

Supplier Sustainability Excellence Framework

Presented by: HDMA Business Operations, Sustainability Team
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HONDA
The Power of Dreams

Welcome

At Honda, we believe that in order to grow and to thrive, we must continue to be a company that "society wants to exist." Sustainability is a key component of our corporate strategy, and we aim to partner with suppliers who share our vision and goals.

This framework will build on our compliance expectations to offer insight on how to foster sustainability excellence within your organization. Honda Development & Manufacturing of America, LLC. ("HDMA"), Honda de Mexico Celaya ("HDM"), and Honda of Canada Mfg. ("HCM"), recognizes that there is no single blueprint for making your organization more sustainable, but there are common building blocks that may serve as a foundation for your efforts.

This framework is broken down into chapters that correlate with Honda's seven categories of sustainability. Use the clickable **Header Navigation Bar** to switch between chapters.

01 | Compliance and Ethics

02 | Inclusion

03 | Environment

04 | Governance

05 | Health and Safety

06 | Social Responsibility

07 | Trade Compliance



Within each category, we summarize Honda's expectations, present the foundational actions that you can take to support our vision, and define how Honda will recognize your exceptional sustainability performance.

Guiding Principles
Supplier expectations to achieve excellence and innovation in sustainability.

Supplier Strategies
Recommended sustainability strategies to implement within your organization.

Supplier Expectation Checklist
Self-check to ensure Honda's supplier sustainability requirements are being met.

This framework is not intended to serve as a replacement for official industry directives or your company's own sustainability policy, but rather as a guide for how Honda's supplier sustainability performance will be measured.

Industry Guidance

Honda is a member of *Automotive Industry Action Group (AIAG)* and *Drive Sustainability (DS)*. Honda supports the collaborative efforts of both industry groups, and the **Guiding Principles**, provided herein, are anchored by the *AIAG and DS Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain*.

A key component of Honda's **Supplier Expectation Checklist** is your *Self-Assessment Questionnaire (SAQ)* score, or "risk impact." Supplier strategies should be implemented within your company and cascaded down your supply chain, and the recommended strategies will lead to "low risk" SAQ scores.



01 | Compliance and Ethics

Through a robust compliance and ethics program, Honda aims to prevent and detect misconduct as well as align organizational values and polices with laws and regulations.

We conduct business in an open, honest, and ethical manner, which in turn allows us to maintain a high degree of trust with all stakeholders.



Guiding Principles

Supplier expectations to achieve excellence and innovation in sustainability.

- **Anti-Corruption & Anti-Money Laundering:** We do not participate in, or endorse any corrupt practices in whatever form, including offering or accepting bribes, excessive gifts, hospitality, or facilitation payments. We do not facilitate or support money laundering and report any suspicious transactions.
- **Data Protection & Data Security:** We respect the privacy and civil liberties in respect of the collection, retention, use or dissemination, as well as any other processing of personal data including cybersecurity. We comply with relevant privacy and information security laws and regulations.
- **Financial Responsibility/Accurate Records:** Our business dealings are transparently performed and accurately reflected on our financial reports and filings. We ensure the integrity of our financial personnel and financial reporting system.
- **Disclosure of Information:** We disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices in a timely manner.
- **Fair Competition/Anti-Trust:** We uphold standards of fair business and conduct business in accordance with all applicable anti-trust or anti-competition laws and regulations. We maintain systems for internal controls.
- **Conflicts of Interest:** We avoid conflicts of interest and disclose situations where financial or other interests may conflict with job responsibilities, or situations giving any appearance of impropriety.
- **Counterfeit Parts:** We minimize the risk of introducing counterfeit and/or diverted parts and materials into deliverable products and adhere to relevant technical regulations in the product design process.
- **Intellectual Property:** We respect valid intellectual property rights and use commercially reasonable practices to protect the transfer of confidential technology and know-how.
- **Grievance Mechanism:** In alignment with the *UN Guiding Principle 31*, we have an effective grievance mechanism in place that allows concerns related to business ethics, human rights, or any other topic to be raised anonymously with confidentiality and without retaliation.
- **Non-Retaliation:** We avoid any forms of threat, intimidation, and physical or legal attacks against stakeholders, including those exercising their legal rights to freedom of expression, association, peaceful assembly, and protest against their business activities.
- **Supplier Non-Compliance:** If a compliance violation occurs or is discovered by a supplier, we require the supplier to immediately report full details of the non-compliance incident. Similarly, any product safety or quality concerns also must be reported immediately. Our Compliance and Ethics Line (855-462-2236) is available to report any compliance violation or safety or quality concern, and suppliers are expected to carry out a full investigation, root cause analysis, remediation, and countermeasure implementation. Until corrective countermeasures are applied, we may temporarily suspend new requests or quotes (RFQs) to the supplier or take other action, as appropriate.

