

HONDA
The Power of Dreams

SUSTAINABILITY REPORT 2022





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SUMMARY

Behind the Honda brand is the extraordinary story of a man and his dream. The son of a blacksmith and a weaver, Soichiro Honda was born in Hamamatsu, Japan, in the fall of 1906. **As a child, he spent many hours helping his father in the workshop repairing bicycles, a mode of transportation that was popular at the beginning of the 20th century.**

Soichiro was fascinated when he saw a motorized car for the first time, and from then on began to dream about the idea of building his own car. **At the age of 15, he moved to Tokyo and started working in a machine shop.** There he had the opportunity to build his dream car by combining industrial and manual techniques.

This is how the “Curtiss” model was born, a race-tested and approved vehicle that won the 1924 Japanese Motor Car Championship. At that time, Soichiro Honda was just 18 years old.

At the age of 21, he returned to his hometown and began working in a mechanical workshop until he had enough capital to open his own auto parts factory, where he began producing piston rings.

Soichiro Honda witnessed two major wars and also a conflict between China and Japan. After World War II, the country was completely devastated and he lost everything he had built to bombing and an earthquake that shook the country even more.

One of the worst problems at the time was transportation. **Faced with fuel rationing and crowded trains, Soichiro Honda bought a lot of used engines for generators and converted them into bicycles.** Thus began the sale of the first mopeds. The production of motorcycles was improved and increased, cars became part of the production line, and gradually factories were built all over Japan and then in other countries and continents.

The company’s reputation grew and today Honda Motor Company is one of the biggest names in the automotive industry, known and respected around the world. Soichiro Honda passed away in 1991, but his dream lives on to this day.

Inspired by the power of dreams, the company strives to provide people with unique experiences through its products and services. The aim of the brand is to bring joy and improve people’s lives through mobility.

Thanks to the faith and perseverance of its founder, Honda is a global company that will celebrate its 75th anniversary in 2023. The company has been present in South America for over 50 years, where it produces, imports, and sells motorcycles, cars, quads, engines, and machines.

In 2015, Soichiro’s dream came true and the company began marketing the HondaJet business jet, the most advanced aircraft in its category on the market.

Through Honda South America, the holding company responsible for all the Group’s activities in the region, the company has production plants in Brazil, Argentina and Peru, as well as an import unit in Chile and more than 2,200 points of sale, ensuring the brand’s presence in the major South American cities.

This report provides information and data on the activities in South America in 2022. With it, **Honda is cultivating the transparent relationship it is building with its stakeholders and accounting for the actions, projects, and results achieved by its subsidiaries in the region.** This is an important material about the realization of Soichiro Honda’s dream and the company’s global commitment to expand the joy of mobility and the potential of people’s lives through its products and services, which reflects the company’s 2030 vision.



“
A dream
is never
too big.”

Soichiro Honda

MESSAGE FROM MANAGEMENT

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Dear reader, welcome to another edition of the Honda South America Sustainability Report.

We are pleased to introduce this content, so essential for the advancement of environmental, social, and corporate governance issues in organizations. We believe that the solutions introduced and the challenges addressed here can add to the discussion of relevant issues to the planet.

Honda is a global company committed to bringing joy to people, through products and services that aid daily life and can create value for customers. In this way, we believe that we will be able to fulfill the company's vision of continuing to be "a company whose existence is desired by society".

Honda's operations in South America have played a key role in delivering high-quality mobility solutions and thus contributing to the brand's purpose of expanding the life potential of South American citizens.

In 2022, Honda South America achieved positive performance even in a complex and challenging business environment. It was a year marked by political and economic instability; with inflationary pressure and high interest rates;

and in which the automotive industry again had to deal with the inconstancy of the supply chain, affecting mainly the availability of semiconductors, impacting companies on a global scale.

Faced with a scenario of challenges that once again required flexibility in dealing with business partners and the adoption of an agile management, capable of continuously reviewing the most relevant aspects of the operation, we rely on the commitment of our associates and the partnership of our network of dealers and suppliers. A critical triad for Honda's long-term sustainability.

