Motor Co., Ltd., operates under the basic principles of “Respect for the Individual” and “The Three Joys”—expressed as “The Joy of Buying,” “The Joy of Selling” and “The Joy of Creating.” Accordingly, “The Three Joys” express our belief and desire that each person working in or coming into contact with our company, directly or through our products, should share a sense of joy through that experience. In line with these basic principles, Honda has remained on the leading edge by creating new value and providing products of the highest quality at a reasonable price in pursuit of worldwide customer satisfaction, ever since its establishment in 1948. In addition, the Company has conducted its activities with a commitment to protecting the environment and enhancing safety in a mobile society.

History and Development of the Company

Honda Motor Co., Ltd. is a limited liability, joint stock corporation incorporated on September 24, 1948 under the Commercial Code of Japan as Honda Giken Kogyo Kabushiki Kaisha. It was formed as the successor company to the business of an unincorporated enterprise established in 1946 by the late Soichiro Honda to manufacture motors for motorized bicycles. Honda develops, produces, and manufactures a variety of motor products, ranging from small general-purpose engines and scooters to specialty sports cars that incorporate Honda’s highly efficient internal combustion engine technology.

Motorcycle Business:

After World War II, the use of auxiliary engines mounted on bicycles spread quickly in Japan, making it easier for people to move around and transport goods. This was the starting point of manufacturing for Honda. Ever since, Honda has given shape to wide-ranging joys and the fun of riding on two wheels, through such products as the Super Cub, which reached 100 million units milestone in 2017. In September 2014, Honda's cumulative worldwide motorcycle production reached the 300 million-unit milestone. Making motorcycles with the basic goal of bringing joy and satisfaction to people serves as the starting point of Honda. Honda will continue offering products which fulfil the needs of its customers around the world.

Automobile Business:

Honda launched the T360 mini truck in 1963 to become the last major domestic automaker to enter the Japanese automotive market. A second model, the S500 sports car, then followed in the T360’s footsteps to form a pair of vehicles equipped with Japan’s first DOHC automobile engine and to make Honda’s debut with a full complement of our distinctive innovation. Then in 1964, Honda took up the challenge of Formula One with the intent of honing Honda’s leading edge technology at the pinnacle of racing. Ever since, Honda’s automobile business has been filled with a challenging spirit for creating new value in every area including technology development and manufacturing. And now following Honda's 2030 Vision, Honda will strive to electrify two-thirds of global automobile unit sales in 2030.

Power Products Business:

Honda Power Products operations started with the desire to apply engine technologies in ways useful for people’s daily lives and work situations. Beginning in 1953 with a general-purpose engine developed for agricultural equipment, Honda has provided an accumulated total of more than 100 million a multitude of power products including tillers, generators, snow throwers, outboard engines, and lawnmowers to customers worldwide. Honda is also developing and producing electrified products useful in many facets of life, delivering new value such as the Miimo robotic lawnmower, and the LiB-AID E500 new era portable power source. Honda will continue to provide customers around the world with power products that are familiar and useful, spreading the “joy of usefulness” by maximizing and pursuing the possibilities of its engine and electrification technologies.

HondaJet:

Honda continues to take on new challenges to deliver to its customers the joy of personal mobility. While Honda has developed a range of products for land and sea—including cars, motorcycles, and outboard engines—since its foundation the company has had a vision of taking personal mobility to the skies. In order to bring this dream to life, Honda began research into aircraft in 1986, over 30 years after the company's foundation. Under Honda's user-first philosophy, we have refined our technology to deliver unprecedented new value. A compact, lightweight, small-sized business jet with ample space and superior comfort—we believed such an aircraft would offer faster, more comfortable, and fuel-efficient flight, increasing convenience while reducing costs and environmental impact. We started by rethinking conventional aircraft design, and developed our air crafts with our own unique technology. HondaJet—redefining the compact business jet. Casting its eyes to the skies, Honda continues to take on new challenges to bring its customers the joy of personal mobility.

## **C0.2**

### **(C0.2) State the start and end date of the year for which you are reporting data.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Start date** | **End date** | **Indicate if you are providing emissions data for past reporting years** | **Select the number of past reporting years you will be providing emissions data for** |
| Reporting year | April 1 2019 | March 31 2020 | No | <Not Applicable> |

## **C0.3**

### **(C0.3) Select the countries/areas for which you will be supplying data.**

Argentina

Australia

Austria

Belgium

Brazil

Canada

Chile

China

Czechia

Denmark

Estonia

Ethiopia

Finland

France

Germany

Hungary

India

Indonesia

Italy

Japan

Malaysia

Mexico

Netherlands

New Zealand

Nigeria

Norway

Pakistan

Peru

Philippines

Poland

Portugal

Republic of Korea

Russian Federation

Singapore

Slovakia

South Africa

Spain

Sweden

Taiwan, Greater China

Thailand

Turkey

Ukraine

United Arab Emirates

United Kingdom of Great Britain and Northern Ireland

United States of America

Venezuela (Bolivarian Republic of)

Viet Nam

## **C0.4**

### **(C0.4) Select the currency used for all financial information disclosed throughout your response.**

JPY

## **C0.5**

### **(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Financial control

## **C-TO0.7/C-TS0.7**

### **(C-TO0.7/C-TS0.7) For which transport modes will you be providing data?**

Light Duty Vehicles (LDV)

## **C1. Governance**

## **C1.1**

### **(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

## **C1.1a**

### **(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

|  |  |
| --- | --- |
| **Position of individual(s)** | **Please explain** |
| Chief Executive Officer (CEO) | Honda recognizes that environmental issues such as climate change issues, which require global responses, are material issues that impact Honda’s business operations. Based on this recognition, the Environmental Committee was established in 1991, chaired by the President and CEO and comprised of members of company management Director on Board. Medium- and long-term environmental policies and plans at the global level are formulated at the Meeting of the World Environment and Safety Strategy Committee on the basis of company-wide direction and medium and long-term business plans. All committee members are involved in the meeting’s decision-making, and among all member, Director on Board is responsible for all matters including achievement of climate related targets. Based on the discussions at the above committees, in 2018, the goal to replace two thirds of our automobile sales with models equipped with electric technology by 2030 was approved and announced by the CEO. We will continue to discuss and decide on climate change-related issues through these committees. |

## **C1.1b**

### **(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Frequency with which climate-related issues are a scheduled agenda item** | **Governance mechanisms into which climate-related issues are integrated** | **Scope of board-level oversight** | **Please explain** |
| Scheduled – all meetings | Reviewing and guiding strategy  Reviewing and guiding major plans of action  Reviewing and guiding risk management policies  Reviewing and guiding business plans  Setting performance objectives  Monitoring implementation and performance of objectives  Overseeing major capital expenditures, acquisitions and divestitures  Monitoring and overseeing progress against goals and targets for addressing climate-related issues | <Not Applicable> | The Board of Directors, with all directors participating, oversees all corporate initiatives, including climate-related challenges. World Environment and Safety Strategy Committee discuss issues related to sustainability including climate-related issues, and monitor to the Board of Directors with strategy, targets, and current status of achievement of them. CEO has final responsibility to approve strategy and targets. Taking into consideration the key challenges examined here, Honda determines corporate strategies through the Executive Council and Board of Directors. By reviewing and guiding strategy, the meeting of the Board of Directors breaks them down into policies and measures for business and functional operations for actual execution. |

## **C1.2**

### **(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name of the position(s) and/or committee(s)** | **Reporting line** | **Responsibility** | **Coverage of responsibility** | **Frequency of reporting to the board on climate-related issues** |
| Chief Executive Officer (CEO) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | More frequently than quarterly |

## **C1.2a**

### **(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

i. Where in the organizational structure this position(s) and/or committee(s) lie; The President and CEO of Honda has a highest responsibility for climate-related issues below board level. Various committee including World Environment and Safety Strategy Committee, which is an annual non-financial committee that reports on specific responses and progress toward achieving climate-change challenges and targets, includes the President and CEO and other C-suites officers as members. CEO is a chair of World Environment and Safety Strategy Committee, and take final responsibility of climate-related issues below board level. ii. A rationale of why responsibilities for climate-related issues have been assigned to the President and CEO; Since climate-change issues have a major impact on the performance of Honda as a whole, issues including planning strategy, setting emission reduction targets, planning how to achieve the targets, monitoring the progress, and response when we couldn’t meet the targets are discussed and agreed in World Environment and Safety Strategy Committee and chaired by the President and CEO. Meeting climate-related regulations of various market is a basis for our sales, and is material issue to our business. iii. Company specific responsibilities of President and CEO with regard to assessment and monitoring of climate-related issues. President and CEO is responsible for reporting the conclusion of the World Environment and Safety Strategy Committee to the board. Through this Committee, we identify the challenges in realizing the long-term vision of the Company, referring to the expectations and demands of key stakeholders recognized through dialogue, and deliberate on material issues at the management level, including verifying progress of response and implementation. Taking into consideration the key challenges examined here, Honda determines corporate strategies through the Executive Council and Board of Directors. Then the Company breaks them down into policies and measures for business and functional operations and subsidiaries for actual execution. In terms of the progress of Honda’s environmental initiatives and the themes applicable worldwide, the Corporate Planning Supervisory Unit collects information from Regional Operations and reports it at the Meeting of the World Environment and Safety Strategy Committee. The Company is striving to continuously enhance environmental management through the reflection of the above information in the medium-term business plan and policy for the following term and the implementation of the plan-do-check-act (PDCA) cycle by each Regional Operation and environmental division.

## **C1.3**

### **(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

|  |  |  |
| --- | --- | --- |
|  | **Provide incentives for the management of climate-related issues** | **Comment** |
| Row 1 | Yes |  |

## **C1.3a**

### **(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

|  |  |  |  |
| --- | --- | --- | --- |
| **Entitled to incentive** | **Type of incentive** | **Activity inventivized** | **Comment** |
| Chief Executive Officer (CEO) | Monetary reward | Emissions reduction project  Emissions reduction target  Company performance against a climate-related sustainability index | The CEO has variable compensation related to this KPI (emission reduction). Honda has decided to introduce a stock compensation scheme for Directors and Operating Officers of the Company which reflects ESG perspectives as one of the non-financial factors to decide the performance coefficient. (Although it is not disclosed, the KPI mentioned above has an influence on the coefficient through an SRI indicator which takes the KPI into account.) |
| Board/Executive board | Monetary reward | Emissions reduction project  Emissions reduction target  Company performance against a climate-related sustainability index | Senior management has variable compensation related to this KPI (emission reduction). Honda has decided to introduce a stock compensation scheme for Directors and Operating Officers of the Company which reflects ESG perspectives as one of the non-financial factors to decide the performance coefficient. (Although it is not disclosed, the KPI mentioned above has an influence on the coefficient through an SRI indicator which takes the KPI into account.) |
| All employees | Non-monetary reward | Emissions reduction project  Efficiency project  Company performance against a climate-related sustainability index | Honda holds its “Green Conference" annually in Japan to recognize excellent environmental initiatives and to share results of good efforts. Honda Green Conference consists of conferences by domain such as Production or R&D that are held annually, and a company-wide conference held every three years. At present, recognition mainly focuses on CO2 reduction in real terms. These conferences allow entry not just by Honda Group companies in Japan but also by suppliers that do not belong to the Honda Group. At the Green Conference, some of the high-ranking winners also receive extra monetary prizes. |

## **C2. Risks and opportunities**

## **C2.1**

### **(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

## **C2.1a**

### **(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **From (years)** | **To (years)** | **Comment** |
| Short-term | 0 | 1 | Honda foresees and manages company-wide targets and evaluates the progress and experiences of individual achievements annually. |
| Medium-term | 1 | 3 | Honda sets targets for the medium term as a short-term basis, implements forecast and actual manage of three-year experiences, and evaluates them. |
| Long-term | 3 | 33 | Honda sets targets for long-term business strategies (2030, 2050, etc.) that are the basis of short-and medium-term business strategies, Indicates the desired direction. |

## **C2.1b**

### **(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

The scope of climate change risks and opportunities we manage includes both direct physical risks and opportunities to the entire Honda Group and indirect risks caused by changes in regulations and social trends. Honda reports on global climate change risks and opportunities that Honda faces to the Board of Directors through the World Environment and Safety Strategy Committee. The Board provides oversight and approval on crucial decisions and proposed actions, Important risks and opportunities that require Board oversight are decided based on the following: 1. Direct financial impact on Honda’s business: When any change is observed during the mid-term that exceeds a set threshold (this financial value cannot be disclosed). 2. When risks are actualized: Specifically, during the mid-term (whether it surfaces within 3 years). 3. Whether risks can be identified as opportunities for Honda. And if so, what impact will it have on Honda’s business? 4. The proportion of affected business units: Our main products (automobile, motorcycle and general-purpose products) account for 90% of our total sales. If such products are to be affected, the risk will be considered as a strategically significant impact and a measure will be developed, approved, and managed through relevant committees and meetings.