We have an effective grievance mechanism in place that allows concerns related to business ethics, human rights, or any other topic to be raised anonymously with confidentiality and without retaliation.

Supplier Strategies

Recommended sustainability strategies to implement within your organization.

1. Ensure that your company has a compliance and ethics policy in place that is adopted and communicated by top management. If applicable to your business, your policy will cover:
    - Corruption, Extortion, and Bribery
    - Privacy
    - Financial Responsibility (Accurate Records)
    - Disclosure of Information
    - Fair Competition and Anti-Trust
    - Conflicts of Interest
    - Counterfeit Parts
    - Intellectual Property
    - Whistleblowing and Protection Against Retaliation
2. Develop a program to train your employees on your compliance and ethics policy.
3. Ask your own suppliers to implement Strategies # 1-2. Provide training and resources to communicate requirements and audit your supply chain to attain proof of compliance.

Sample KPIs

- % of employees trained on compliance and ethics policy.
- % of suppliers trained on compliance and ethics policy.
- % of audited suppliers compliant with compliance and ethics policy.
- # of compliance and ethics complaints filed and resolved.



02 | Inclusion

Honda strives to create an inclusive culture in which difference is recognized and valued. To foster innovation, we seek to harness different perspectives, talent, and ideas, and we believe that our employees should reflect the diversity of the communities in which we operate.

This extends to our supply base, as well. An inclusive and diverse supply base is good for our business and will move us towards our goal of achieving a sustainable future.



Guiding Principles

Supplier expectations to achieve excellence and innovation in sustainability.

- **Diversity, Equity, and Inclusion:** We develop and promote inclusive cultures where diversity is valued and celebrated, and everyone is able to contribute fully and reach their full potential. We encourage diversity in all levels of the workforce and leadership, including boards of directors.
- **Non-Discrimination and Harassment:** We do not tolerate any form of discrimination or harassment regardless of worker or applicant characteristics such as race, age, gender, sexual orientation, gender identity, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union association, covered veteran status, genetic information, or marital status. We have policies and procedures in place to prevent harassment and to handle complaints.
- **Equal Opportunity Employment:** We honor the fundamental value and dignity of all individuals. We aim to diversify our workforce and enhance our total strength by providing equal opportunities and utilizing standardized, clear, and objective metrics for performance evaluation.
- **Diversity Statement:** We abide by a formal diversity statement that is aligned with our company's mission, vision, and values.
- **Leadership Commitment:** We ensure that inclusion is built into our strategic business goals and company policies through a strong leadership commitment and support from top management. Our top management understands and complies to laws about inclusion.
- **Diversity Management:** We utilize internal systems to monitor barriers to inclusion as well as progress toward our diversity goals.
- **Inclusive Culture:** We ensure diversity in all levels of workforce and leadership, and we help new hires adjust to the business culture by creating a welcoming environment for diverse groups. We have engagement programs in place to drive support of diversity initiatives across our employee base.
- **Hiring Practices:** We use appropriate diversity practices when publishing job advertisements, screening resumes, conducting interviews, and performing reference checks.
- **Partnerships:** We partner with local community and city/state groups on diversity initiatives.

We ensure that inclusion is built into our strategic business goals and company policies through a strong leadership commitment and support from top management.

Supplier Strategies

Recommended sustainability strategies to implement within your organization.

1. Ensure that your company has an inclusion policy in place that is adopted and communicated by top management. If applicable to your business, your policy will cover:
    - Non-Discrimination and Harassment
    - Equal Opportunity Employment
2. Attend annual events/matchmakers to increase supplier procurement inclusion knowledge.
3. Develop a program to train your employees on your inclusion policy.
4. Include language around inclusion in external-facing recruiting materials and advertise job openings in online and in-person forums that cater to all communities.
5. Ask your own suppliers to implement Strategies # 1-4. Provide training and resources to communicate requirements and audit your supply chain to attain proof of compliance.