Moreover, in 2022 we started to resume in-person activities as mass immunization progressed, and were able to re-establish the routine by reincorporating external activities. A breath of relief, thanks to the drop in hospitalization and mortality rates resulting from covid-19.

We have gone through this challenging period, but forgetting to look towards the future. Today, among the most prominent themes in the automotive industry is electrification. And Honda is rapidly enhancing its business with a vision to lead the future of mobility.

Our brand is committed to two major directions for its

Honda's operations in South America have played a key role in delivering high quality mobility solutions



operations worldwide: environment and safety. By 2050, the company aims to achieve carbon neutrality in products and corporate activities and zero fatal traffic collisions involving brand vehicles. In line with global guidelines, we have established three pillars that guide our product strategy for the coming years: environment, safety, and connectivity.

Thus, we will continue to renew our model lineup with more economical and environmentally friendly products, incorporating efficient, safer, and more connected engines.

Honda's operations in South America will continue to be strengthened by maximizing its resources, setting clear priorities to quickly respond to changes in the environment, and enhancing its products, services, and mobility solutions.

We will continue toward the future of mobility guided by our philosophy and our values, respecting people and the planet, implementing and fostering new standards of sustainable behavior.

Thanks for joining us in this story, and happy reading!

Atsushi Fujimoto
President, Honda South America



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For Honda, one of the most inspiring tasks is to multiply and sustain a philosophy whose principles are “Respect for the Individual” and sharing the “Three Joys”. This philosophy, lived by associates and everyone involved in the value chain, makes Honda a unique, innovative company that is coveted by society. Shared goals, values, and principles that guide the actions of everyone involved in the company. This is the Honda Philosophy, which is divided into three axes:



Honda Philosophy

1 Respect for the individual

Principle which encourages and promotes the sharing of joys through respect for individual characteristics, a relationship of equality and trust and the maximum use of the initiative of each individual.