## **C2.2**

### **(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

### **Value chain stage(s) covered**

Direct operations

Upstream

Downstream

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**

Annually

### **Time horizon(s) covered**

Short-term

Medium-term

Long-term

### **Description of process**

The scope of managing climate-change risks and opportunities includes direct physical risks and opportunities across Honda, as well as indirect risks due to changes in regulatory and social trends. Honda considers climate-change issues as material, therefore, we have processes to report global climate-change risks and opportunities through the World Environment and Safety Strategy Committee to the board, including the CEO, and to obtain approval from the board on potential responses. Honda uses the functions of six regional headquarters, motorcycles, automobiles, and power products business divisions to collect information that could be risks and opportunities for our customers. This includes specific extreme weather events that can affect facilities in specific regions. The main evaluation criteria in our company-wide risk assessment including climate change are as follows: 1. Direct financial impact on Honda's business 2. Time when risks may be expected to emerge 3. Whether risks are considered opportunities for Honda 4. If so, how they have impact on Honda's business? If impacts are estimated to be severe or the estimated financial impact is above a certain threshold, we require matters to be discussed at The Executive Committee and for decisions on how to address them to be made. Honda uses the functions of six regional headquarters, motorcycles, automobiles, and power products business divisions to collect information twice a year that could be risks and opportunities for our customers. In addition to the information collected by functional headquarters (production-related, manage-related, etc.), we also collect information worldwide. Our risk management have a process to reports on risks and opportunities from a global perspective through the World Environment and Safety Strategy Committee to the Board of Directors, including the President and CEO, and to get approval by the Board of Directors on potential responses. At a regional levels, risks and opportunities toward 2030 are reported to the head of each regional headquarter, who is the chair of the Regional Environment Committee, or to the environmental representative of each business site. At a company-wide level, the World Environment and Safety Strategy Committee conducts risk assessments. Transitional and physical risks and opportunities identified in this process include as bellows. Our sales may decrease if we can’t meet emission reduction requirements in Japan, US, China and EU. But, if we can develop and deliver low-carbon vehicles, more customers may choose our products and we may increase our sales.The Honda R&D Automobile Operations, Certification & Regulation Compliance Division coordinates the research on trends in fuel economy regulations in the EU, US, China, Japan and other areas of the world and reports on important changes to internal stakeholders. The Division also holds meetings to for knowledge sharing and the discussion of how to interpret new regulations, what the assumed impacts are on our business, and how we should respond to them. These meetings more specifically aim to assess the potential impacts of regulatory risks and determine whether it poses a significant threat. As one of the potential impacts, Honda is exposed to the risk of penalties and repetitional risk associated with fuel economy regulations for automobiles in various countries and regions around the world. For example, the EU has decided to require further GHG reduction to 95g/km or less by 2021. Automobiles account for approximately three quarters of Honda’s sales revenue. More than 80% of these revenues come from the regions mentioned above, where strict regulations are being enforced. Therefore, it is important to develop low-carbon vehicles in order to mitigate this risk. As responding to this significant risk, we set our vision of “Leading the Realization of a Carbon-Free Society,” which is set forth in the 2030 Vision, set a target to electrify two thirds of our vehicles by 2030, and make every effort to achieve this target. For example, in developed countries there is a lot of pressure on automobile companies to drastically change their fundamental business model mainly because of the CAFÉ regulations. In response, we are increasing the range of powertrains we offer to allow for consumer decisions appropriate to the region – e.g. hybrids, P-HEVs and FCV, and EVs (to be launched in 2020). We also make an effort to improve eco-efficiency, such as fuel efficiency and transmission costs of each model. Despite a decline in total units sold in FY 2019, sales of global EVs have significantly increased by 20% compared to the previous year. Extreme weather events are increasing, and Honda experienced severe damage to our factories in Thailand and Mexico. In 2011, our operational sites in Thailand shut down due to floods caused by extreme weather events. Japan has been experiencing increased water damage, and we recognize that these risks will continue to aggravate in the future. In order to gain an understanding of our risk exposure, Honda used the Aqueduct (WRI) tool to assess all of its global operation sites on likelihood of floods and water shortages. The risk of water withdrawal has been increasing especially in the southern part of India, which is therefore evaluated as significant. Regarding water shortage, Honda has set a target to reduce water intensity by 1.8% per year. In order to prevent such a situation, Honda is strengthening disaster-prevention measures at its operating bases and strengthening its supply system by diversifying its supply chain, i.e. monitoring parts provided by only a few suppliers and seek ways to solve this concentration. We believe that this enhances our resilience to climate change and may leads to opportunity if we can build a robust operating system. Also, Honda has suffered flood damage in Thailand and Mexico in the past, and Japan is no exception. In times of water-related disasters, we have experienced failure in our own supply chain management and at times were not able to respond to the risk immediately. We therefore introduced a procurement risk management system that understands the global commercial distribution and works to break down the oligopoly situation to contribute to the resilience of our supply chain. That resulted in establishing structures to assess damage and identify the impact on production at suppliers in a short time after the occurrence of a major disaster. As such, significant risks and opportunities are reported to the World Environment and Safety Strategy Committee, including responses toward them, and discussed and approved.

## **C2.2a**

### **(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

|  |  |  |
| --- | --- | --- |
|  | **Relevance & inclusion** | **Please explain** |
| Current regulation | Relevant, always included | As Honda operates around the globe, changes in regulations on emissions, fuel efficiency, and other climate-related issues in each country could negatively impact our business, financial position, and performances. For example, we are required a line up of automobiles in North America that meet GHG and CAFE regulations. If we are not able to meet these regulations in North America, where we operate in Ohio and Alabama and which accounts for about 50% of our sales, will get a great financial impact. |
| Emerging regulation | Relevant, always included | Honda's business, financial position and performances may be negatively impacted by changes in global powertrain electrification and new climate-related regulations. For example, in US, a new regulation on powertrain electrification will come into effect in 2020. The California Air Resources Board (CARB) and Ford, Honda, VW Group of America (including VW and Audi), and Volvo have finalized binding agreements to cut vehicle emissions in the state. The framework agreements are voluntary commitments that: support continued annual reductions of vehicle greenhouse gas emissions through the 2026 model year (3.7% year over year), encourage innovation to accelerate the transition to electric vehicles, provide industry the certainty needed to make investments and create jobs, and save consumers money. If we won’t be able to procure enough batteries or our R&D won’t go well, we will not be able to sell our mainstream products, which will have a significant financial impact on US, a major US base that accounts for approximately 38% of our sales. |
| Technology | Relevant, always included | Global climate-change regulations could be challenging to our business, financial position, and performances, therefore, we face an urgent need to develop technologies to powertrain electrification based on social trends. Honda has been developing EVs and will launch the “Honda e” in 2020 and is going to seize business opportunity relating to electrification If we can’t achieve this, there will be a reduction in our automobiles' market share, which accounts for about 70% of our sales of products, an increase in costs due to procurement of technologies from other companies, and operational risks due to financial risks and the inability to procure components. |
| Legal | Relevant, always included | While each government has issued directions for electrification, as exemplified by the regulation of electrification. Although Honda has other options to decarbonize our vehicles such as hydrogen technology as an option,delay in development of decarbonizing technologies such as hydrogen may result in a large GHG emissions from vehicles we produced, in which case there is the risk of litigation charging Honda for responsibility for accelerating climate change. |
| Market | Relevant, always included | Honda operates its businesses worldwide, including in Japan, North America, South America, Europe and Asia. Long-term changes in consumers’ preference and changes in fuel prices in these markets by transition needs caused by climate change could effect to a decline in demand for motorcycles, automobiles, and power products, which account for 90% of our total sales. As this could negatively impact our performance, we make effort to mitigate risks by assessing changes in the values and markets of our customers in each country. For this reason, we monitor trends (fuel prices and consumers’ preferences) in our major markets (North America, South America, China, EU, Asia and Japan) and reflect them in our risk assessment. Based on the result of the scenario analysis, Honda will develop strategies and seek “to lead to the realization of a Carbon-Free Society”, which is one of our 2030 visions. As one of the concrete results of the analysis of scenarios to achieve this, Honda has drawn up a scenario to promote the use of renewable energy through multiple pathways. Electricity generated by using renewable energy can be directly fed to battery electric vehicles (BEV). It is also possible to convert the electricity into hydrogen and CO2 and supply the resulting synthetic fuel to hybrid vehicles (HV) and aircraft. Thus, there are multiple forms, or pathways, to carry renewable energy other than electricity. Honda’s multi-pathway strategy represents its approach to seek a carbon-free society through multiple forms by exploring the potential of technology in all directions in order to achieve the highest energy efficiency. |
| Reputation | Relevant, always included | One of the key elements of corporate sustainability is trust and support from our customers and the community surrounding Honda’s operations. If we don’t address climate change issues, our brand image may be damaged, resulting in negative impacts on our business activities performance. If our brand image is totally damaged, it will have a significant financial impact on all our products, including automobiles, motorcycles, and power products, which account for 90% of total sales. |
| Acute physical | Relevant, always included | In order to minimize the effect on business in event of large-scale natural disasters, infectious diseases, etc., Honda assessed the risks of these events and established business continuity plans (BCPs). If these extreme weather events exceeded our expectations, our business, financial position, and performances may get negative impact from them. For example, a flood happened in Thailand in 2011 stopped the operation of an automobile plant for one month. |
| Chronic physical | Relevant, always included | Increase in average temperature due to climate change may have negative impact on our products. For example, according to some research, if the use of air conditioners for automobiles to cool the interior due to the rise of average temperature, it may increase energy consumption of vehicles by about 10%. As a result, product value, such as cruising range and fuel efficiency, may be reduced and business risks may increase. This may have a negative effect on Honda’s products, which are highly regarded for fuel efficiency in North America, which is the largest regional source of our sales. |

## **C2.3**

### **(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.3a**

### **(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Risk 1

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Current regulation | Mandates on and regulation of existing products and services |

### **Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

Honda is exposed to the risk of penalties and reputational risk associated with fuel economy regulations for automobiles in various countries and regions around the world. A partial list of anticipated risks is as follows: United States: Regarding GHG regulations the California Air Resources Board (CARB), Ford, Honda, VW Group of America (including VW and Audi), and Volvo have finalized binding agreements to cut emissions from vehicle in the state. The framework agreements are voluntary commitments that: support continued annual reductions of vehicle greenhouse gas emissions through the 2026 model year (3.7% year over year), encourage innovation to accelerate the transition to electric vehicles, provide industry the certainty needed to make investments and create jobs, and save consumers money. Europe: The EU has decided to require further reduction to 95 g/km or less by 2021. Japan: The introduction of tougher CAFE regulations for 2020 was also decided upon. China: The fourth phase for strengthening fuel economy regulations is going to be in effect in 2020. Other regions and countries: Fuel economy regulations have also been strengthened in other regions and countries. These trends are constantly monitored. Automobiles account for approximately three quarters of Honda’s sales revenue. More than 80% of these revenues come from the regions mentioned above, where strict regulations are being enforced.

### **Time horizon**

Short-term

### **Likelihood**

Virtually certain

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

4310000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

Honda sold 407 BEVs and 8,123 PHEVs in North America in 2019. According to the Union of Concerned Scientists site, BEVs are worth 1~4 credits and PHEVs are worth 0.4~1.3. If the credits were averaged out, BEV is 2.5 credits\*407 units =1,018, PHEV is 0.85 credits\*8123 =6,905. If Honda did not manufacture any EVs, at a market rate of $5,000 per credit, with applying FY 2019 actuals, the loss would be (1,018+6,905)\*$5,000\*109yen (current year’s exchange rate)=4,310,000,000 yen/year.

### **Cost of response to risk**

694000000000

### **Description of response and explanation of cost calculation**

In order to meet the emissions standards of various countries, Honda is continually striving to improve fuel economy beyond the required level by regulations. [Case study] Fuel economy regulations in the EU, US, China, Japan and other areas of the world are subject to increasingly frequent updates, primary for the purpose of mitigating climate change. Failure to comply with those regulation could have a significant impact on sales. The Honda R&D Automobile Operations, Certification & Regulation Compliance Division coordinates the research on trends in fuel economy regulations in the EU, US, China, Japan and other areas of the world and reports on important changes to internal stakeholders. The Division also holds meetings to for knowledge sharing and the discussion of how to interpret new regulations, what the assumed impacts are on our business, and how we should respond to them. These meetings more specifically aim to assess the potential impacts of regulatory risks and determine whether it poses a significant threat. For example, our continuous efforts on research led to the development of the 1.5 litter direct-injection engine for gasoline-driven vehicles, such as VEZEL, STEPWGN and CRV. In addition to HEVs, we have developed and marketed clean power units such as EVs and hydrogen fuel cells. In FY 2019, we launched “Honda e” in EU and Japanese market, which is the first mass-produced EV for Honda. We also launched “Rinen VE-1” and “X-NV” in China. We will continue to expand our global electric vehicle line-up. Honda allocated 694 billion yen for automotive R&D, 86.4% of the total R&D expense, 803.9 billion yen in the fiscal year ending March 31, 2020 for fuel efficiency improvement and management costs. This includes R&D costs for hybrid technology for automotive, improvements in internal combustion engine efficiency and related efforts to address this risk. This expense is estimated to be an ongoing cost to manage this risk. (803.9 billion yen × 86.4% = 694 billion yen)

### **Comment**

### **Identifier**

Risk 2

### **Where in the value chain does the risk driver occur?**

Upstream

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Acute physical | Increased severity and frequency of extreme weather events such as cyclones and floods |

### **Primary potential financial impact**

Decreased revenues due to reduced production capacity

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

More frequent occurrence of abnormal weather such as localized torrential rain may lower the operation rate of Honda’s plants as well as suppliers’ plants. Because the base of the supply chain for auto manufacturing is very broad in general, there could be a situation in which a Honda production facility is forced to lower its operation rate even when it is not directly affected. For example, production facility in Thailand had serious damaged by the flood in 2011, and we have identified other facilities in Japan and China, which covers 39% of our sales of automobiles, motorcycles and power pruducts in produced value, to have risks of damage when flood occurs. Honda is aggressively developing and introducing a wide variety of electromotive products, starting with hybrid vehicles and also including PHEVs and BEVs. The application of electromotive technologies is expected to continue its expansion in the future, so if the supply chain breaks down somewhere due to abnormal weather, the resulting production shutdown and delay may be far-reaching. We are assuming the possibility of being impacted in areas such as Thailand, which has suffered actual flood damage.

### **Time horizon**

Short-term

### **Likelihood**

Unlikely

### **Magnitude of impact**

Medium-low

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

50000000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

Heavy floods caused in part by above-normal rainfall in Mexico during the fiscal year ending March 31, 2018, caused Honda to suffer a 50 billion yen loss as a result of inundation of automobile assembly plants and other flood-related events. If Honda’s production facilities and corporations that constitute the supply chain have to stop production for an extended period, the same degree of loss could be incurred. Among the 50 billion yen, Honda's global average for buildings and structures and machinery and equipment is 48:52. If we use that figure as a general ratio, the loss would be 24 billion yen for buildings and structures and 26 billion yen for machinery and equipment.

### **Cost of response to risk**

55892000000

### **Description of response and explanation of cost calculation**

Honda's strategy is to diversify suppliers, and to select suppliers in the area without risks of impacts by abnormal weather. Honda has already built supply chain management scheme, to enable diversifying suppliers, and select suppliers with less physical risks. For example, Honda began operating a procurement risk management system with suppliers in Japan in December 2014. Through the operation of this system, the Company established structures to assess damage and identify the impact on production at suppliers in a short time after the occurrence of a major disaster. At the same time, to prepare for direct damage such as that from the Mexico flooding in the fiscal year ended March, 2018, Honda is properly insured for this risk. Even if a Honda factory suffers from abnormal weather in any region, we will not only restart production as promptly as possible, but also we will positively contribute to support suffering local people. For the Cost of management, we assumed expenses for buying insurance against abnormal weather and updating the equipment to prepare for abnormal weather, which was 55.89 billion yen for this reporting year, will continue to cost. Among the 55.9 billion yen, Honda's global average for buildings and structures, and machinery and equipment is 48:52, so if we use that figure as a general ratio, the loss would be 26.83 billion yen for buildings and structures and 29.06 billion yen for machinery and equipment. (26.8 biillion yen＋29.1 billion yen = 55.9 billion yen)

### **Comment**

### **Identifier**

Risk 3

### **Where in the value chain does the risk driver occur?**

Upstream

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Market | Increased cost of raw materials |

### **Primary potential financial impact**

Increased direct costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

As the climate change issue escalates globally, consumers are becoming increasingly conscious of fuel efficiency, CO2 emissions, and other environmental performance indicators as factors influencing their purchasing decisions. We perceive such changes in consumer values and market needs as a risk and have created the Honda Environmental Performance Standards (HEPS) to respond appropriately and to take advantage of opportunities for business expansion. We are driving the development of fuel efficiency technologies, electromotive technologies, and other environmental technologies and expanding their application in our products. As one effective measure, Honda is conducting the R&D, demonstration testing and launch of HEVs, PHEVs and EVs. However, overly rapid progress in the electrification of mobility would cause a sharp increase in demand for the raw materials that are currently indispensable for electrification including certain rare earths and would engender the risks of rising prices and instable supply. Our 2020 projections under the assumption of current technology indicate that exposure to speculative price fluctuation in 2020 would cause rare earth procurement costs to fluctuate by upwards of 600 million yen. In line with its aim to improve fuel efficiency by using the electrification of vehicles as a key measure, Honda has developed new hybrid systems ranging from one-motor to three-motor systems which fit each vehicle class. Expanded application of these new systems, which were launched in FY2014, will make it increasingly important to secure a stable supply of the rare earths that are needed for raw materials. This in turn will lead to a corresponding growth in cost impact.