Sample KPIs

- % of employees trained on inclusion policy.
- % of suppliers trained on inclusion policy.

03 | Environment

At Honda, “preservation of the global environment” is a key pillar of our corporate policy. We seek to reduce our environmental impact throughout the entire lifecycle of our products, from development to production to disposal.

Our approach to environmental sustainability strives to protect our air, land, and water while reducing our dependence on natural resources and minimizing greenhouse gas (GHG) emissions along our entire value chain.

Honda’s Triple ZERO Vision outlines three key goals:

Carbon Neutral
Net zero product emissions.

Clean Energy Shift
100% carbon-free energy.

Resource Circulation
100% sustainable materials with zero water intake and zero waste output.

Suppliers will serve as key partners in working towards these ambitious environmental sustainability targets.



Guiding Principles

Supplier expectations to achieve excellence and innovation in sustainability.

- **Environmental Management:** We promote a wide range of environmental initiatives and comply with the laws and ordinances of each country and region where we operate. We continuously monitor and improve our environmental actions.

- **Carbon Neutrality:** We strive to lower the impact of the effects of climate change by setting science-based and time-bound emission reduction goals that align with the Paris Agreement. We cascade these goals throughout the entire value chain in order to promote decarbonization. We are committed to sourcing clean energy, improving efficiencies, developing sustainable material standards, and pushing for sustainable product and service innovation in an effort to achieve our Triple ZERO Vision of net zero product lifecycle emissions.

- **Air, Water, and Soil Conservation:** We comply with the air, water, and soil laws and ordinances of each country and region where we operate. We monitor, disclose, and appropriately control emissions contributing to air pollution. We minimize water consumption and responsibly treat wastewater discharges. We strive to control our impact on soil quality in order to prevent soil erosion, nutrient degradation, and contamination.

- **Biodiversity, Land Use, and Animal Welfare:** We continuously monitor and reduce pollutants (including noise emissions) to strive for environmental preservation and ecosystem protection. We are committed to protecting key biodiverse areas and eliminating deforestation throughout our supply chain. We recognize the five animal freedoms that the World Organization for Animal Health formalized.

- **Circularity:** We are committed to promoting closed loop systems by minimizing resource inputs, recycling and reusing when able, prioritizing technology that reduces our waste output, and supporting the use of sustainable and renewable natural resources.

- **Chemical Substance Management:** We safely manage chemical substances that carry a risk of environmental pollution. We ensure that our products do not contain chemical substances prohibited by the countries and regions where we operate, and we do not use prohibited chemical substances in manufacturing.

- **Supplier Engagement:** We implement a standard reporting cycle and tracking system to monitor supplier GHG information. We ensure that our suppliers have established long-term absolute carbon emission reduction targets as part of their wider environmental sustainability policies, including clearly defined due dates to achieve their targets. We expect that our suppliers offer clear communication and educational opportunities around their environmental policies, that they self-audit and communicate their achievements publicly, and that they cascade these expectations down their own supply chain. Suppliers' expectations of sub-tier suppliers should be consistent with their own policies and support the achievement of their environmental goals.

- **Dangerous Goods Transportation**: We recognize that some parts and materials may be identified to pose an unreasonable risk to health, safety, and property when transported (i.e., Dangerous Goods). Honda expects our suppliers to recognize and comply with the local, regional, and global transportation regulations to ensure all parts and materials are transported safely.

Supplier Strategies

Recommended sustainability strategies to implement within your organization.

1. Ensure that your company has an environmental policy in place that is adopted and communicated by top management. If applicable to your business, your policy will cover:
    - GHG Emissions
    - Energy Efficiency and Clean Energy
    - Water Quality and Consumption
    - Air Quality
    - Waste Management
    - Resource Management
    - Chemical Management
2. Develop a program to train your employees on your environmental policy.
3. Utilize Manufacture 2030 (M2030) to report annual carbon emissions (CO2e) for all sites associated with Honda and to develop Sustainability Action Plans.
4. Set internal targets aligned with achieving carbon neutrality.
5. Develop and implement absolute CO2e reduction plans.
6. Source and track clean energy from wind, solar, hydro, biomass, geothermal, and marine technologies.
7. Ensure that your company has written procedures in place for managing any restricted substances and review the *Honda Chemical Substance Management Standard (HCSMS)* on a bi-annual basis.
8. Report your company's Substance of Concern (SoC) data to the International Material Data System (IMDS) global disclosure platform as needed.
9. Ensure your company is in compliance with the Dangerous Goods Transportation regulations and communicates part/material information to Honda per the *Honda Dangerous Goods (HazMat) for Transportation Requirements Policy*.
10. Ask your own suppliers to implement Strategies # 1-9. Provide training and resources to communicate requirements and audit your supply chain to attain proof of compliance.