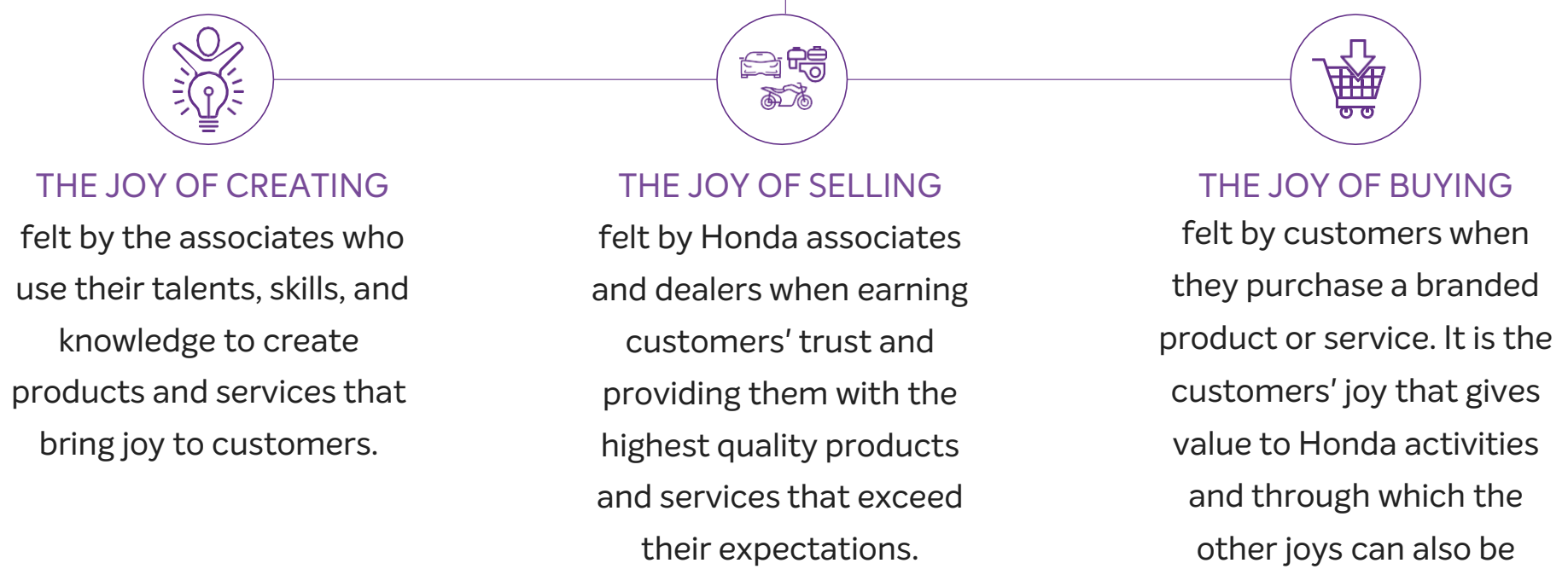
2 The three joys

Honda's desire is to build trusting relationships and share joy with all people with whom the company has contact through its activities and products:

3 Honda's Management Policy

It covers five main themes to help Honda associates in their daily responsibilities:

The Honda philosophy for the company's operations



- MAINTAIN** always the dream and the young spirit
- VALUE** theories, ideas and time
- TRY** always to keep in mind the values of research and perseverance
- LOVE** your work and value communication
- CREATE** a smooth workflow at all times

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Business Direction and 2030 Vision

Going beyond expectations is a constant in the way Honda conducts its business. The company’s evolution, year after year, in South America and in the world, proves the need and the opportunity to act with a focus on the sustainable development of the regions where it is installed and therefore become a company desired by society. Only then, customers will be able to experience joy and unique experiences through the solutions provided by the company.

idealized image of how the company intends to be in the year 2030, in order to continue to be a company whose existence is desired by society

To support this business direction, Honda has drawn up its 2030 Vision, which materializes an in 2050, when it will be completing more than 100 years since its founding. In producing its Vision, Honda examined long-term changes in the operating environment from two perspectives: foresight, or looking ahead from the present; and hindsight, or looking back from 2050 to the present.

Honda’s 2030 Vision therefore aims to lead the way in mobility and enable people around the world to improve their daily lives. This effort involves creating, spreading, and ensuring joys. The Create Joy approach can be understood as the perspective of Honda’s universal passion to offer