### **Time horizon**

Long-term

### **Likelihood**

Virtually certain

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

600000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

Honda has identified price volatility in raw materials as a climate-change-related risk. R&D and Purchasing Operations strive to minimize this risk in their respective strategies. However, our 2020 projections under the assumption of current technology indicate that exposure to speculative price fluctuation in 2020 would cause rare earth procurement costs to fluctuate by upwards of 600 million yen. Distribution costs consists of about 30% of all procurement costs, and 70% account for the rest.

### **Cost of response to risk**

694000000000

### **Description of response and explanation of cost calculation**

Honda started to establish measures for preventing a sharp increase in the prices of rare earths from affecting the prices of products. Honda is proceeding with the management of that risk under its adopted Triple ZERO concept. For the development phase, Honda initiated a series of steps to incorporate a pre-assessment system into the development process based on the viewpoint of Reduce, Reuse and Recycle. In cooperation with Japan Minerals & Chemicals Co., Ltd., we are proceeding with the commercialization of a “closed recycling loop” that extracts rare earths from IMA (Integrated Motor Assist) batteries and reuses them in batteries for Honda vehicles. In March 2013, Honda became the first company in the world to establish such a scheme. From now on, we will improve this closed recycling loop to make it more practical, thereby mitigating the raw material risk in a more assured manner. We invested 694 billion yen as R&D for automobile, which is 86.4% of the total R&D expenditure of 803.9 billion yen. (803.9 billion yen × 86.4% = 694 billion yen)

### **Comment**

### **Identifier**

Risk 4

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Technology | Transitioning to lower emissions technology |

### **Primary potential financial impact**

Increased direct costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

Electric vehicles have been promoted rapidly these days. Although nickel hydride batteries have been the mainstream for HEVs, Honda’s adoption of lithium-ion batteries for HEV applications has been increasing since the launch of the Civic Hybrid, which uses lithium-ion batteries with high energy density in 2011. In addition, the number of vehicles equipped with lithium-ion batteries is expected to continue to increase, as major automakers have announced their initiatives for plug-in hybrid and EVs to comply with environmental regulations in some regions (e.g. ZEV regulations in California). With a growing market for electric vehicles, however, a large amount of waste lithium-ion batteries is expected to be generated as EVs are scrapped in the future. Not only do waste lithium-ion batteries require special care to reduce environmental impacts during waste management and recycling, but they also consist of less useful metals, making recycling costs burdening. Nonetheless, in contrast to lithium-ion batteries for mobile devices and other applications, which have been widely used in the past, batteries for automobiles are large and the number of scrapped automobiles is expected to increase rapidly moving forward. According to JAMA, large batteries for power use is expected to be 3.5 million units or 10,000 tonnes at minimum in 2025. Honda assumes that the number of EVs sold in 2030 will be 390,000. Assuming that 20% of the total can be collected, about 60,000 of these cars will be recycled. As we estimate the recycling cost to be about 1,300 yen per unit, the total cost would be 1,014,000,000 yen. Conventional disposal methods haven’t made effective use of beneficial resources in lithium batteries and are considered to be expensive. With this background, there is an urgent need to promote the effective use of resources and establish efficient mass processing methods before the number of scrapped EVs with lithium-ion batteries increases too much. With the above concerns in mind, Honda is dedicated to achieve one of the three zeros of the Triple Zero concept: “Zeroing disposal risk”.

### **Time horizon**

Long-term

### **Likelihood**

Likely

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

1014000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

The cost of response to risk is calculated assuming that it costs 13,000 yen to recycle batteries per unit and that of the 390,000 EV units sold (based on FY2019 performance) about 20% of the cars with nickel MH battery can be recollected. Formula: 390,000\*20%=78,000 units, 78,000 units\*13,000 yen=1,014,000,000 yen

### **Cost of response to risk**

120000000

### **Description of response and explanation of cost calculation**

Honda is working on establishing a new technology to reduce both environmental burden and cost of lithium-ion battery disposal. Specifically, we collaborate with a dismantler companies and environmental companies to develop operable solutions by FY2030. We aim to adopt a low-cost configuration that does not have any incineration facilities, which would be beneficial to create jobs and be good for the environment. We will also extract valuable rare metals from lithium-ion batteries in discarded automobiles for effective use of resources to reduce the environmental burden and indirect costs. We will contribute to combatting global warming too by increasing the transportation efficiency of disposed lithium-ion batteries, which reduces transport-related CO2 emissions. Finally, reducing the disposal cost of discarded automobiles with lithium-ion batteries will reduce financial burden on the users. To achieve this, we have invested 120 million yen, of which 50% was in 2018, and another 50% was in 2019.

### **Comment**

## **C2.4**

### **(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.4a**

### **(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Opp1

### **Where in the value chain does the opportunity occur?**

Downstream

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

The mobility environment is currently undergoing dramatic changes. Amid such changes, Honda is moving forward with its response to climate change through initiatives that link Honda’s business strategy with its environmental strategy. The Company is proactively striving to reduce environmental impact while foreseeing changes in the marketplace and among customers as well as placing its priority on contributing to the lives of customers. Honda views changes in social needs and the social structure induced by climate change and energy diversification as key challenges and actively promotes product electrification. Increasing the lineup and use of electrified products will lead to lower CO 2 emissions from product use and allow Honda to become carbon-neutral, reducing risks associated with climate change. This will also create various opportunities for improving convenience and encouraging product use during emergencies and disasters. Based on this belief, Honda has set a target to electrify two-thirds of its global automobile sales by 2030. BEV and PHEV account for 15% of all and HEV accounts for 51%. The newly launched HONDA CR-V is equipped with a two-motor hybrid system that delivers strong acceleration and high fuel efficiency, that can show off the its very good environmental performance to the market. As a result, the sales in EU and Middle Eastern Africa have increased more than fourfold, demonstrating Honda’s environmental technology and overall strength. To achieve this goal, the Company is seizing all new business opportunities by enhancing and upgrading its product line-up.

### **Time horizon**

Medium-term

### **Likelihood**

Very likely

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

9650000000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

Honda’ goal is to increase its EV sales to cover two-thirds of global automobile unit sales in 2030. More specifically, we project that of the EV sales in 2030, BEV and PHVE combined should account for 15%, and HEV should account for 51% of our global automobile sales. Given the price of BEV is the same as the Honda e, 4.95 million yen, HEV as the same as FIT, 2.5 million yen and the sales performance as the same as FY 2019, 4,790,000 units, the sales would be 9.65 trillion yen (sum of BEV,PHEV:4790000\*0.15\*4.95 million yen=3.55 trillion yen, HEV:4790000\*0.51\*2.5 million yen =6.1 trillion yen)

### **Cost to realize opportunity**

694900000000

### **Strategy to realize opportunity and explanation of cost calculation**

In the Automobile Business, Honda has been developing and selling EVs and clean power units, including hydrogen fuel cells. In FY2020, Honda rolled out the Honda e, its first mass-produced EV, in Europe and Japan and the Rinen VE-1 and X-NV in China. Going forward, the Company will continue to enhance its lineup of EVs on a global scale. The Clarity Fuel Cell, Honda’s FCV, has already gained high market recognition and has been used in feasibility tests across Japan to check its compatibility with the hydrogen infrastructure. In FY2020, Honda announced its joint research project with Isuzu Motors Limited to carry out tests on the use of fuel cells in large commercial vehicles. In this way, Honda is actively seeking to harness the potential of a hydrogen-based society. In FY2020, Honda rolled out the Honda e, its first mass-produced EV, in Europe and Japan and the Rinen VE-1 and X-NV in China. Going forward, the Company will continue to enhance its line-up of EVs on a global scale. Honda has also expanded the line-up of vehicles equipped with the Intelligent Multi-Mode Drive (i-MMD), Honda’s original hybrid system offering top-class efficiency, from sedan-type vehicles to sport utility vehicles (SUV). With the addition of the compact i-MMD newly developed for the Fit-class vehicles, Honda is now offering more high-performance hybrid vehicles to customers worldwide. As an effort to accelerate the market growth of electric power units, Honda has expanded the lineup of vehicles equipped with the Intelligent Multi-Mode Drive (i-MMD), Honda’s original hybrid system offering top-class efficiency, from sedan-type vehicles to sport utility vehicles (SUV). With the addition of the compact i-MMD newly developed for the Fit-class vehicles, Honda is now offering more high-performance hybrid vehicles to customers worldwide. Honda also plans to release plug-in hybrid electric vehicles (PHEV) fitted with the i-MMD, starting with the Clarity PHEV, to markets demanding such vehicles. We will continue to actively develop clean power units to achieve our goal in 2030. For that, we will invest 694.9 billion yen in R&D for automobile, which is 86.4% of the total R&D cost, 8,039 billion yen. (803.9billion yen\* 86.4%=694.9billion yen)

### **Comment**

### **Identifier**

Opp2

### **Where in the value chain does the opportunity occur?**

Downstream

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Development of climate adaptation, resilience and insurance risk solutions

### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

Independent power sources that Honda offers customers through its power product business contribute to society as a measure for adapting to the more frequent occurrence of abnormal weather as a result of climate change. For example, when infrastructure breaks down as a result of flooding and the like, independent power sources such as generators provided by Honda’s power product business can contribute to livelihood maintenance in the affected area. Super hurricane Katrina, which struck the Gulf of Mexico in 2005, flooded 80% of the city and caused devastating damage including a massive power failure. For natural disasters caused by abnormal weather like this, Honda’s generators can serve customers as independent sources of power. The Katrina disaster was followed by a 27% increase in unit sales of generators resulting in over 200 million yen in increased sales during the August to November 2005 period compared with the same period of the previous year. As part of the power product business, Honda offers a wide line-up of products including generators, water pumps, and autonomously operated cogeneration units. In addition, we also offer products that use relatively easy-to-obtain energy sources, such as a generator that uses home-use gas cylinders. Honda develops and produces products that hep during widespread and prolonged power outages caused by weather-related disasters. For example, Enepo can generate electricity from household gas bottles used for cooking. We also developed the EU9iGP, a low-pressure LP gas generator for disaster prevention. These products can help during unexpected energy shortages and can be transported easily for emergency use and/or prevention. Therefore, it is highly likely in regions where the impact of climate change cannot be avoided, that Honda will be able to make contributions like those mentioned above. For example, in areas where enormous hurricanes have hit in recent years such as the part of U.S. along the Gulf of Mexico, Honda is likely to be able to make a contribution.

### **Time horizon**

Short-term

### **Likelihood**

Very likely

### **Magnitude of impact**

Medium-low

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

1200000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

Super hurricane Katrina, which struck the Gulf of Mexico in 2005, flooded 80% of the city and caused devastating damage including a massive power failure. For natural disasters caused by abnormal weather like this, Honda’s generators can serve customers as independent sources of power. The Katrina disaster was followed by a 27% increase in unit sales of generators resulting in over 200 million yen in increased sales during the August to November 2005 period compared with the same period of the previous year. Considering that similar natural disasters may occur in other regions, we predict an expansion to the areas where we currently sell our products. If we expand our sales area to the remaining six areas, there would be an impact of 200 million yen\*6 areas =1.2 billion yen on sales.

### **Cost to realize opportunity**

29700000000

### **Strategy to realize opportunity and explanation of cost calculation**

Independent power sources that Honda offers customers contribute to society as a measure for adapting to the more frequent occurrence of abnormal weather as a result of climate change. For example, when infrastructure breaks down as a result of flooding and the like, independent power sources such as generators provided by Honda’s power product business can contribute to lifeline maintenance in the affected area. We will aim to develop and launch the power products (such as generators and cogeneration units) that can contribute to lifelihood maintenance. Honda has realized the conversion into high-quality electricity that is on a par with commercial electricity from the power grid. As a result, “Power Exporter 9000” can run even medical equipment, and specifications that make it possible to connect with ZEVs of other companies as well. It is the world’s first device that goes beyond the boundaries of manufacturers and can connect a wide variety of cars with a wide variety of devices. It's useful at evacuation centers and in other emergency medical situations at the time of a disaster. (Out of the total R&D expenses, 803.9 billion yen, we invested 3.7%, 29.7 billion yen in R&D for life creation.) (803.9 billion yen × 3.7% = 29.7 billion yen)

### **Comment**

### **Identifier**

Opp3

### **Where in the value chain does the opportunity occur?**

Downstream

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

### **Primary potential financial impact**

Increased revenues through access to new and emerging markets

### **Company-specific description**

As more renewable electricity is deployed at high percentage, it is essential to manage demand and supply of electricity, mobility, in optimal way. Honda’s products include automobiles, motorcycles, generators and cogeneration units, and it is important to control and optimize the timing of use, charge, and discharge. Honda has core elements of technologies to manage smart community\* such as automobiles, motorcycles, generators and cogeneration units, therefore recognizes smart community technology, which is undergoing demonstration testing around the world as part of climate change mitigation measures, as an opportunity. For the core elements of the smart community\* such as automobiles, motorcycles, generators and cogeneration units, Honda possesses its own technologies and products, so that the favourable impact of this opportunity is much greater for us than for other companies in the same industry. In addition, as the consumption rate of renewable energy gets higher, in order to ensure stability, the storing and utilizing of hydrogen-based energy will be key. In preparation, Honda has already commercialized fuel-cell vehicles, which have been used in demonstration experiments for smart community. In Miyakojima, Okinawa (island prefecture in southern Japan), Honda’s fuel cell has been selected to utilize in the experiment to enable 100% renewable supplied electricity system in the isolated island. In Miyakojima island, 4 Honda’s fuel-cell vehicles is currently used to supply mobility and storage at the same time. If Honda can seize this opportunity, it will be able to demonstrate synergies such as increased sales and profit, while overcoming the traditional boundaries that have separated business operations from each other in the past. \*Smart community technology is a set of technologies that make up a highly efficient, vibrant, self-sustained community (“smart community”). Public and private sectors aim to realize the smart community jointly through comprehensive coordination including the next-generation energy infrastructure; combined information, communications and transportation systems; and a variety of products and services.