Sample KPIs

- % of employees trained on environmental policy.
- % of suppliers trained on environmental policy.
- % of audited suppliers compliant with environmental policy.
- Tonnes of CO2e emissions.
- kWh of energy consumed.
- % of energy portfolio sourced from carbon-free energy.
- % of waste diverted from landfill or incineration.
- % of water recycled.
- % of sustainable materials used in products and packaging.

04 | Governance

At Honda, we believe that being valued and trusted by our stakeholders is critical to our ability to improve people's lives and ultimately fulfill our mission of being a company that "society wants to exist."

"Society wants to exist."

We maintain an operating structure by which we can measure success and continuously improve across our sustainability focus areas, and we are committed to the fair and balanced reporting of our sustainability performance.



Guiding Principles

Supplier expectations to achieve excellence and innovation in sustainability.

- **Policy Implementation:** We abide by formalized sustainability policies, provide training and education to ensure company-wide awareness and understanding, and offer a grievance mechanism through which stakeholders can raise complaints and seek to have them addressed if policies are violated.
- **Risk Management:** We utilize performance tools to monitor sustainability risks and identify issues.
- **Transparency:** We accurately record and publicly report on business data and sustainability performance. Through open and fair communication, we aim to maintain mutual understanding and trust.
- **Supply Chain Dissemination:** We embed sustainability into our supply chain practices through publicly available sustainability policies and adoption of industry norms such as the *AIAG and DS Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain*.



> Through open and fair communication, we aim to maintain mutual understanding and trust.

Supplier Strategies

Recommended sustainability strategies to implement within your organization.

1. Ensure that your company follows a code of conduct.
2. Develop a program to train your employees on your code of conduct.
3. Ensure that your company has a robust cyber security program to mitigate production risk.
4. Provide training to employees on your cyber security program.
5. Provide a grievance mechanism through which stakeholders can raise complaints and seek to have them addressed.
6. Ensure that your company has management personnel who are responsible for overseeing sustainability initiatives.
7. Publish an annual sustainability report that is compliant with internationally recognized standards and assured by a third party. Examples include:
    - Global Reporting Initiative (GRI)
    - Sustainability Accounting Standards Board (SASB)
    - Climate Disclosure Standards Board (CDP-CDSB)
    - United Nations Global Compact – Communications on Progress (UNGC-COP)
8. Ask your own suppliers to implement Steps # 1-7. Provide training and resources to communicate requirements and audit your supply chain to attain proof of compliance.

Sample KPIs

- % of employees trained on code of conduct.
- % of suppliers trained on code of conduct.
- % of audited suppliers compliant with code of conduct.
- Frequency of cyber security vulnerability test (quarterly).
- % of employees trained on cyber security program.
- # of complaints reported and remediated through grievance mechanism.



05 | Health and Safety

At Honda, we have always upheld the viewpoint that "there can be no production without safety." We operate a companywide safety and quality assurance system to manage risks, prevent accidents, and ensure a healthy working environment for our associates.

We believe that all work tasks can be safely completed with the right level of awareness, training, tools, equipment, and communication channels. That's why we say, "safety is dialog."

"Safety is dialog."



Guiding Principles

Supplier expectations to achieve excellence and innovation in sustainability.