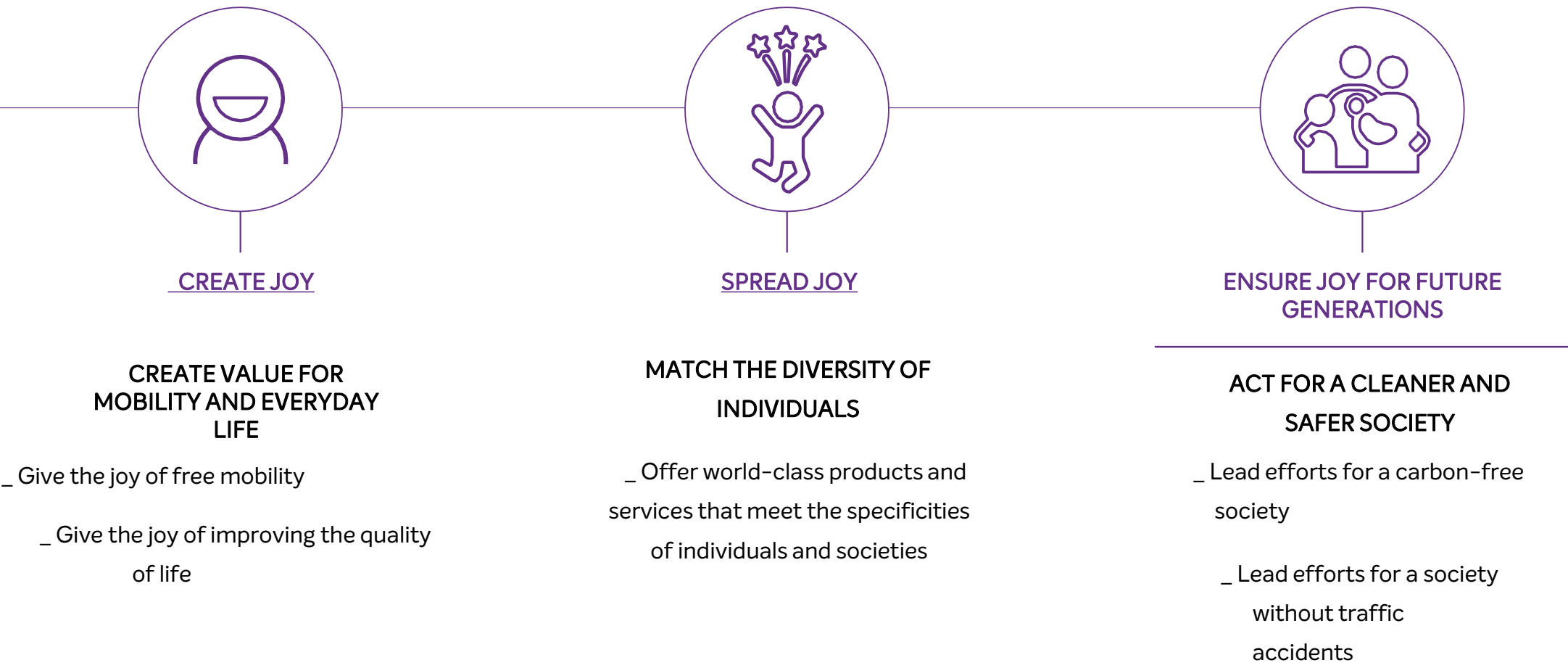
people the joy of expanding the potential of their lives, creating value for mobility and their daily lives. The aim is to continue offering unique products and services that, through technology, can improve people’s lives.

Through the Spread Joys guideline, Honda dedicates itself to the development of diversified mobility solutions that meet the particularities of the different consumer profiles in the countries where it operates. Finally, with a focus on Ensuring Joy for the next generations, the company promotes initiatives to contribute to the creation of a society free of carbon emissions and traffic accidents.

“Serving people around the world with the joy of expanding the potential of their lives”

2030 Vision
Honda
South
America:
bring to
all people the joy
of expanding
life’s possibilities

Lead the way in
advancing mobility
and improving the
lives of people
around the world