### **Time horizon**

Long-term

### **Likelihood**

About as likely as not

### **Magnitude of impact**

Medium-high

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

1490000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

A closer link between mobility and people’s everyday lives through total energy management will lead to sales expansion for non-mobility products, such as services and cogeneration systems incidental to the smart community, and holds the possibility of contributing to a higher operating profit ratio through sales and a synergy effect among Honda’s various businesses. we estimate that an additional 0.1% in the operating profit ratio would boost profit of 14.9 trillion yen (total Group revenue) by more than 1.49billion yen. (14.9 trillion yen \*0.1%=1.49 billion yen)

### **Cost to realize opportunity**

29700000000

### **Strategy to realize opportunity and explanation of cost calculation**

Honda recognizes smart community technology, which is undergoing demonstration testing around the world as part of climate change mitigation measures, as an opportunity. For the core elements of the smart community such as automobiles, motorcycles, generators and cogeneration units, Honda possesses its own technologies and products, so that the favorable impact of this opportunity is much greater for us than for other companies in the same industry. Honda has started Honda eMaaS as a new service to contribute to realize a smart community. Honda eMaaS is a service to seamlessly connect the mobility and daily lives of customers through mobility services (MaaS) and energy services (EaaS). Honda eMaaS connects a series of processes for customers, from their homes (places where they live) to the mode of transportation (mobility), activities at the destinations and returning home. As mobility becomes progressively electric-powered, a group of batteries distributed throughout the market can be viewed as one large energy storage by centrally managing various information, ranging from information on vehicle position and battery charging status to other information such as power supply, weather and traffic conditions. In other words, Honda’s electrified mobility products and energy equipment can serve as a temporary power storage and discharge device in the Honda eMaaS environment. In this way, Honda eMaaS makes it possible to reduce peak power demand, shift the power peak and adjust the power supply, thereby contributing to the stabilization of the power grid and lower electricity bills for customers. For society, it can help increase the ratio of renewable energy use by connecting renewables with Honda’s products. From now on, we will keep on studying which combination can utilize energy in a more efficient manner. Out of the total R&D expenses, 803.9 billion yen, we set 29.7 billion yen as an investment in R&D for life creation in 2020. (803.9 billion yen × 3.7% = 29.7 billion yen)

### **Comment**

### **Identifier**

Opp4

### **Where in the value chain does the opportunity occur?**

Direct operations

### **Opportunity type**

Resource efficiency

### **Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

### **Primary potential financial impact**

Reduced direct costs

### **Company-specific description**

At present, products of Honda mainly use fossil fuels and thus have greater environmental impact. As such, Honda’s concern is that unless it proceeds with energy diversification into renewable and other low environmental impact energy sources, it will become difficult to sustain its business. Keeping this concern in mind, Honda is constantly developing products based on environmental technologies, which can bring enriching lives and the joy of mobility to customers worldwide, to provide optimum products where needed on an ongoing basis. There is more than one approach to the protection of the global environment, and efforts to maximize the use of renewable energy are also crucial. Recognizing there are diverse approaches to solutions toward the use of renewable energy and CO2 reduction, Honda has formulated a “multi-pathway” concept to proactively offer environmentally friendly products matched to each region. To realize the long-term concept, it is important to reduce GHG emissions from our production activities step by step and aim to reduce the emissions throughout the entire product life cycle. Honda therefore has set a goal of CO2 emissions reduction per unit of production by 1% per year, and is actively engaging to save energy. For example, the initiative by Honda Suzuka factory and Honda Engineering, which won the Energy Conservation Center Chairman’s Award at the 2019 Energy Center Awards, developed a new manufacturing technology for instrument panel for the new N-BOX released in September 2017 and achieved energy-saving results. Two-color instrumental panels had been manufactured either by painting a portion of a one-color instrument panel or combining parts with different colors. Honda Suzuka factory and Honda Engineering have developed a new technology that removed painting processes by mold injection of two different materials of different colors at once. With this method, we saved 65% of energy compared to the original manufacturing method and reduced CO2 emissions by 88.5 tons per year.

### **Time horizon**

Short-term

### **Likelihood**

Likely

### **Magnitude of impact**

Medium-high

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

2400000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

As an economic impact, we calculated the actual reduction costs from energy savings in FY 2019. In Honda Motor Co. in Japan, Honda Technical Research Institute and Honda Engineering Co only, if the project were to continue until our target 2050, the reduction would be 80 million yen\*30 years=2.4 billion yen. The calculation method is applied that the reduction amount of energy use multiplied by the purchasing price of energy.

### **Cost to realize opportunity**

1661000000

### **Strategy to realize opportunity and explanation of cost calculation**

With the aim of ultimately achieving zero CO 2 emissions and zero energy risk, Honda is focusing on the reduction of energy consumption and CO 2 emissions while expanding production/sales globally. In the future, Honda will aim at sustaining reduction until the rate of reduction of energy consumption exceeds the rate of increase of energy use for the manufacturing of products. Toward the realization of the above-mentioned target, when building or renovating its plants Honda aggressively introduces the latest energy-saving technologies and know-how at plants, including the Saitama Factory’s Yorii assembly plant that achieved a 30% reduction in per unit energy use compared with other Honda plants\*. To support the energy-saving initiatives of various business sites operating around the world, the Company has built a mechanism for promoting information sharing among business sites and regions, and at the same time, it is enhancing technical support from Japan. We calculated that environmental protection costs amounted to 1,661 million yen (1,438 million yen as investment and 223 million yen as cost) at Honda Motor Co. in Japan, Honda Technical Research Institute, Honda Engineering Co. This includes costs to address climate change, Ozone depletion, and other environmental impacts.

### **Comment**

## **C3. Business Strategy**

## **C3.1**

### **(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

## **C3.1a**

### **(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative and quantitative

## **C3.1b**

### **(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.**

|  |  |
| --- | --- |
| **Climate-related scenarios and models applied** | **Details** |
| 2DS  IEA 450  RCP 2.6  IEA B2DS  IEA Sustainable development scenario  IEA NPS | As an automobile manufacturer, Honda recognizes that the global impacts of GHG emissions from its business activities are very high, and that it is essential to set company-wide targets considering the needs for GHG emissions reduction. We refereed RCP2.6 in the IPCC report, because the challenge for automobile manufacturer such as Honda is in need to reduce emissions, and if the regulation in various markets will shift to ban emissions of fossil fuel, it means we need to shift our products, which will require time for products developments. We referred to the emission reduction path in RCP2.6, which shows the needs for the emission reduction worldwide. Time horizon we considered was until 2050, because until 2050, major decrease of emissions should occurred in order to avoid dangerous climate related impacts. Our scope of analysis includes Scope1,2 and 3 emissions. The scenario analysis showed that if we are to progress toward a world that the Paris Agreement aims to achieve, we need to cut CO2 emissions from vehicles by 90% by 2050, and at least 15% need to be zero emission models by 2030. Based on the result, we have set long-term targets. Furthermore, Honda compares multiple scenarios in its analysis, to consider what strategic impacts there may be if the world adapted to climate change and if the world mitigated climate change. Findings are reflected in our long-term strategic decisions. More specifically, our analysis covers the IEA NPS, SDS, RCP 2.6, 2DS and B2DS comprehensively. We used multiple renowned scenarios in order to compare and validate certain elements of certain scenarios and avoid biased results. In order to gain an understanding of our risk exposure, Honda used the Aqueduct (WRI) tool to assess all of its global operation sites on likelihood of floods and water shortages as well. The risk of water withdrawal has been increasing especially in the southern part of India, which is therefore evaluated as significant. Regarding water shortage, Honda has set a target to reduce water intensity by 1.8% per year. The analysis showed that, as our goal of "halving total GHG emissions by 2050" set at the Honda World Environmental Committee in 2014 shows, automobile manufacturers need to move to electrified vehicles. In order to achieve this long-term target, Honda thought it needed to significantly reduce emissions from automobiles, which account for the majority of our total GHG emissions, therefore made various business decisions to pursue low-carbon emission vehicles. For example, as a result of scenario analysis, in 2016, we set a target of electrifying two-thirds of vehicles we sell by 2030, which is a significant business decision. In the future, Honda will endeavour to development and expand low-carbon vehicles. Specifically, we promote EVs and develop a variety type of new EV models. |

## **C3.1d**

### **(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.**

|  |  |  |
| --- | --- | --- |
|  | **Have climate-related risks and opportunities influenced your strategy in this area?** | **Description of influence** |
| Products and services | Yes | As climate change becomes more severe, emissions regulations for cars are becoming more stringent in our key markets, such as the North America, Asia and Japan, where we sell 91% of our vehicle. If the transition to climate-responsive products (powertrain electrification vehicles, etc.) is delayed, a change of revenue from automobiles is expected to be lost. In 2014, Honda set a goal of "halving total GHG emissions by 2050" at the Honda World Environmental Committee. As a part of that, Honda have set a goal to attain two-thirds of global automobile unit sales through EVs by 2030. A new concept for that, the “Honda e: Technology”, is a collective term referring to Honda’s highly efficient electrification technologies that will realize the creation of value for mobility and people’s daily lives as aspired in the 2030 Vision. Under this concept, Honda will add the same prefix “e:” to a group of technologies and related products for the electrification of motorcycles, automobiles and power products. By doing so, the Company will publicly appeal and convey its products and technologies in each domain in a coherent manner. |
| Supply chain and/or value chain | Yes | There is a risk that the plant will not be able to operate due to delays in delivery or shortage due to the physical effects of climate change. For extent, flooding in Mexico in 2018 resulted in a loss of 50 billion yen, due to the delay of products delivery, and the damage by the similar incidents is expected to be at the same level. We have developed our BCP strategy (policy) in 2013 to establish our BCP for all of our global sites and implement the PDCA cycle every year, for long term. We will continue to promote this activity and improve our supply chain resilience. |
| Investment in R&D | Yes | There is a risk that the worsening of climate change will create more needs for research and development expenditure for the transition to low-carbon technologies. In order to speed up the development of PHEVs, EVs and FCVs, our team for research and development for electric vehicles is strengthened, and a specialized organization "EVs Development Office" is established in the laboratory to develop one vehicle from the powertrain to the vehicle body in an integrated manner, and a large amount of investments are required. In terms of the R&D investment, we have decided to focus on eMaaS (connect energy as a service and mobility as a service) in the medium term – this direction is clearly stated in our sustainability report. |
| Operations | Yes | The rapid spread of electrified vehicles due to the worsening of climate change poses a risk of obsolescence of existing operating equipment. In order to meet the needs of markets around the world, we are investing our equity to electrify our automobile products. For example, we decided to change Yorii assembly plant to our flagship plant for all powertrain electrification vehicles as an electric vehicle base, and a production system tailored to the needs of markets around the world. We have decided to reduce energy consumption at other plants by 1% every year in the medium term, and have been implementing this plan. |

## **C3.1e**

### **(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

|  |  |  |
| --- | --- | --- |
|  | **Financial planning elements that have been influenced** | **Description of influence** |
| Row 1 | Indirect costs  Capital allocation | Our long-term carbon neutrality target for 2050 impacted our capital allocation strategy under the new mid-term plan and our decision to extensively reorganize the company. In order to achieve our goal to provide people worldwide with the “joy of expanding their life’s potential”, we recognize that we must strengthen the creation of new value for the future and the timely development of highly competitive products. With this in mind, in April 2019, Honda decided to separate its R&D approach into largely 2 separate functions. One function develops timely and highly competitive products with the mission to consistently generate 120% product quality. The other function aims to create new value from 99% of our failures by constructively scrutinizing past mistakes. These changes were reflected in our research institute. In addition to newly establishing the Innovate Research Excellence center in 2019, we also revamped our Innovative Research Excellence, Power Unit & Energy center, which is a strength of Honda’s that is the source of our competitive edge beyond product boundaries. The new Power Unit and Energy center will continue to employ professionals in power units and environmental energy to enable synergetic success leading to low-carbon solutions. At the new Power Unit and Energy center, Honda is engaging in research and development of low carbon products and services that address climate change, as well as eMaaS and multi-pathway solutions that contribute to a low-carbon transition in society. We believe this will enable us to deliver on the Honda environmental and safety vision, “joyful and fulfilling mobility” and “daily life as well as a clean and safe/secure society”, through value-added and meaningful products and services for people. Honda is allocating resources appropriately to achieve our goal to electrify two-third of automobile unit sales by 2030. |

## **C3.1f**

### **(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

i. A company-specific explanation of how business objectives and strategy have been influenced by climate-related issues;

To recognize today's environmental challenges, we first gathered information on environmental issues through communication with stakeholders and discussions among internal divisions (directors, environmental departments, regional divisions, business divisions, and functional divisions). We analysed the information collected from the viewpoints of the relationship between the challenges and the "Honda Environmental and Safety Vision" and the consistency between the issues and Honda's corporate philosophy. We also selected environmental challenges of relatively high importance, namely "Climate Change," "Energy," and "Effective Use of Resources."

Honda's environmental strategies, including climate-change strategies, are discussed and approved by members of the Executive Committee at an annual the World Environment and Safety Strategy Committee. The approved strategies are reflected annually in the strategies of the regional headquarters, the business headquarters of each product group (motorcycles, automobiles, and power products), and the functional headquarters, such as production and purchasing.

ii. Explanation of whether your business strategy is linked to an emissions reductions target or energy reduction target;

Honda is working to address climate-change questions through initiatives that combine its business and environmental strategies. We recognized a variety of climate change questions, including trends to enhancement CO2 (fuel efficiency) regulations for products (especially automobiles), emissions regulations for fixed emission sources, trends in emissions trading, and grants to encourage the development of future technologies. Based on this, we have set a target of reducing total CO2 emissions by half compared to 2000 levels by 2050, drawing on a future vision of zero environmental impact.

As a step-by-step target, we have established the 2020 target for reducing CO2 emissions per unit of production by 30% from the 2000 level when motorcycles, automobiles, and power products are used worldwide, and the triple-zero concept, which aims to achieve zero CO2 emissions well to wheel. We are developing technologies that contribute to the reduction of CO2 emissions.

iii. What have been the most substantial business decisions made during the reporting year that have been influenced by the climate change driven aspects of the strategy;

As automakers are expected to make further efforts to resolve global warming, Honda is working to achieve its target of reducing total GHG emissions by half compared to 2000 levels by 2050, and is promoting initiatives in motorcycles, automobiles, and power products.

In Automobiles, we will promote the introduction of powertrain electrification technologies to promote the use of hybrid, plug-in hybrid, electric, fuel-cell, and other vehicles with low environmental impact. By 2030, we plan to replace two-thirds of our automobile sells with vehicles equipped with these powertrain electrification technologies.

In December 2017, Honda launched the Clarity series of automobiles in North America. The Clarity series platforms three types of electric powertrains: PHEV, EVs, and FCVs. This world's first challenge to expand the option of electric vehicles to meet customer needs has been highly regarded, as evidenced by the selection of "2018 Green Car of the Year" in the U.S. journal Green Car Journal.

As for motorcycles, we have set up and begun sells of PCX HYBRID, a two-class motorized bicycle scooter that employs the world-first hybrid system for mass-produced motorcycles.

As for power products, we have been developing and commercializing powertrain electrification instruments that are useful in various aspects of life, and have been proposing products that provide new value, such as the robotic lawnmowers "Miemo" and the handy-type capacitor "Lived E500".