- **Contractors:** As part of our extended supply chain, we ensure the health and safety of contractors. We coordinate procurement processes to identify hazards and to assess and control risks.
- **Personal Protective Equipment:** We provide our personnel with necessary Personal Protective Equipment (PPE) and ensure that workers understand how and when it needs to be applied.
- **Machine Safety:** We ensure all machinery is equipped with necessary protective devices and our personnel are trained on how to operate machinery in a safe manner.
- **Emergency Preparedness:** We strive to eliminate occupational hazards and have an emergency preparedness and response plan in place.
- **Incident and Accident Management:** We implement hazard and risk analysis systems to minimize the potential for incidents/accidents at the workplace. Our investigation system drives to root causes and our corrective action system ensures that all measures have been taken to minimize the chance of recurrences.
- **Workplace Ergonomics:** We ensure that onsite workstations are designed to prevent any short- and long-term negative impacts on employee physical health. We encourage remote workers to understand and apply best practices.
- **Handling of Chemicals:** We utilize control measures to guarantee the safe transportation, handling, use, storage, disposal and emergency disposal of hazardous emissions of chemicals.
- **Fire Protection:** We apply appropriate fire safety measures.



Supplier Strategies

Recommended sustainability strategies to implement within your organization.

1. Ensure that your company has a health and safety policy in place that is adopted and communicated by top management. If applicable to your business, your policy will cover:
    - Personal Protective Equipment (PPE)
    - Emergency Preparedness
    - Machine Safety
    - Incident Management
    - Workplace Ergonomics
    - Handling of Chemicals
    - Fire Protection
2. Develop a program to train your employees on your health and safety policy.
3. Ensure that your company has an established policy and tracking method for disclosing OSHA reportables.
4. Implement an internationally accredited health and safety management system that integrates risk assessments and reporting protocols in order to ensure continuous improvement. Examples include:
    - ISO45001 Occupational Health and Safety
    - ILO-OSH2001 Guidelines on Occupational Safety and Health Management Systems
5. Ask your own suppliers to implement Strategies # 1-4. Provide training and resources to communicate requirements and audit your supply chain to attain proof of compliance.



Sample KPIs

- % of employees trained on health and safety policy.
- % of suppliers trained on health and safety policy.
- % of audited suppliers compliant with health and safety policy.
- # of work-related accidents or injuries.

06 | Social Responsibility

Honda's commitment to human rights extends from our corporate philosophy of "respect for the individual."

"Respect for the individual."

Human rights represent the universally accepted minimum conditions that enable all people to maintain their dignity. They are inherent to all of us, independent of our nationality, place of residence, sex, national or ethnic origin, color, religion, or any other status.

Honda believes that companies should respect the human rights of workers, local communities, and other relevant stakeholders by preventing and addressing adverse human rights impacts linked to their business activity.



Guiding Principles

Supplier expectations to achieve excellence and innovation in sustainability.

- **Child Labor and Young Workers:** Child labor is not tolerated in any form within our company operations and throughout our supply chain. The age of employment for young workers must be aligned with *International Labour Standards* (*ILO) Minimum Age Convention* and meet or exceed company guidelines, customer requirements, and local labor laws.

- **Wages and Benefits:** We provide our employees with a remuneration that is adequate to cover basic needs, enable a decent standard of living for the worker and their family, and is compliant with local laws and collective bargaining agreements (where applicable), including those related to minimum wage, overtime compensation, sick days, and legally mandated benefits. We expect that our suppliers and business partners contribute to a living wage for workers across the supply chain.

- **Modern Slavery:** We prohibit any forms of forced, bonded, or compulsory labor, including prison labor and human trafficking.

- **Rights of Minorities and Indigenous Peoples:** We respect the rights of local communities to decent living conditions; education, employment, social activities; and the right to Free, Prior, and Informed Consent (FPIC) to developments that affect them and the lands on which they live, with particular consideration for the presence of vulnerable groups.

- **Ethical Recruiting:** We do not mislead or defraud potential workers about the nature of their work, ask employees to pay recruitment fees, and/or confiscate, destroy, conceal, and/or deny access to employee passports and other government-issued identity documents. Workers are provided with a written contract at the point of recruitment in their native language, stating in a truthful, clear manner their rights and responsibilities.

- **Freedom of Association and Collective Bargaining:** We allow workers to communicate openly with management regarding working conditions and management practices without fear of reprisal, intimidation, or harassment. We respect employee rights to associate freely, to join or not join labor unions, bargain collectively, seek representation, and join workers' councils in accordance with local law.

- **Women's Rights:** We provide equal opportunity in employment and commit to equal pay for equal work.

- **Land Rights and Forced Eviction:** We avoid forced eviction and the deprivation of land, forests, and waters in the acquisition, development, or other use of land, forests, and waters.