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Global policies

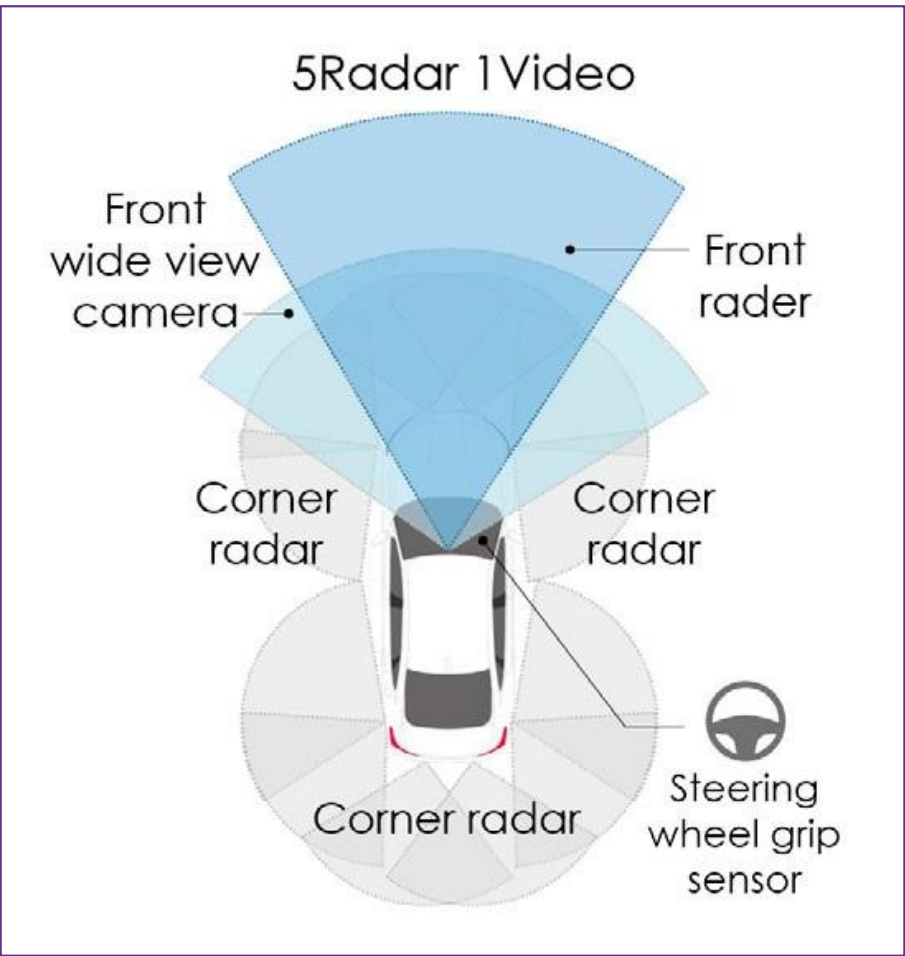
Honda has defined global policies that permeate the company’s subsidiaries around the world and target the company’s goals in an integrated manner.

Among the company’s global commitments, there are two that are widely spread in the areas of Environment and Safety: achieve carbon neutrality for all products and corporate activities by 2050, and zero fatal road accidents involving Honda vehicles by the same year.

In the environmental pillar, the company is investing in electrified vehicles, including hybrid or 100% electric engines and hydrogen fuel cell vehicles.

Honda is also investing in renewable energy technologies, such as the Honda Mobile Power Pack, and smart power operations connected to the grid infrastructure.

Environment and Safety are Honda’s priority commitments



Depiction of Honda Sensing

In terms of Safety, Honda is working on omnidirectional ADAS (Advanced Driver Assistance System) technology to make it available for all new car models in developed countries by 2030. In addition, the company leveraged knowledge and expertise through research and development of level 3 autonomous driving technologies, further improving the intelligence of ADAS.

In addition, as explained on [page 57](#) of this report, Honda is also working to strengthen educational programs focused on road safety.

Sustainability Strategy

Honda's goal is to improve people's lives through mobility solutions.

Above all, this is done in a way that creates differentiated values for the various stakeholders that are sustainable over time and thus guarantee the long-term existence of the company.

Therefore, Honda bases its strategic sustainability management on five priority commitments that permeate its decision-making processes and operations.

Honda bases the
**strategic management
of sustainability on five
priority commitments**



ENVIRONMENT

For Honda, protecting the environment and the conscious use of natural resources are essential aspects of achieving economic development and ensuring the continuity of corporate activities.



QUALITY

Investing in technology is crucial to maintaining Honda as a leading player in its segments. The sustainability of our activities and the differences of our products are directly related to the quality presented and recognized by our stakeholders.



SAFETY

When it comes to mobility, Honda has a duty to address the issue of safety and seek the necessary investment to ensure that its products deliver the best possible performance and meet the expectations of its customers. Together, it carries out initiatives aimed at raising the awareness of everyone involved in some way in the dynamics of transport.



PEOPLE

Because the company plays a prominent role in the regions where it has a presence, valuing those people who are part of the company's day-to-day operations is critical to the good performance of its activities. From employees to communities, the combination of investment in professional development and community well-being is part of the company's strategy.