## **C4. Targets and performance**

## **C4.1**

### **(C4.1) Did you have an emissions target that was active in the reporting year?**

Both absolute and intensity targets

## **C4.1a**

### **(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

### **Target reference number**

Abs 1

### **Year target was set**

2009

### **Target coverage**

Company-wide

### **Scope(s) (or Scope 3 category)**

Scope 1+2 (location-based) +3 (upstream & downstream)

### **Base year**

2001

### **Covered emissions in base year (metric tons CO2e)**

180000000

### **Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

### **Target year**

2051

### **Targeted reduction from base year (%)**

50

### **Covered emissions in target year (metric tons CO2e) [auto-calculated]**

90000000

### **Covered emissions in reporting year (metric tons CO2e)**

303120000

### **% of target achieved [auto-calculated]**

-136.8

### **Target status in reporting year**

Underway

### **Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

### **Please explain (including target coverage)**

In order to realize Honda Environmental and Safety Vision and ultimately play a principal role in creating a society with no environmental impact, Honda is committed to tackling climate change, energy, and resource issues through its own technologies and business activities. In response to climate change, we are steadily reducing CO2 emissions by improvement existing technologies. We are also actively introducing renewable energy, aiming for the future elimination of CO2 emissions from our products and business activities. In course, we are steadily reducing CO2 emissions by improvement existing technologies. At present, Honda is currently working to achieve its target of reducing CO2 emissions from motorcycles, automobiles, and power products by 2020, which will reduce CO2 emissions per unit of production worldwide by 30% (compared to 2000 levels). Subsequently, we aim to halve total corporate emissions by 2050. Despite the target of halving total CO2 emissions by 2050, present condition CO2 emissions are on an increasing trend. Automobile production, which has a significantly affect on CO2 emissions, increased by 48% from 2010 to 2017 to approximately 1,700,000 vehicles. Although CO2 emissions per vehicle have decreased, the enlarge in production has exceeded that. In the future, Honda will continue to strive to further improve productivity and to introduce renewable energies in a balanced production.

### **Target reference number**

Abs 2

### **Year target was set**

2020

### **Target coverage**

Company-wide

### **Scope(s) (or Scope 3 category)**

Scope 1+2 (location-based) +3 (upstream & downstream)

### **Base year**

2019

### **Covered emissions in base year (metric tons CO2e)**

303000000

### **Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

### **Target year**

2051

### **Targeted reduction from base year (%)**

100

### **Covered emissions in target year (metric tons CO2e) [auto-calculated]**

0

### **Covered emissions in reporting year (metric tons CO2e)**

303000000

### **% of target achieved [auto-calculated]**

0

### **Target status in reporting year**

New

### **Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

### **Please explain (including target coverage)**

We have been contributing to our goal, which is to halve our overall CO2 emissions by 2050, and we are accelerating our response to climate change to become carbon neutral by 2050. We believe this will help us to achieve our “2030 Vision” goals.

## **C4.1b**

### **(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

### **Target reference number**

Int 1

### **Year target was set**

2012

### **Target coverage**

Product level

### **Scope(s) (or Scope 3 category)**

Scope 3: Use of sold products

### **Intensity metric**

Grams CO2e per kilometer

### **Base year**

2001

### **Intensity figure in base year (metric tons CO2e per unit of activity)**

181.3

### **% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

70

### **Target year**

2021

### **Targeted reduction from base year (%)**

30

### **Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]**

126.91

### **% change anticipated in absolute Scope 1+2 emissions**

0

### **% change anticipated in absolute Scope 3 emissions**

21

### **Intensity figure in reporting year (metric tons CO2e per unit of activity)**

129

### **% of target achieved [auto-calculated]**

96.1573818716676

### **Target status in reporting year**

Underway

### **Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

### **Please explain (including target coverage)**

This is a target for automobiles we sold. We achieved 25.9% of reduction in 2018 compared with the target of 30% reduction in 2020. In order to promote environmental measures strategically, Honda has adopted the "EARTH DREAMS TECHNOLOGY" concept, introducing technologies that ultimately improve the efficiency of internal combustion engines and hybrid-type technologies that integrate engines and motors to a high degree. In fiscal 2018, we installed a Sport hybrid i MMD engine on the Accord and a 2.0L i-MMD engine on the STEPWGN and Odyssey to achieve excellent fuel efficiency. We have achieved 28.8% of our 30% emissions reduction target, nearing in on fulfilling our reduction goal set to a year 2000 baseline. In FY 2019, we launched Honda e, Honda's first mass-produced EV, in Europe and Japan. We are also expanding our electric vehicle line-up globally with the launch of the "Rinen VE-1" and "X-NV" in China. We also expanded the application of our i-MMD system, which delivers top-class efficiency, from sedans to SUVs, and developed a new compact i-MMD system for the FIT class to expand the availability of high-performance hybrids to our global customers.

### **Target reference number**

Int 2

### **Year target was set**

2012

### **Target coverage**

Product level

### **Scope(s) (or Scope 3 category)**

Scope 3: Use of sold products

### **Intensity metric**

Grams CO2e per kilometer

### **Base year**

2001

### **Intensity figure in base year (metric tons CO2e per unit of activity)**

181.3

### **% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

70

### **Target year**

2051

### **Targeted reduction from base year (%)**

90

### **Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]**

18.13

### **% change anticipated in absolute Scope 1+2 emissions**

0

### **% change anticipated in absolute Scope 3 emissions**

62.1

### **Intensity figure in reporting year (metric tons CO2e per unit of activity)**

129

### **% of target achieved [auto-calculated]**

32.0524606238892

### **Target status in reporting year**

Underway

### **Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

### **Please explain (including target coverage)**

This is a target for automobiles we sold. We achieved 25.9% of reduction in 2018 compared with the target of 30% reduction in 2020. In order to promote environmental measures strategically, Honda has adopted the "EARTH DREAMS TECHNOLOGY" concept, introducing technologies that ultimately improve the efficiency of internal combustion engines and hybrid-type technologies that integrate engines and motors to a high degree. In fiscal 2018, we installed a Sport hybrid i MMD engine on the Accord and a 2.0L i-MMD engine on the STEPWGN and Odyssey to achieve excellent fuel efficiency. We have achieved 28.8% of our 30% emissions reduction target, nearing in on fulfilling our reduction goal set to a year 2000 baseline. In FY 2019, we launched Honda e, Honda's first mass-produced EV, in Europe and Japan. We are also expanding our electric vehicle line-up globally with the launch of the "Rinen VE-1" and "X-NV" in China. We also expanded the application of our i-MMD system, which delivers top-class efficiency, from sedans to SUVs, and developed a new compact i-MMD system for the FIT class to expand the availability of high-performance hybrids to our global customers.

## **C4.2**

### **(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

## **C4.2a**

### **(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

### **Target reference number**

Low 1

### **Year target was set**

2020

### **Target coverage**

Business activity

### **Target type: absolute or intensity**

Absolute

### **Target type: energy carrier**

Electricity

### **Target type: activity**

Consumption

### **Target type: energy source**

Renewable energy source(s) only

### **Metric (target numerator if reporting an intensity target)**

Percentage

### **Target denominator (intensity targets only)**

<Not Applicable>

### **Base year**

2019

### **Figure or percentage in base year**

21

### **Target year**

2023

### **Figure or percentage in target year**

80

### **Figure or percentage in reporting year**

21

### **% of target achieved [auto-calculated]**

0

### **Target status in reporting year**

New

### **Is this target part of an emissions target?**

一部になります

### **Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

### **Please explain (including target coverage)**

Honda will start to secure power from Boiling Springs Wind Firm in Oklahoma in the fall of 2020 and solar power from a solar facility in Texas in the fall of 2021. These clean energy purchase agreements will total an annual 320MW, which covers more than 60% of the electricity we use in North America. This will ensure that our production-related emissions come from cleaner energy sources and enable Honda to make a great step forward toward its CO2 reduction goals. While continuing to purchase electricity from the local utility for each manufacturing facility, Honda aims to achieve net zero CO2 emissions from its Ohio, Indiana and Alabama manufacturing operations through renewable energy certifications (RECs) equal to the power produced through the VPPA. Currently, 21% of the electricity Honda uses in North America is supplied from extremely low or zero CO2 sources. Through these initiatives, Honda will raise the total usage of clean energy in North America to over 80% through the VPPA.

## **C4.3**

### **(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## **C4.3a**

### **(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

|  |  |  |
| --- | --- | --- |
|  | **Number of initiatives** | **Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked \*)** |
| Under investigation | 0 | 0 |
| To be implemented\* | 0 | 0 |
| Implementation commenced\* | 3 | 5690 |
| Implemented\* | 1483 | 27140 |
| Not to be implemented | 0 | 0 |

## **C4.3b**

### **(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Energy efficiency in production processes | Reuse of water |

### **Estimated annual CO2e savings (metric tonnes CO2e)**

1940

### **Scope(s)**

Scope 1

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

43600000

### **Investment required (unit currency – as specified in C0.4)**

501400000

### **Payback period**

11-15 years

### **Estimated lifetime of the initiative**

21-30 years

### **Comment**

Honda makes efforts to reduce the amount of fuel used in order to reduce its environmental impact. In Japan's plants and offices, LNG consumption was reduced by 39,000 GJ/year by replacing the chilled and hot water generator, which serves as the heat source for air conditioning, with a heat pump chiller. Although scope 2 has increased as a result of switching to electrification, total emissions have been reduced by 52%, and we are promoting activities to reduce environmental impact. We are also considering the use of renewable energy for purchased electricity, and are working to prepare for the future to achieve zero environmental impact.

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Low-carbon energy generation | Solar PV |

### **Estimated annual CO2e savings (metric tonnes CO2e)**

1200

### **Scope(s)**

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

43600000

### **Investment required (unit currency – as specified in C0.4)**

5010000000

### **Payback period**

11-15 years

### **Estimated lifetime of the initiative**

21-30 years

### **Comment**

We installed a 2.0 MW solar photovoltaic system at the American Honda Motor Co., Inc. campus in Torrance, California. It offsets roughly 30 percent of the purchased electricity for the entire campus. Solar energy also provides 100 percent of the on-site electric vehicle charging energy. The solar array is connected to a 700kW lithium ion battery system to improve grid integration and reduce demand charges. Renewable energy at Honda's North America operations now totals 3.1 MW of Honda owned solar energy and a 4.6 MW PPA for wind energy.

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Low-carbon energy generation | Solar PV |

### **Estimated annual CO2e savings (metric tonnes CO2e)**

24000

### **Scope(s)**

Scope 3

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

545000000

### **Investment required (unit currency – as specified in C0.4)**

1800000000

### **Payback period**

1-3 years

### **Estimated lifetime of the initiative**

11-15 years

### **Comment**

Honda continues to expand the Honda Environmental Leadership Program as an emissions reduction initiative for dealerships. This Program is based on a comprehensive set of environmental best practices with a strong focus on measuring energy reduction. Dealerships receive a customized environmental assessment report with specific recommendations to reduce energy, conserve water, reduce waste, install renewable energy, and improve building envelope. In addition to automotive dealerships, the program also includes Honda motorcycle and power equipment product lines.

## **C4.3c**

### **(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

|  |  |
| --- | --- |
| **Method** | **Comment** |
| Internal finance mechanisms | Our investments are roughly divided into ordinary and special investments. Ordinary investments are approved by regional headquarters. Special investments are not approved until approved by Japan headquarters. Investment in high-efficiency equipments aimed at achieving the greenhouse gas reduce target is basically made as ordinary investment. On the other hand, in the course of the PDCA to achieve the target, if it is judged that the achievement of the reduce target is threatened if funds are not allocated as ordinary investment but as special investment, the reduction target is approved by the Japan Head Office as special investment. Honda considers the achievement of greenhouse gas reduce targets to be one of its key business objectives. Therefore, while fully considering the recovery period, greenhouse gas reductions are also used as a standard for evaluating investment. Through these investment cost management mechanisms, Sharp is working to maintain the soundness of its business operations with shareholders, and is operating its business so that it can achieve the company-wide targets for greenhouse gas reductions. |

## **C4.5**

### **(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

## **C4.5a**

### **(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

### **Level of aggregation**

Company-wide

### **Description of product/Group of products**

(1) Reducing CO2 emissions through efficiency improvements of internal combustion engines (2) Reducing CO2 emissions by introducing environmentally innovative technologies and diversifying energy sources (3) Eliminating CO2 emissions through the use of renewable energy and total energy management

### **Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product and avoided emissions

### **Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (GHG protocol)

### **% revenue from low carbon product(s) in the reporting year**

96.9

### **% of total portfolio value**

<Not Applicable>

### **Asset classes/ product types**

<Not Applicable>

### **Comment**

By meeting with Honda Environmental Performance Standard (HEPS:Honda Environmental Performance Standard), which is a highly proprietary product guideline, Honda has set a target of 30% reduction in CO2 emissions per unit of production by 2020 (compared to 2000), and is actively working to reduce CO2 emissions during use of products it provides to customers. The HEPS is divided into three major categories. For automobiles, the Revolutionary Products is defined as a product that aims to reduce emissions to zero (carbon-free) by High Efficient Products, installing environmental innovative technologies (HEVs, FFVs, etc.) or energy-diversification (diesel fuel, ethanol fuel, etc.) by Innovative Products (carbon-free) while reducing emissions significantly (with internal standards) by improving internal combustion engine efficiencies with respect to the basis model. Honda's original initiative aims at higher reduces rather than normal reductions. The number in the notation represents the total number of automobile models.