- **Due Diligence:** We conduct due diligence on our direct suppliers and subcontractors in accordance with the *OECD Due Diligence Guidance for Responsible Business Conduct*, promote transparency and traceability and use our best efforts to implement the ESG standards and *AIAG Guiding Principles* further along the supply chain.

- **Responsible Sourcing of Materials:** We do not knowingly provide products containing raw materials that contribute to human rights abuses, bribery, and ethics violations - or negatively affect the environment. To support this effort, we conduct due diligence within our supply chain in accordance with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* to understand the source of raw materials within our products. We promote the utilization of conflict free smelters and refiners for procurement of materials and metals to ensure responsible and ethical sourcing.

Supplier Strategies

Recommended sustainability strategies to implement within your organization.

1. Ensure that your company has a human rights policy in place that is adopted and communicated by top management. If applicable to your business, your policy will cover:
    - Child Labor
    - Wages
    - Working Hours
    - Forced Labor
    - Freedom of Association and Collective Bargaining
    - Raw Material Sourcing
2. Develop a program to train your employees on your human rights policy.
3. Ensure that your company has a supply chain due diligence process in place to identify and mitigate any human rights violations.
4. Implement an internationally accredited human rights management system that integrates risk assessments and reporting protocol in order to ensure continuous improvement. Examples include:
    - ISO26000 Social Responsibility
    - SA8000 Social Management System
5. Ensure that your company is conducting due diligence in the sourcing of raw materials, and promote the use of conflict-free smelters and refiners. Your company should avoid any engagement with human rights abusers and ethics violations.
6. Ask your own suppliers to implement Strategies # 1-5. Provide training and resources to communicate requirements and audit your supply chain to attain proof of compliance.



Sample KPIs

- % of employees trained on human rights policy.
- % of suppliers trained on human rights policy.
- % of audited suppliers compliant with human rights policy.
- # of human rights complaints filed and resolved.
- % of suppliers surveyed in the sourcing of raw materials (conflict minerals).

07 | Trade Compliance

In order to ensure a sustainable production flow, Honda strives to meet the highest level of trade compliance. We seek to partner with like-minded suppliers who hold similar values.

Our trade compliance program serves to protect our company's "total value" by improving the quality of our operations, avoiding penalties, reducing delivery interruption risk, and strengthening our supply chain security.



Guiding Principles

Supplier expectations to achieve excellence and innovation in sustainability.

- **Trade Compliance Management:** We monitor and update our trade compliance strategies on a continual basis via a team of dedicated internal associates working together with external business partners. Our trade compliance team utilizes an established record-keeping program to track data elements and transactions while ensuring compliance with local content reporting requirements.
- **Import and Export Controls:** We follow import and export procedures pertaining to any technology or item restricted by the law of any country or region with which we trade.
- **Economic Sanctions:** We comply with laws and regulations that prohibit transactions involving restricted countries, regions, entities, and individuals.



> We continuously monitor and update our trade compliance strategies via a team of dedicated internal associates working together with external business partners.

Supplier Strategies

Recommended sustainability strategies to implement within your organization.

1. Ensure that your company has a trade compliance policy in place that is adopted and communicated by top management. If applicable to your business, your policy will cover:
    - Import and Export Controls
    - Economic Sanctions
2. Develop a program to train your employees on your trade compliance policy.
3. Report data required through the American Automobile Label Act (AALA), Corporate Average Fuel Economy (CAFÉ), and United States-Mexico-Canada Agreement (USMCA).
4. Ensure that your company strives to meet or exceed Customs Trade Partnership Against Terrorism (CTPAT) certification requirements on an annual basis.
5. Ask your own suppliers to implement Strategies # 1-4. Provide training and resources to communicate requirements and audit your supply chain to attain proof of compliance.

Sample KPIs

- % of employees trained on trade compliance policy.
- % of suppliers trained on trade compliance policy.
- % of audited suppliers compliant with trade compliance policy.
- # of trade violations reported and remediated.



APPENDIX A

Supplier Expectation Checklist

Below please find Honda's supplier sustainability requirements for each applicable category. All Bronze, Silver, and Gold requirements must be met to achieve Gold status.