MOBILITY AND INNOVATION

Honda believes that technology should serve people's lives. That is why the company develops solutions that improve and benefit people's lives.

HONDA
The Power of Dreams

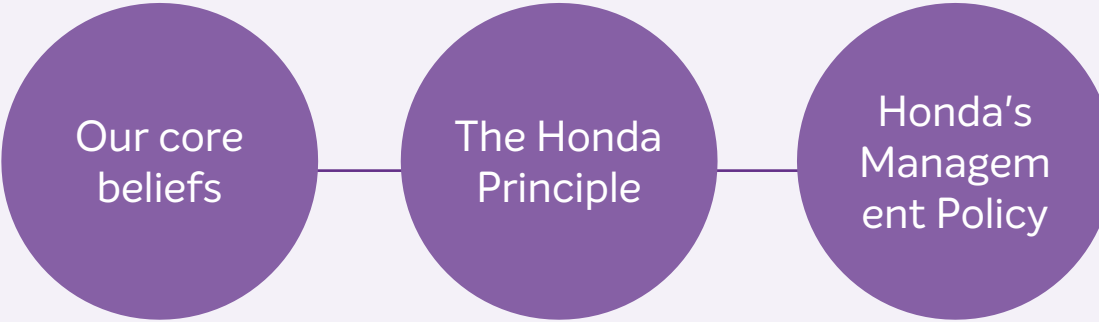
DIRECTION FOR THE
21TH CENTURY

TO BE A COMPANY THAT
SOCIETY WANTS TO EXIST



OPEN MIND
THE CHALLENGE OF
JOINT DEVELOPMENT

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Honda



KEY SUSTAINABILITY
TOPICS



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Key Issues



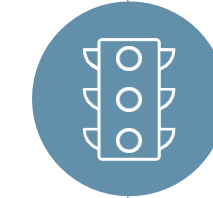
Quality of products
and services



Customer
satisfaction



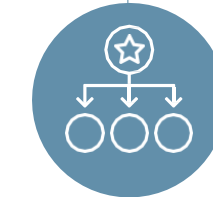
Mobility and
Innovation



Road Education and
Safety



Emissions and
Operational
Eco-Efficiency



Ethics and
Governance



People and
Diversity
Management

Honda South America (HSA) publishes its Sustainability Report for the eighth consecutive year, which includes the company's highlights in the management of environmental, social, and governance issues in its regional subsidiaries in Brazil, Argentina, Peru, and Chile for the period from January 1 to December 31, 2022, except where indicated.

This report was prepared in accordance with the requirements of the GRI – Global Reporting Initiative, in the essential option of the GRI Standards, which gives the report greater transparency and accuracy, similar to financial documents.

• GRI 102-1, 102-45, 102-50, 102-54 •

In its 2021 report, Honda provided an update on the company's key issues. The relevant issues were determined as part of a materiality process, which shows from the point of view of the stakeholders and the company management which issues should be given priority in sustainability management and in the communication of the company's performance.

• GRI 102-46 •

These issues were identified and prioritized using the following steps:

1. First consultation to the Sustainability Accounting Standards Board (SASB)¹, S&P Global – Yearbook 2021²; MSCI – Ratings and Materiality³, and GRI⁴ methods for identifying and classifying the criticality of issues related to the automotive sector from a market perspective;
2. Analysis of key issues disclosed by peer companies in the industry to map potential priority issues;
3. Interviews with senior executives and online consultations with stakeholders to prioritize issues. The public survey was answered by 968 people from various stakeholders (customers, trade associations, associates, utilities, suppliers, government, and press).

• GRI 102-40, 102-42, 102-43, 102-44 •

In preparing the materiality matrix, the local business environment, global trends affecting Honda's business segments, and new requirements resulting from the COVID-19 pandemic were also assessed to identify related performance and challenges.



Considering that a robust process was conducted in 2022 to identify and prioritize key issues for Honda South America, no relevant facts were identified in 2023 that would result in a change to the reported issues.