## **C5. Emissions methodology**

## **C5.1**

### **(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

### **Scope 1**

### **Base year start**

April 1 2009

### **Base year end**

March 31 2010

### **Base year emissions (metric tons CO2e)**

1307000

### **Comment**

### **Scope 2 (location-based)**

### **Base year start**

April 1 2009

### **Base year end**

March 31 2010

### **Base year emissions (metric tons CO2e)**

2772000

### **Comment**

### **Scope 2 (market-based)**

### **Base year start**

April 1 2009

### **Base year end**

March 31 2010

### **Base year emissions (metric tons CO2e)**

2772000

### **Comment**

## **C5.2**

### **(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Act on the Rational Use of Energy

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## **C6. Emissions data**

## **C6.1**

### **(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?**

### **Reporting year**

### **Gross global Scope 1 emissions (metric tons CO2e)**

1240000

### **Start date**

<Not Applicable>

### **End date**

<Not Applicable>

### **Comment**

## **C6.2**

### **(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.**

### **Row 1**

### **​Scope 2, location-based​**

We are reporting a Scope 2, location-based figure

### **Scope 2, market-based**

We are reporting a Scope 2, market-based figure

### **Comment**

## **C6.3**

### **(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?**

### **Reporting year**

### **Scope 2, location-based**

3440000

### **Scope 2, market-based (if applicable)**

3790000

### **Start date**

<Not Applicable>

### **End date**

<Not Applicable>

### **Comment**

## **C6.4**

### **(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## **C6.5**

### **(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### **Purchased goods and services**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

41200000

### **Emissions calculation methodology**

i) For activity data, the FY2019 annual volume of purchased goods was calculated by multiplying the amount of raw material used by a typical model for each business by yield rate and FY2019 total annual production volume of all models. We mainly applied emissions factors from the basic database of the Carbon Footprint Communication Program (compiled with data supplied by the Manufacturers Association and the IDEA from the "list of available databases” on the GHG Protocol website). To certain emissions factors, we applied intensities established by taking into account the energy efficiency in each country. ii) The quality of the activity data is “Good” and that of the emissions factors is also “Good”. Data quality is evaluated based on a methodology that uses five criteria consisting of temporal, technological, and geographical representativeness together with completeness and reliability. This methodology is recommended by the GHG Protocol Scope 3 Standard and shown in Table 7.6 of that standard. iii) Annual volume of purchased goods was aggregated by component raw material and multiplied by cradle-to-gate emissions of each raw material to obtain the Category 1 emissions.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **Capital goods**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

1090000

### **Emissions calculation methodology**

i) For activity data, the FY2019 annual capital investment for each business was collected from internal accounting data. Emissions factors were determined using information such as “Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables” (3EID), which is published by the National Institute for Environmental Studies, an independent administrative institution and included in the “list of available databases” on the GHG Protocol website. ii) The quality of the activity data is “Very Good” and that of the emissions factors is “Good”. Data quality is evaluated based on a methodology that uses five criteria consisting of temporal, technological, and geographical representativeness together with completeness and reliability. This methodology is recommended by the GHG Protocol Scope 3 Standard and shown in Table 7.6 of that standard. iii) The FY2019 annual investment for each business was multiplied by the emission factor of each business.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **Fuel-and-energy-related activities (not included in Scope 1 or 2)**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

497000

### **Emissions calculation methodology**

i) For activity data, annual volume used in FY2019 by operation bases and energy type was totaled from an internal system. We applied electric power emissions factors determined by country based on the IEA energy balance table. For other emissions factors, we applied those from the basic database of the Carbon Footprint Communication Program. For certain data, we also referred to the list of emissions factors prepared during a review conducted by the Ministry of the Environment for assistance on Scope 3 calculations. ii) The quality of the activity data is “Very Good” and that of the emissions factors is also “Very Good”. Data quality is evaluated based on a methodology that uses five criteria consisting of temporal, technological, and geographical representativeness together with completeness and reliability. This methodology is recommended by the GHG Protocol Scope 3 Standard and shown in Table 7.6 of that standard. iii) Annual volume used in FY2019 by energy type was multiplied by its emission factor.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **Upstream transportation and distribution**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

3010000

### **Emissions calculation methodology**

i) Emissions from transport and logistics in Japan for cargos owned by the company were calculated by the methodology stipulated in the Act on the Rational Use of Energy of Japan. For activity data, we first determined the actual amount of light oil and gasoline used by trucks and ships. These quantities were then multiplied by the following emissions factors to obtain emission values. ・Gasoline: 34.6 [GJ/kL] and 0.183 [tC/GJ] ・Light oil: 38.2 [GJ/kL] and 0.183 [tC/GJ] The same methodology was applied to calculation for transport and logistics of goods procured by the company in Japan, with the calculated portion extrapolated ii) The quality of the activity data is “Very Good” and that of the emissions factors is “Good”. Data quality is evaluated based on a methodology that uses five criteria consisting of temporal, technological, and geographical representativeness together with completeness and reliability. This methodology is recommended by the GHG Protocol Scope 3 Standard and shown in Table 7.6 of that standard. iii) Data collected on a trial basis was used for emissions from the transport and logistics in regions outside Japan for cargos owned by the company. Emissions from procurement logistics were estimated using sales ratio between Japan and overseas.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **Waste generated in operations**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

210000

### **Emissions calculation methodology**

i) For activity data, we used an internal system to total the waste volume in FY2019 by operation base and waste type. To determine emissions factors, we referred to the list of emissions factors prepared during a review conducted by the Ministry of the Environment for assistance on Scope 3 calculations. ii) The quality of the activity data is “Very Good” and that of the emissions factors is also “Very Good”. Data quality is evaluated based on a methodology that uses five criteria consisting of temporal, technological, and geographical representativeness together with completeness and reliability. This methodology is recommended by the GHG Protocol Scope 3 Standard and shown in Table 7.6 of that standard. iii) Waste volume by operation base and waste type in FY2019 was totaled by operation base and waste type and then multiplied by the factor for each waste type.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **Business travel**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

284000

### **Emissions calculation methodology**

i) This emission source accounts for only a small percentage of the total Scope 3 emissions, is difficult to reduce through available solutions, and is difficult to collect actual data for. We therefore apply the calculation method we developed in FY 2011 to calculate the amount of activity according to changes in the number of global employees in FY 2019. For the emission factors, we applied the 3EID (Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables) by National Institute for Environmental Studies, Independent Administrative Institutions. ii) The quality of the activity quantity is “Fair” and the quality of the emissions factors is “Very Good”. The evaluation of the data quality is based on the assessment methodology in Table 7.6 (using five criteria: time representativeness, technical representativeness, geographic representativeness, comprehensiveness and reliability), as recommended by the GHG Protocol’s Scope 3 criteria. iii) A specific emissions factor was used for expenses related to each transport mode. Since we can assume that we have more business trips from Japan offices than from overseas offices, in order to avoid underestimation, the business trip expense from overseas offices was calculated by extrapolating business trip expense in Japan based on the ratio of employees. We applied appropriate emissions factors to the business expense by breaking it down by transportation method (e.g. rail, air and private vehicles) according to the percentage of each method’s usage in each region.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **Employee commuting**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

177000

### **Emissions calculation methodology**

i) This emission source accounts for only a small percentage of the total Scope 3 emissions, is difficult to reduce through available solutions, and is difficult to collect actual data for. We therefore apply the calculation method we developed in FY 2011 to calculate the amount of activity according to changes in the number of global employees in FY 2019. For the emission factors, we applied the 3EID (Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables) by National Institute for Environmental Studies, Independent Administrative Institutions. ii) The quality of the activity quantity is “Fair” and the quality of the emissions factors is “Very Good”. The evaluation of the data quality is based on the assessment methodology in Table 7.6 (using five criteria: time representativeness, technical representativeness, geographic representativeness, comprehensiveness and reliability), as recommended by the GHG Protocol’s Scope 3 criteria. iii) A specific emissions factor was used for expenses related to expenses associated to each commute mode. For operations outside of Japan, we researched the breakdown of commute methods internally to apply the same method as in Japan.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **Upstream leased assets**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

The activity falling under this category is emissions from operation of leased assets such as copy machines and personal computers. These emissions are included in Scope 1 and 2 as emissions from office operations. Because there are no emissions from leased assets outside of Scope 1 and 2, no emissions are reported in this category.

### **Downstream transportation and distribution**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

128000

### **Emissions calculation methodology**

) Energy consumed by each sales outlet was totaled from a system deployed to unconsolidated Honda brand dealers in Japan. To determine emissions factors, we used the “List of methodologies and emissions factors for the GHG emissions calculation, reporting, and disclosure systems” and “CO2 emissions factors of each electric power supplier (FY2015 results)” in accordance with the Act on Promotion of Global Warming Countermeasures of Japan.ii) The quality of the activity data is “Good” and that of the emissions factors is “Very Good”. Data quality is evaluated based on a methodology that uses five criteria consisting of temporal, technological, and geographical representativeness together with completeness and reliability. This methodology is recommended by the GHG Protocol Scope 3 Standard and shown in Table 7.6 of that standard. Specifically, we referred to Box 7.2 of that table. iii) Emissions were calculated by multiplying total energy consumption per energy type for each sales outlet by the emissions factor for each type. The quality of the activity data is “Good” and that of the emissions factors is “Very Good”. Data quality is evaluated based on a methodology that uses five criteria consisting of temporal, technological, and geographical representativeness together with completeness and reliability. This methodology is recommended by the GHG Protocol Scope 3 Standard and shown in Table 7.6 of that standard. Sum of energy consumed by each sales outlet was multiplied by the emission factor for each energy type.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

In this category we calculate emissions coming from products sold through our own sales outlets. Our sale outlets are divided into two groups depending on whether they are subject to consolidated financial reporting. Outlets subject to consolidated reporting are included in Scope 1 and 2, so are not included in this category. Outlets not subject to consolidated reporting are further divided into three sub-categories; ・Those specifically dedicated to Honda brands ・Those that sell Honda brands alongside other brands ・Those that are mass retailers that sell both cars and other types of products The calculation above is limited to the sales outlets in Japan that are specifically dedicated to Honda brands. The other two sub-categories were excluded due to difficulty in calculating emissions for Honda brands specifically for these types of sales outlets.

### **Processing of sold products**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

499

### **Emissions calculation methodology**

i) General-purpose OEM engines from other companies fall into this category. Based on a preliminary calculation conducted in FY2011, we identified that this emission source accounts for only a small percentage of the total Scope 3 emissions, is difficult to reduce through available solutions, and is difficult to collect actual data for. Therefore, we continue to use results from the FY2011 findings, including the emissions factor we use for engines during the final product assembly and refrained from investing more resources in refining this calculation approach. For the number of engines sold, however, we used the latest FY2019 data. We also used the “Greenhouse Gas Emissions Calculation, Reporting and Publication System" and the “CO2 Emission Factors by Electric Utility (FY 2014 actual)” based on Japan's Act on Promotion of Global Warming Countermeasures. ii) The quality of the activity quantity is “Very good” and the quality of the emissions factors is “Good”. The evaluation of the data quality is based on the assessment methodology in Table 7.6 (using five criteria: time representativeness, technical representativeness, geographic representativeness, comprehensiveness and reliability), as recommended by the GHG Protocol’s Scope 3 criteria. iii) The formula is a multiplication of the energy consumption per unit during assembly, number of shipped units, and emissions factor of by appropriate energy type.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **Use of sold products**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

247000000

### **Emissions calculation methodology**

i) [Activity amount] ・Only passenger cars are categorized as automobiles . Other products that can be used on public roads are classified as motorcycles for this calculation. CO2 emissions are calculated by business and by region as a multiplication of sales volume, CO2 emissions per kilometer, annual mileage and years of use. Internal data was used for sales volume. CO2 emissions per kilometer are calculated by weighting each product’s CO2 emissions per kilometre as a percentage of total sales by region. Annual mileage and years of use of Automobiles were identified through the SMP model, an IEA estimation model. Annual mileage of Motorcycles was identified through the SMP model, and annual mileage by internal surveys. ・All general-purpose products were also included in this calculation. Emissions by business and by region was calculated by a multiplication of sales volume, CO2 emissions per hour, annual hours of use and years of use. Internal data was used for sales volume. Annual hours of use were set based on the results of USA's Clean Air Act Committee Report (EPA) and internal surveys, and years of use was set based on the results of internal surveys. [Fuel economy] ・Automobiles: We used the fuel economy values reported to the public authorities in Japan, the US, EU and China, and the in-house values measured in the exhaust gas measurement mode in Asia Pacific and South America. ・Motorcycles: We used the in-house values measure in the exhaust gas measurement mode in each region. ・General-purpose products: The fuel consumption rate was based on the measured fuel consumption rate of the internal exhaust gas measurement mode and the output assuming average working hours in the market. ii) The quality of the activity is “Good” and the quality of the emission factors is “Very Good”. This method is recommended by GHG Protocol’s Scope 3 criteria and shown in Table 7.6. iii)・Automobiles and Motorcycles: Emissions by business and by region are a multiplication of sales volume, emissions per kilometre, annual mileage and years of use. ・General-purpose products: Emissions by business and by region are a multiplication of shipment, emissions per hour, annual hours of use and years of use.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **End of life treatment of sold products**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

4120000

### **Emissions calculation methodology**

i) The activity amount was calculated based on in-house data of FY 2019 sales volume for automobiles and motorcycles and FY 2019 shipments for general-purpose products. The emission factors were set by referring to the literature on automobile disposal. For Motorcycle and general-purpose products, although it is assumed that the emissions from disposal per unit is less than the emissions from disposal per automobile, we applied the emission factor for automobile. Emissions are calculated by multiplying FY 2019 sales volume by region and the emission factor for disposal of automobile. ii) The quality of the activity quantity is “Very Good” and the quality of the emission factors is “Good”. The evaluation of the data quality is based on the assessment methodology in Table 7.6 (using five criteria: time representativeness, technical representativeness, geographic representativeness, comprehensiveness and reliability), as recommended by GHG Protocol’s Scope 3 criteria. iii) ・Automobile: Calculated by multiplying FY 2019 sales volume and the emission factor, considering disposal method by each region. ・Motorcycle and general-purpose products: Although it is assumed that the emissions from disposal per unit is less than the emissions from disposal per automobile, we applied the emission factor for automobile. Emissions are calculated by multiplying FY 2019 sales volume by region and the emission factor for disposal of automobile.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **Downstream leased assets**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

Automobiles for lease are applicable. As Honda offers the same products for sales and lease, there is no benefit in reporting automobiles separately for Category 11 for sold products and Category 13. Therefore, emissions until the end of product life from automobiles sold for lease were reported in Category 11.

### **Franchises**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

Out of scope because Honda has no franchises.

### **Investments**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

100000

### **Emissions calculation methodology**

i) The investees and investment ratios come from data in the Securities Reports. Scope 1 and 2 emissions at investee companies in FY2019 were collected from those companies’ sustainability reports and websites. ii) The quality of the activity data is “Very Good”, and that of the emissions factors is “Good”. Data quality is evaluated based on a methodology that uses five criteria consisting of temporal, technological, and geographical representativeness together with completeness and reliability. This methodology is recommended by the GHG Protocol Scope 3 Standard and shown in Table 7.6 of that standard. iii) ・Scope 1 and 2 emissions in FY2019 at investees listed in Honda’s annual Securities Report are reported according to Honda’s shareholding ratio. (This data covers 22 out of 90 companies, which account for 56.6% of the amount presented in the balance sheet.) Emissions of the remaining 68 companies (43.4%) were extrapolated using the amount presented in the balance sheet.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Please explain**

### **Other (upstream)**

### **Evaluation status**

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

### **Other (downstream)**

### **Evaluation status**

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

## **C6.7**

### **(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

Yes

## **C6.7a**

### **(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.**

|  |  |  |
| --- | --- | --- |
|  | **CO2 emissions from biogenic carbon (metric tons CO2)** | **Comment** |
| Row 1 | 2360 |  |

## **C6.10**

### **(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

### **Intensity figure**

3e-7

### **Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

5030000

### **Metric denominator**

unit total revenue

### **Metric denominator: Unit total**

14900000000000

### **Scope 2 figure used**

Market-based

### **% change from previous year**

2

### **Direction of change**

Decreased

### **Reason for change**

Our revenue decreased about 6% from the previous year, and unit sales decreased about 11% in Automobiles, 5% in Motorcycles, and 10% in Power Products. Though sales of all products decrease 6% year-on-year, and result of our global activities to reduce emissions, we increased efficiency and decrease total GHG emissions by approximately 8%. Honda has implemented measures to reduce GHG emissions, such as measures to streamline its productions, conversion to low-carbon energy, and introducing renewable energy, and will continue these emissions reduction activities in the future as well. Example of our emission reduction activities is, replacing the chilled and hot water generator, which serves as the heat source for air conditioning, with a heat pump chiller, and saved LNG consumption by 39,000 GJ/year. (One of the initiatives explained in C4.3b)

### **Intensity figure**

4e-7

### **Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

5030000

### **Metric denominator**

Other, please specify (Adjusted sales of non-financial services)