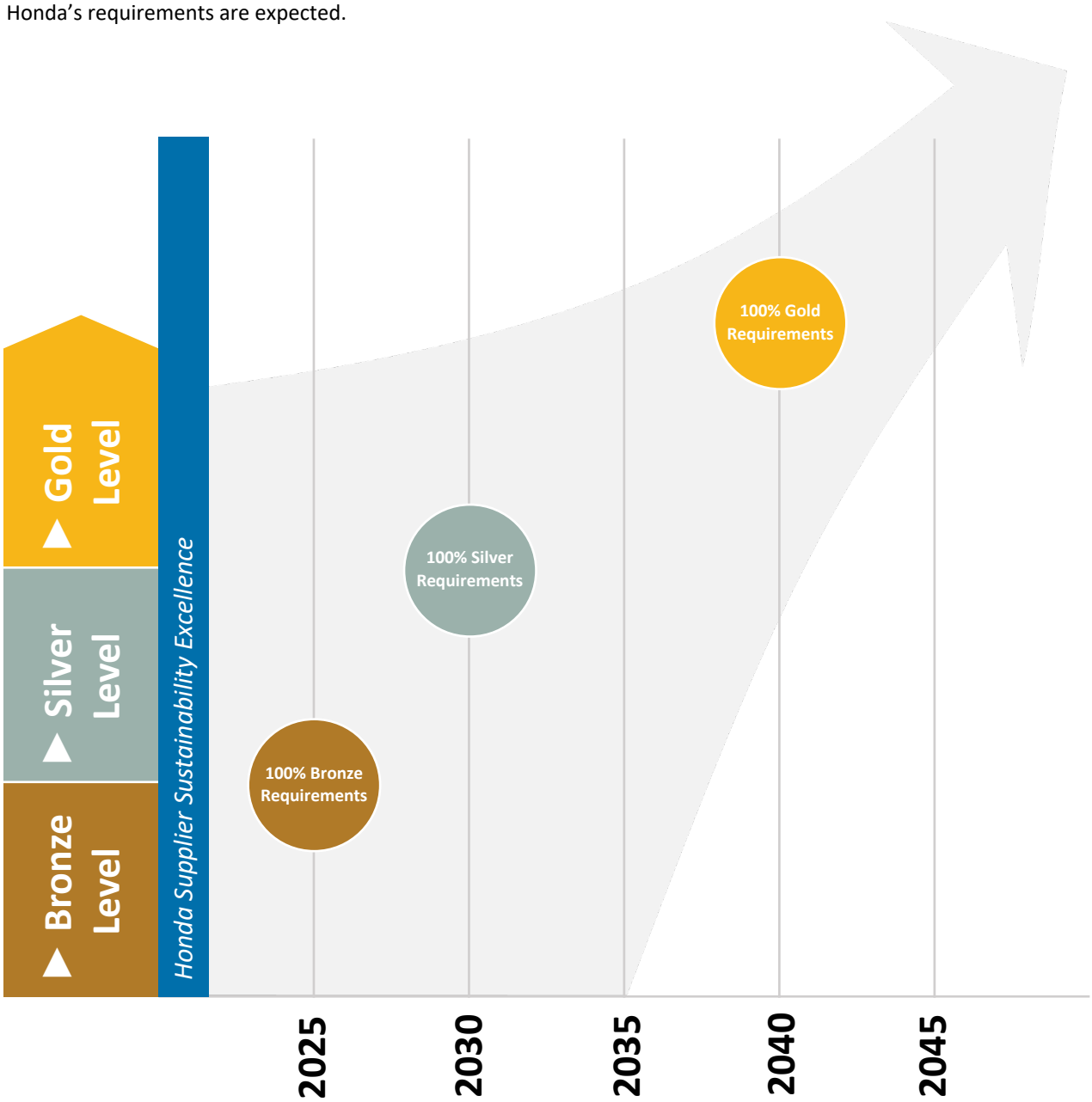
▲ Bronze	**Environment**		Achieve annual 5.7% (+) absolute CO2e reduction target and report annually in M2030.
			Complete M2030 questionnaire annually.
			Report 100% of SoC data to IMDS for all new model parts and major design, material, weight, and sourcing changes within 12-week submission deadline.
			Communicate Dangerous Goods part/material information to Honda per the *Honda Dangerous Goods (HazMat) for Transportation Requirements Policy*.
	Governance		Achieve 70% + in SAQ across all categories.
			Complete *Honda Cybersecurity Questionnaire* as requested. Complete all critical-risk, high-risk, and medium-risk remediation items.
			Ensure 2+ associates view and sign off on the *Honda North America Supplier Sustainability Excellence Framework*.
	Social Responsibility		Report 100% conflict minerals annually via the *Conflict Mineral Reporting Template (CMRT)*.
			Complete 100% human rights due diligence via the *AIAG Due Diligence Report Template (DDRT)*.
	Trade Compliance		Achieve 100% submission of *AIAG Foreign Manufacturers Survey* (international suppliers only).
▲ Silver	**Environment**		Source a minimum of 10% carbon-free energy.
			Demonstrate CO2e reductions of at least 34%.
	Governance		Cascade requirements and training down supply chain.
			Achieve 80% + in SAQ across all categories.
▲ Gold	**Environment**		Achieve carbon neutrality in alignment with Honda's Triple ZERO Vision.
			Source a minimum of 50% carbon-free energy.
	Governance		Achieve 90% + in SAQ across all categories.
	Trade Compliance		Achieve CTPAT (or equivalent) certification (international suppliers only).