### **Metric denominator: Unit total**

12300000000000

### **Scope 2 figure used**

Market-based

### **% change from previous year**

1

### **Direction of change**

Increased

### **Reason for change**

Except for sales in the financial services business, which is less correlated with greenhouse gas emissions, we established a basic unit indicator that is more correlated with greenhouse gas emissions, and confirmed the changes. As a result, net sales excluding the financial services business and the number of automobiles produced decreased by 10% from the previous year, total GHG emissions decreased by about 8% compared to the previous year as a result of global activities to reduce GHG emissions. This was largely attributable to our ongoing activities to reduce GHG emissions, such as measures to improve the factor of production operations, conversion to low-carbon energy, and the introduction of renewable energy. Honda will continue to promote activities to reduce GHG emissions. Example of our emission reduction activities is, replacing the chilled and hot water generator, which serves as the heat source for air conditioning, with a heat pump chiller, and saved LNG consumption by 39,000 GJ/year. (One of the initiatives explained in C4.3b)

## **C7. Emissions breakdowns**

## **C7.1**

### **(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

## **C7.1a**

### **(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

|  |  |  |
| --- | --- | --- |
| **Greenhouse gas** | **Scope 1 emissions (metric tons of CO2e)** | **GWP Reference** |
| CO2 | 1200000 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| CH4 | 821 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| N2O | 894 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| HFCs | 1280 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| PFCs | 0 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| SF6 | 34500 | IPCC Fifth Assessment Report (AR5 – 100 year) |

## **C7.2**

### **(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

|  |  |
| --- | --- |
| **Country/Region** | **Scope 1 emissions (metric tons CO2e)** |
| Japan | 327000 |
| North America | 401000 |
| South America | 41500 |
| Europe | 39400 |
| Asia Pacific (or JAPA) | 260000 |
| China | 167000 |

## **C7.3**

### **(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By facility

## **C7.3b**

### **(C7.3b) Break down your total gross global Scope 1 emissions by business facility.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Facility** | **Scope 1 emissions (metric tons CO2e)** | **Latitude** | **Longitude** |
| Ohio, US. | 55300 | 40 | -84 |
| Wuhan, China. | 28100 | 30 | 114 |
| Yorii, Japan. | 27600 | 36 | 139 |
| Wiltshire, UK. | 21100 | 52 | -2 |
| Uttar Pradesh, India | 13200 | 28 | 78 |
| Sao Paulo, Brasil. | 7030 | -23 | -47 |
| Other | 1090000 | 0 | 0 |

## **C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4**

### **(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Gross Scope 1 emissions, metric tons CO2e** | **Net Scope 1 emissions , metric tons CO2e** | **Comment** |
| Cement production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Chemicals production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Coal production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Electric utility activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Metals and mining production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (upstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (midstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (downstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Steel production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Transport OEM activities | 633000 | <Not Applicable> |  |
| Transport services activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## **C7.5**

### **(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country/Region** | **Scope 2, location-based (metric tons CO2e)** | **Scope 2, market-based (metric tons CO2e)** | **Purchased and consumed electricity, heat, steam or cooling (MWh)** | **Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)** |
| Japan | 915000 | 796000 | 1750000 | 12300 |
| North America | 809000 | 1090000 | 2060000 | 0 |
| Europe, the Middle East, Africa and Russia (EMEAR) | 40800 | 14500 | 148000 | 92400 |
| South America | 42000 | 26400 | 327000 | 84400 |
| Asia Pacific (or JAPA) | 949000 | 903000 | 1520000 | 76700 |
| China | 685000 | 962000 | 1110000 | 0 |

## **C7.6**

### **(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By facility

## **C7.6b**

### **(C7.6b) Break down your total gross global Scope 2 emissions by business facility.**

|  |  |  |
| --- | --- | --- |
| **Facility** | **Scope 2, location-based (metric tons CO2e)** | **Scope 2, market-based (metric tons CO2e)** |
| Ohio, US. | 85800 | 178000 |
| Wuhan, China. | 98700 | 151000 |
| Yorii, Japan. | 13600 | 12200 |
| Wiltshire, UK. | 22600 | 0 |
| Uttar Pradesh, India | 44100 | 47400 |
| Sao Paulo, Brasil. | 7340 | 0 |
| Other | 3170000 | 3400000 |

## **C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7**

### **(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Scope 2, location-based, metric tons CO2e** | **Scope 2, market-based (if applicable), metric tons CO2e** | **Comment** |
| Cement production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Chemicals production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Coal production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Metals and mining production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (upstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (midstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (downstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Steel production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Transport OEM activities | 1650000 | 2110000 |  |
| Transport services activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## **C-TO7.8**

### **(C-TO7.8) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.**

### **Activity**

Light Duty Vehicles (LDV)

### **Emissions intensity figure**

129

### **Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e**

247000000

### **Metric denominator**

t.km

### **Metric denominator: Unit total**

86000000000

### **% change from previous year**

3

### **Vehicle unit sales in reporting year**

4890000

### **Vehicle lifetime in years**

18

### **Annual distance in km or miles (unit specified by column 4)**

17600

### **Load factor**

該当なし

### **Please explain the changes, and relevant standards/methodologies used**

Our Scope 3 Category 11 emissions are calculated for LDV (i.e. passenger cars, motorcycles, and JET) and general-purpose products. These CO2 emissions calculations are done for each business department and for each geographic region. The equation we employ for LDVs is a simple multiplication of the following data points: number of vehicles sold, CO2 emissions during 1km of driving, annual mileage, and years of use. Our data sources are as follows: number of vehicles sold: in-house data. CO2 emissions during 1km of driving: A weighted aggregation of CO2 emissions per 1km of driving for each product type (based on in-house data) by sales ratio of each geographic region. Annual mileage and years of use: Referenced projections from the "SMP Model" published by the IEA. For general-purpose products , we calculate CO2 emissions by multiplying the following: number of units shipped, emissions per hour of use, annual hours of use, and years of use. Our data sources are as follows: Number of units shipped: In-house data. Annual hours of use: We referenced the Clean Air Act Committee Report published by the Air Clean up Law Commission of the USA and the results of in-house surveys. Years of use: results from in-house surveys. Fuel efficiency (emissions per hour of use): Fuel efficiency values reported to regulatory agencies were used for Japan, the United States, Europe, and China, and in-house measurements in exhaust gas measurement modes were used for Asia-Pacific and South America. ※The product lifespan and annual driving distances greatly differ depending on the region. Therefore, the above-mentioned service lives and annual driving distances are calculated based on data from North America given it covers the largest amount of sales. Therefore, the Metric denominator is also calculated by the numerical value of North America. Though we use tonne km, the loading rate is not reflected.

## **C7.9**

### **(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## **C7.9a**

### **(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Change in emissions (metric tons CO2e)** | **Direction of change** | **Emissions value (percentage)** | **Please explain calculation** |
| Change in renewable energy consumption | 16000 | Decreased | 0.3 | Last year 16,000 tCO2e were reduced by a change on our renewable energy consumption, and our total S1 and S2 emissions in the previous year was 5,030,000 tCO2e, therefore we arrived at 0.3% through (16,000/ 5,030,000)\*100= 0.3% |
| Other emissions reduction activities | 108000 | Decreased | 2.1 | Last year 108,000 tCO2e were reduced by a change on our emission reduction activities, and our total S1 and S2 emissions in the previous year was 5,030,000 tCO2e. (108,000/ 5,030,000)\*100= 2.1%. |
| Divestment |  | <Not Applicable> |  |  |
| Acquisitions |  | <Not Applicable> |  |  |
| Mergers |  | <Not Applicable> |  |  |
| Change in output | 316000 | Decreased | 6.3 | Our sales decreased by about 6% year on year, with the largest change in Scope1 and 2 volume effect automobile production by about 10% year on year and motorcycle production by about 5%, life creation production by about 10%. Last year 316,000 tCO2e were reduced by a change on our emission reduction activities, and our total S1 and S2 emissions in the previous year was 5,030,000 tCO2e. (316,000/ 5,030,000)\*100= 6.3%. |
| Change in methodology |  | <Not Applicable> |  |  |
| Change in boundary |  | <Not Applicable> |  |  |
| Change in physical operating conditions |  | <Not Applicable> |  |  |
| Unidentified |  | <Not Applicable> |  |  |
| Other |  | <Not Applicable> |  |  |

## **C7.9b**

### **(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## **C8. Energy**

## **C8.1**

### **(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## **C8.2**

### **(C8.2) Select which energy-related activities your organization has undertaken.**

|  |  |
| --- | --- |
|  | **Indicate whether your organization undertook this energy-related activity in the reporting year** |
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | Yes |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | Yes |

## **C8.2a**

### **(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Heating value** | **MWh from renewable sources** | **MWh from non-renewable sources** | **Total (renewable and non-renewable) MWh** |
| Consumption of fuel (excluding feedstock) | LHV (lower heating value) | 9310 | 5870000 | 5880000 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 266000 | 6630000 | 6900000 |
| Consumption of purchased or acquired heat | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired steam | <Not Applicable> | 0 | 20800 | 20800 |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | 62100 | <Not Applicable> | 62100 |
| Total energy consumption | <Not Applicable> | 337410 | 12520800 | 12862900 |

## **C8.2b**

### **(C8.2b) Select the applications of your organization’s consumption of fuel.**

|  |  |
| --- | --- |
|  | **Indicate whether your organization undertakes this fuel application** |
| Consumption of fuel for the generation of electricity | Yes |
| Consumption of fuel for the generation of heat | Yes |
| Consumption of fuel for the generation of steam | Yes |
| Consumption of fuel for the generation of cooling | Yes |
| Consumption of fuel for co-generation or tri-generation | Yes |

## **C8.2c**

### **(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### **Fuels (excluding feedstocks)**

Natural Gas

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

3500000

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

### **MWh fuel consumed for self-generation of steam**

### **MWh fuel consumed for self-generation of cooling**

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0561

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Town Gas

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

1010000

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

### **MWh fuel consumed for self-generation of steam**

### **MWh fuel consumed for self-generation of cooling**

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0561

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

477000

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

### **MWh fuel consumed for self-generation of steam**

### **MWh fuel consumed for self-generation of cooling**

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0631

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Diesel

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

120000

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

### **MWh fuel consumed for self-generation of steam**

0

### **MWh fuel consumed for self-generation of cooling**

0

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0741

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Motor Gasoline

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

293000

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

### **MWh fuel consumed for self-generation of steam**

0

### **MWh fuel consumed for self-generation of cooling**

0

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0693

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Liquefied Natural Gas (LNG)

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

107000

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

570

### **MWh fuel consumed for self-generation of steam**

### **MWh fuel consumed for self-generation of cooling**

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0642

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Crude Oil Heavy

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

108000

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

### **MWh fuel consumed for self-generation of steam**

### **MWh fuel consumed for self-generation of cooling**

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0733

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Coke

### **Heating value**

Please select

### **Total fuel MWh consumed by the organization**

21800

### **MWh fuel consumed for self-generation of electricity**

0

### **MWh fuel consumed for self-generation of heat**

21800

### **MWh fuel consumed for self-generation of steam**

0

### **MWh fuel consumed for self-generation of cooling**

0

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.107

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Kerosene

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

33500

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

### **MWh fuel consumed for self-generation of steam**

### **MWh fuel consumed for self-generation of cooling**

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0719

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Aviation Gasoline

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

3940

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

### **MWh fuel consumed for self-generation of steam**

0

### **MWh fuel consumed for self-generation of cooling**

0

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.07

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Jet Gasoline

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

1450

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

### **MWh fuel consumed for self-generation of steam**

0

### **MWh fuel consumed for self-generation of cooling**

0

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0715

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

### **Fuels (excluding feedstocks)**

Other, please specify (Other)

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

204000

### **MWh fuel consumed for self-generation of electricity**

### **MWh fuel consumed for self-generation of heat**

### **MWh fuel consumed for self-generation of steam**

### **MWh fuel consumed for self-generation of cooling**

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.1

### **Unit**

metric tons CO2e per GJ

### **Emissions factor source**

IPCC Fifth Assessment Report (SAR - 100year)

### **Comment**

## **C8.2d**

### **(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Total Gross generation (MWh)** | **Generation that is consumed by the organization (MWh)** | **Gross generation from renewable sources (MWh)** | **Generation from renewable sources that is consumed by the organization (MWh)** |
| Electricity | 228000 | 213000 | 77000 | 62100 |
| Heat | 0 | 0 | 0 | 0 |
| Steam | 0 | 0 | 0 | 0 |
| Cooling | 0 | 0 | 0 | 0 |

## **C8.2e**

### **(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.**

### **Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

### **Low-carbon technology type**

Solar

### **Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Other, please specify (Brazil, U.K., India, Philippines, Japan, etc.)

### **MWh consumed accounted for at a zero emission factor**

265800

### **Comment**

## **C-TO8.5**

### **(C-TO8.5) Provide any efficiency metrics that are appropriate for your organization’s transport products and/or services.**

### **Activity**

Light Duty Vehicles (LDV)

### **Metric figure**

129

### **Metric numerator**

Other, please specify (gCO2/km)

### **Metric denominator**

Production: Vehicle

### **Metric numerator: Unit total**

667000000

### **Metric denominator: Unit total**

4890000

### **% change from previous year**

-0.5

### **Please explain**

In North America, which accounts for about 35% of our total sales volume, increased sales of medium and large size vehicles led to an increase in total emissions. However, in China, which also accounts for about 35% of our total sales volume, fuel efficiency initiatives were successful, largely levelling out emissions increases in North America to about the same amount as last year. We will continue to develop and sell products with the goal of reducing emissions by 30% by 2020.

## **C9. Additional metrics**

## **C9.1**

### **(C9.1) Provide any additional climate-related metrics relevant to your business.**

## **C-TO9.3/C-TS9.3**

### **(C-TO9.3/C-TS9.3) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.**

### **Activity**

Light Duty Vehicles (LDV)

### **Metric**

Sales

### **Technology**

Fuel cell electric vehicle (FCEV)

### **Metric figure**

448

### **Metric unit**

Units

### **Explanation**

Honda focuses on the development of advanced vehicles, including PHVs, FCVs and EVs that don’t need fossil fuels, not only HVs, using this technology. We are developing vehicles that use CNG and biofuels to meet demand. The above figures are for FCVs as an example. FCVs can be delivered to many consumers by more reasonable prices by diverting platforms to PHVs and EVs. Honda will lead carbon-free societies through these developments.

## **C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6**

### **(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

|  |  |  |
| --- | --- | --- |
|  | **Investment in low-carbon R&D** | **Comment** |
| Row 1 | Yes |  |

## **C-TO9.6a/C-TS9.6a**

### **(C-TO9.6a/C-TS9.6a) Provide details of your organization’s investments in low-carbon R&D for transport-related activities over the last three years.**

### **Activity**

Light Duty Vehicles (LDV)

### **Technology area**

Electrification

### **Stage of development in the reporting year**

Applied research and development

### **Average % of total R&D investment over the last 3 years**

81-100%

### **R&D investment figure in the reporting year (optional)**

819900000000

### **Comment**

In order to achieve our goal to provide people worldwide with the “joy of expanding their life’s potential”, we recognize that we must strengthen the creation of new value for the future and the timely development of highly competitive products. With this in mind, in April 2019, Honda decided to separate its R&D approach into largely 2 separate functions. One function develops timely and highly competitive products with the mission to consistently generate 120% product quality. The other function aims to create new value from 99% of our failures by constructively scrutinizing past mistakes. These changes were reflected in our research institute. In addition to newly establishing the Innovate Research Excellence center in 2019, we also revamped our Innovative Research Excellence, Power Unit & Energy center, which is a strength of Honda’s that is the source of our competitive edge beyond product boundaries. The new Power Unit and Energy center will continue to employ professionals in power units and environmental energy to enable synergetic success leading to low-carbon solutions. At the new Power Unit and Energy center, Honda is engaging in research and development of low carbon products and services that address climate change, as well as eMaas and multi-pathway solutions that contribute to a low-carbon transition in society. We believe this will enable us to deliver on the Honda environmental and safety vision, “joyful and fulfilling mobility” and “daily life as well as a clean and safe/secure society”, through value-added and meaningful products and services for people. Please also note that the three-year R&D expense is 4.8% in 2017, 5.2% in 2018 and 5.5% in 2019, with the average of 5.2%.

## **C10. Verification**

## **C10.1**

### **(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

|  |  |
| --- | --- |
|  | **Verification/assurance status** |
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | Third-party verification or assurance process in place |

## **C10.1a**

### **(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[CDP Climate Change 2020 -Honda\_assurance.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/C69Hv48XT0aOCiXSxQfsMg/CDPClimateChange2020Hondaassurance.pdf)

[Honda-SR-2020-en-all.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/0JkJGJtUdEubA_6POe4XpQ/HondaSR2020enall.pdf)

### **Page/ section reference**

CDP Climate Change 2020 -Honda\_assurance-.pdf P.1 Honda-SR-2020-en-all.pdf P.74,158

### **Relevant standard**

ISAE3000

### **Proportion of reported emissions verified (%)**

100

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[European Union Emissions Trading System (EU ETS) 2019.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/Nl9b-H9vP06t4_nP5Z3F9Q/EuropeanUnionEmissionsTradingSystemEUETS2019.pdf)

### **Page/ section reference**

European Union Emissions Trading System (EU ETS)2019 all

### **Relevant standard**

European Union Emissions Trading System (EU ETS)

### **Proportion of reported emissions verified (%)**

2

## **C10.1b**

### **(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

### **Scope 2 approach**

Scope 2 market-based

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[CDP Climate Change 2020 -Honda\_assurance.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/C69Hv48XT0aOCiXSxQfsMg/CDPClimateChange2020Hondaassurance.pdf)

[Honda-SR-2020-en-all.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/0JkJGJtUdEubA_6POe4XpQ/HondaSR2020enall.pdf)

### **Page/ section reference**

CDP Climate Change 2020 -Honda\_assurance-.pdf P.1 Honda-SR-2020-en-all.pdf P.74,158

### **Relevant standard**

ISAE3000

### **Proportion of reported emissions verified (%)**

100

## **C10.1c**

### **(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

### **Scope 3 category**

Scope 3: Use of sold products

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[CDP Climate Change 2020 -Honda\_assurance.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/C69Hv48XT0aOCiXSxQfsMg/CDPClimateChange2020Hondaassurance.pdf)

[Honda-SR-2020-en-all.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/0JkJGJtUdEubA_6POe4XpQ/HondaSR2020enall.pdf)

### **Page/section reference**

CDP Climate Change 2018 -Honda\_assurance-.pdf P.1 Honda-SR-2019-en-all.pdf P.74,158

### **Relevant standard**

ISAE3000

### **Proportion of reported emissions verified (%)**

100

## **C10.2**

### **(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

## **C10.2a**

### **(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

|  |  |  |  |
| --- | --- | --- | --- |
| **Disclosure module verification relates to** | **Data verified** | **Verification standard** | **Please explain** |
| C8. Energy | Energy consumption | ISAE3000 | We receive assurance annually and verify our direct and indirect energy consumption of all Honda Group companies. |

## **C11. Carbon pricing**

## **C11.1**

### **(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

## **C11.1a**

### **(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

EU ETS

## **C11.1b**

### **(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.**

### **EU ETS**

### **% of Scope 1 emissions covered by the ETS**

0.4

### **% of Scope 2 emissions covered by the ETS**

0

### **Period start date**

January 1 2019

### **Period end date**

December 31 2019

### **Allowances allocated**

23831

### **Allowances purchased**

0

### **Verified Scope 1 emissions in metric tons CO2e**

23831

### **Verified Scope 2 emissions in metric tons CO2e**

0

### **Details of ownership**

Facilities we own and operate

### **Comment**

## **C11.1d**

### **(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

The basic idea of Honda is to "comply with GHG emission regulations by making maximum efforts to reduce GHG emissions." Therefore, in order to achieve the global long-term targets stipulated in the Kyoto Protocol, etc. and to comply with the laws and regulations of each country, it is essential to build a business that can achieve the GHG reduce goals by its own efforts. These efforts are based on the detailed planning and management system of the GHG management organization described above. For this reason, Honda believes that it is not involved in emissions trading at all unless it is mandated to participate by laws and regulations. In accordance with this Basic Policy, Honda is taking appropriate strategic measures to deal with EU-ETS, which is a Europe law, because participation is essential in the content of the laws and regulations.

<Case study> Automobile manufacturing sites in the UK are subject to the EU ETS. As a result of the evaluation of the impact, those sites have been determined to be compliant with the system. This was a result of the initiative that Honda has been working on to achieve its energy-saving target of “reducing energy consumption at all plants by 1% per year”. One of the specific initiatives is the installation of a heat regulation system to improve energy efficiency. Continuous implementation of such initiatives led us to successfully comply with the regulation for 15 years without purchasing any emission credits.

## **C11.2**

### **(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## **C11.3**

### **(C11.3) Does your organization use an internal price on carbon?**

No, but we anticipate doing so in the next two years

## **C12. Engagement**

## **C12.1**

### **(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, other partners in the value chain

## **C12.1a**

### **(C12.1a) Provide details of your climate-related supplier engagement strategy.**

### **Type of engagement**

Information collection (understanding supplier behavior)

### **Details of engagement**

Collect climate change and carbon information at least annually from suppliers

### **% of suppliers by number**

21.3

### **% total procurement spend (direct and indirect)**

80

### **% of supplier-related Scope 3 emissions as reported in C6.5**

80

### **Rationale for the coverage of your engagement**

Among the approximately 8,000 suppliers, 1,700 of the larger ones were selected to collect data, which covers 80% of our purchasing budget. In addition, in order to promote cooperation with suppliers, Honda issues Green Purchasing Guidelines for all suppliers and asks them to promote activities to reduce greenhouse gases and other environmental impacts from a product lifecycle management perspective. Honda shares targets, progress, and results with suppliers to ensure PDCA cycles are well-managed. More specifically, under the Green Purchasing Guidelines, Honda asks all suppliers, including Tier 2-and-above suppliers through Tier 1 suppliers, to reduce their environmental impact, including Scopes 1, 2, and 3 emissions. In FY2019, 1,700 suppliers reported their performance data to us.

### **Impact of engagement, including measures of success**

In addition to the initiatives undertaken by the Honda Group, we try to gather data on and reduce GHG emissions throughout the entire supply chain by utilizing the CDP supply chain program. The success of our engagement through the CDP supply chain program is determined based on the response rate. Through the initiative, the scope of GHG emissions (response rate of the CDP supply chain) has increased from 80% last year to 89%. Another KPI to measure success is emissions related to suppliers (Scope3 Category1). Honda shares the excellent efforts of individual suppliers with other major suppliers and works together with them to improve their environmental programs, strengthening the efforts of the entire supply chain. In addition, Honda presents Sustainability Awards to suppliers that are engaged in these outstanding activities to support the strengthening of their company-wide environmental impact reduction efforts. As a result, the overall global reduction rate improved by 4% compared to the previous year. As a result of this initiative, global Scope3 Category1 emissions have reduced by 4% compared to the previous year.

### **Comment**

## **C12.1d**

### **(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

Honda engages with transportation companies to reduce their CO2 emissions.

Honda procures and transports many of the components that make up its products from suppliers to plants. The manufactured products are then transported from the plant to the dealer. In addition, we transport parts between plants and repair parts to dealers. For a Honda that transports large quantities from upstream to downstream in the production process, improving logistical efficiencies, reducing environmental impacts, compliance, and risk management are crucial challenges. Therefore, we need to cooperate with suppliers and dealers in order to reduce CO2 emissions in logistics.

In India, for example, we are working to increase the efficiency of transport of finished vehicles from plants to dealers in light of road and traffic conditions and commercial practices. Traditionally, CO2 emissions were generated from retailers‘ roundtrips to and from each sales, because they used small trucks to ship to each retailer on an order-by-order basis. From the end of 2018, we established an approach to ship all vehicles sold in the same region with large trucks through discussions with transportation companies and dealers. This reduced its CO2 emissions by about 6,226 tons per year.

## **C12.3**

### **(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Direct engagement with policy makers

Trade associations

## **C12.3a**

### **(C12.3a) On what issues have you been engaging directly with policy makers?**

|  |  |  |  |
| --- | --- | --- | --- |
| **Focus of legislation** | **Corporate position** | **Details of engagement** | **Proposed legislative solution** |
| Clean energy generation | Support | In 2016, Honda installed a Smart Hydrogen Station in Odaiba, Tokyo, with a filling pressure of 70 MPa, using Honda's proprietary high-pressure water electrolysis technology. The Smart Hydrogen Station started a substantiate business for the Ministry of the Environment of Japan to development and demonstrate an inductive technology to enhancement measures to reduce CO2 emissions. This is the first hydrogen production station in the world. This business purposes to clarify the potential problems of current laws and regulations for construct a hydrogen society in the future, and to propose a social system that can utilize hydrogen as a sustainable alternative energy. i) [Examples of relevant laws and regulations and challenges identified through business] 1. High Pressure Gas Safety Law: The safety standards for small-cost compressed hydrogen stations have been clarified. There is, however, no small-scale compressed hydrogen station standard for 70 MPa as proposed in this business, and the provision of distances away from the boundary of the site is too strict. Therefore, the construction of hydrogen stations for this project in urban areas is an unnecessarily expensive factor. 2. Building Standards Law: The Ministry of Land, Infrastructure, Transport and Tourism has notified technical advice on the operation of compressed hydrogen production licenses at small-scale hydrogen stations. The area where hydrogen stations are built is stipulated by laws and regulations, making it difficult to secure the number or density of hydrogen stations necessary for realizing a hydrogen society. ii)[Institutional Challenges Disclosed Through the Business] The issue was taken up as the agenda of the Meeting for Regulatory and Institutional Reforms established in the Cabinet Office of Japan, and the safety standards for small-scale compressed hydrogen stations were clarified. We continue to discussfor further review. Honda supports the activities of the Government of Japan in connection with this business. | Systematic challenges related to the High Pressure Gas Safety Law and the Building Standards Law, which have been clarified through this commissioned business, have been taken up as the agenda of the Meeting for Regulatory and Institutional Reforms established in the Cabinet Office of Japan, and discussions are currently underway for a review. Honda make it clear that it supports the activities of the Government of Japan in connection with the Consignment Business. |

## **C12.3b**

### **(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## **C12.3c**

### **(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

### **Trade association**

Japan Automobile Manufacturers Association, Inc.

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association’s position**

The Japan Automobile Manufacturers Association (JAMA)'s environmental stance regards global warming countermeasures, particularly by reducing CO2 emissions, as an urgent challenge. Aiming to realize a low-carbon society, we are continuing to actively take measures to reduce CO2 emissions, such as countermeasures against global warming in the road traffic area. ■ Supports the consider and formulation of JAMA stances on compliance with domestic fuel efficiency standards (passenger cars: 2020/light trucks: 2022). ・Activities to deepen the understanding of relationship ministries and agencies (including the Ministry of the Environment, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of Economic, Trade and Industry). Assertion of JAMA opinions at the Fuel Economy Standards Review Meeting. It also supports the formulation of standards for the next Domestic Fuel Economy Standards Post2020. ■ Activities to deepen understanding of the European Commission and the Europe Assembly, etc. by responding to Europe's CO2 regulations (2021); evaluating the effect of target values; consider JAMA stances; supporting and cooperating with the ACEA; taking measures to prevent global warming; participating in Keidanren's Voluntary Action Plan for Reducing CO2 Emissions; and proposing initiatives to reduce CO2 emissions from production processes. ■ Responding to the introduction of low-GWP refrigerants for car air conditioners in Japan, and improving environments where low-GWP refrigerants can be introduced smoothly. ■ Summarizing recommendations for reducing CO2 emissions in the global road transport sector.

### **How have you influenced, or are you attempting to influence their position?**

Honda is a member of the JAMA's Board of Directors, and proposes Honda's views and opinions to policymakers around the world through JAMA. As one of the examples in the outline of our activities, when consider Japan's 2020 Fuel Economy Standards and Europe CO2 Emissions Regulations, we made predictions on the evolution of automotive technologies, fuel economy improvement projections, technology apply rates, etc., and then made proposes to JAMA that are technically realisable and cost-effective and appropriate.

### **Trade association**

Association of global Automakers

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association’s position**

Global Automakers' members strongly support and are aggressively pursuing innovative ways to reduce CO2 emissions to protect the environment and lessen the nation's reliance on fossil fuels.

### **How have you influenced, or are you attempting to influence their position?**

Active engagement both at the Board level, and with Global Automakers' executive management and staff. Active participation on relevant member committees with other Global Automakers member companies, helping steer trade association public positions and comments.

## **C12.3f**

### **(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Honda has a process to ensure all climate-related activities undertaken in different business sectors and regions are consistent. Details of these activities are reported through the the World Environment and Safety Strategy Committee to the Board of Directors, including the Representative Directors, to ensure that corporate directions in climate change are consistent with Honda Environmental Statement. In response, BIMs (Business Information Meeting), which are conducted in various regions, formulate policies while grasping local laws and regulations and trends. The PDCA is then held, and the results are reported at each regional Environmental Committee. Details of each activity are managed by regional environmental conferences.

## **C12.4**

### **(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

### **Publication**

In mainstream reports

### **Status**

Complete

### **Attach the document**

[FY202003\_form20f\_e.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/MbBrv0z1H0iboY4QUcRXxg/FY202003form20fe.pdf)

### **Page/Section reference**

P.3-25

### **Content elements**

Governance

Strategy

Risks & opportunities

Emission targets

Other metrics

### **Comment**

### **Publication**

In voluntary sustainability report

### **Status**

Complete

### **Attach the document**

[Honda-SR-2020-en-all.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/0JkJGJtUdEubA_6POe4XpQ/HondaSR2020enall.pdf)

### **Page/Section reference**

P53-79, P.134-148

### **Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

### **Comment**

## **C15. Signoff**

## **C-FI**

### **(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## **C15.1**

### **(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

|  |  |  |
| --- | --- | --- |
|  | **Job title** | **Corresponding job category** |
| Row 1 | CEO | Chief Executive Officer (CEO) |