**Please note: The Supplier Expectation Checklist is not an official scorecard rating*

APPENDIX B

Supplier Roadmap

Thank you for supporting Honda's sustainability vision and working to understand and improve your **Supplier Expectation Checklist** status. Below please find a roadmap illustrating when, at a minimum, Honda's requirements are expected.



APPENDIX C

Change-Point Table

This framework is updated on an annual basis. Below please find the location of material 2025 change-points.

Chapter	Section	Change-Point
Environment	Supplier Expectation Checklist	▶ **Bronze** • Achieve annual 5.7% (+) absolute CO2e reduction target and report annually in M2030. • Report 100% of SoC data to IMDS for all new model parts and major design, material, weight, and sourcing changes within 12-week submission deadline. ▶ **Silver** • Demonstrate CO2e reductions of at least 34%. ▶ **Gold** • Achieve carbon neutrality in alignment with Honda's Triple ZERO Vision.
Governance	Supplier Expectation Checklist	▶ **Bronze** • Achieve 70% + in SAQ across all categories. • Complete *Honda Cybersecurity Questionnaire* as requested. Complete all critical-risk, high-risk, and medium-risk remediation items. ▶ **Silver** • Achieve 80% + in SAQ across all categories. ▶ **Gold** • Achieve 90% + in SAQ across all categories.
Health and Safety	Supplier Strategies	3. Ensure that your company has an established policy and tracking method for disclosing OSHA reportables.
Social Responsibility	Supplier Strategies	3. Ensure that your company has a supply chain due diligence process in place to identify and mitigate any human rights violations.
Social Responsibility	Sample KPIs	% of suppliers surveyed in the sourcing of raw materials (conflict minerals).
Trade Compliance	Supplier Expectation Checklist	▶ **Bronze** • Achieve 100% submission of *AIAG Foreign Manufacturers Survey* (international suppliers only).



APPENDIX D

Additional Resources

Click through our menu of additional resources to learn more about each category.

01 | Compliance and Ethics

- North American Region Compliance and Ethics Policies
- North America Anti-Corruption
- North America Anti-Trust Policy

02 | Inclusion

- Honda Corporate Supplier Diversity Statement
- National LGBT Chamber of Commerce
- Women's Business Enterprise Council
- National Minority Supplier Development Council
- National Veteran's Business Development Council

03 | Environment

- SoC Management Manual
- Honda Chemical Substance Management Standard (HCSMS)
- M2030 Reporting Website
- Honda Green Excellence Academy
- Suppliers Partnership for the Environment
- Trio – Transform Auto

04 | Governance

- NQC Supplier Self-Assessment Questionnaire (SAQ)
- Process Unity Cybersecurity Questionnaire

05 | Health and Safety

- DOL Workers Compensation
- OSHA

06 | Social Responsibility

- Honda Human Rights Policy
- Honda CSR: What We Believe
- AIAG Due Diligence Reporting Template (DDRT)

07 | Trade Compliance

- CTPAT Program Facilitation

Contact

This framework has been authored by the *HDMA Business Operations, Sustainability Team* and illustrated by Three Squares Inc.

For questions, please contact:
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Join our efforts to reduce our impact on the environment and please distribute this framework electronically.

HONDA
The Power of Dreams