¹ North American institution that defines sustainability reporting standards for companies listed on the U.S. stock exchange.

² S&P Global's annual publication based on the Corporate Sustainability Assessment (CSA) – the rating that underlies the creation of the Dow Jones Sustainability Indexes and was developed from analysis of a set of ESG criteria of companies listed on the U.S. stock exchange.

³ MSCI ESG ratings provide a company with a long-term assessment of environmental, social and governance (ESG) issues.

⁴ The Global Reporting Initiative is an international organization that helps companies, governments, and other institutions understand and communicate the impact of business on critical sustainability issues.

KEY ISSUE	DESCRIPTION	MANAGEMENT TOOL	CORRESPONDING SDG
Quality of products and services	Setting quality parameters in the development of services and the manufacture of products, ensuring a cycle of continuous improvement and transparent communication of the processes in order to promote responsible publicity and advertising practices.	• GRI: 417-3 •	
Customer satisfaction	Promoting customer satisfaction surveys on Honda branded products and services and focusing efforts on developing solutions and improvements	• Customers heard in satisfaction survey • Brand image surveys and public awards	
Mobility and Innovation	Investing in research and technologies to promote sustainability in urban mobility solutions	• Launch of new products and services • Report on the global innovations of the brand	
Road Education and Safety	Investing in technologies and application of product safety items, road safety awareness, recall processes	• Goals and/or commitments to promote road safety • New technologies in products • HREC for people affected • New initiatives (agreements) • Takata recall service index	
Emissions and Operational Eco-Efficiency	Atmospheric emissions reduction commitments and targets.	• GRI 305-1, 305-2, 305-4, 305-5, 305-7 • Carbon neutrality in the production of its products and corporate activities by 2050.	
	Rational use of water and improvement of energy management in production facilities, waste management, and the 3Rs concept.	• GRI 302-1, 302-3, 302-4, 303-1, 306-1, 306-2 •	
Ethics and Governance	Strengthening the mechanisms for transparent and ethical management throughout the Honda Group governance structure, in line with ESG best practices	• GRI 102-16, 102-17, 205-2, 419-1 •	
People and Diversity Management	Promoting an environment of respect, inclusion, and appreciation in the relationships between associates and ensuring health and safety at work.	• GRI 403-1, GRI 403-2 •	
	Encouraging personal and professional development through training and performance management in line with Honda's philosophy.	• GRI 404-1 •	
	Setting commitments and promoting a culture of diversity and inclusion in the workforce.	• GRI 405-1, GRI 405-2 •	   

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In all markets where Honda operates, the essence of offering products and services to improve people's lives is kept alive. The brand's goal is to contribute to the evolution of mobility, always putting people at the center of its strategies and using technology to support them.

This commitment leads Honda into its 75th anniversary, a period in which the company has consolidated a global presence with 415 subsidiaries and affiliates around the world, supported by the work of 204,000 associates

South America is part of the “*Associated Regions” management block, which, along with two other blocks – North America and China – makes up the company's global activities.

Honda has had a presence in South America since 1971, importing and producing motorcycles, cars, quads, engines, and machines and marketing the HondaJet executive jet.

The holding company Honda South America, headquartered in the city of Sumaré in the state of São Paulo, is responsible for all the Group's activities in the region and has production units in Brazil, Argentina. and Peru, as well as an import unit in Chile and more than 2,200 points of sale, ensuring the brand's presence in the major South American cities.



In this way, Honda continues to pursue a path of innovation that meets the different characteristics, needs, and dreams of its customers.

• GRI, 102-2, 102-3, 102-4, 102-6, 102-7

**Honda's goal is to
improve people's lives
through mobility
solutions**

Honda South America

Aiming to strengthen the regional locations within its global structure and in line with the company's electrification strategies, Honda Motor Co. launched a new global division for its operations in January 2023 as follows:

- North America
- China
- *Associated Regions – Regional Operations: Japan / Asia and Oceania / South America / Europe, Africa and Middle East

Honda South America



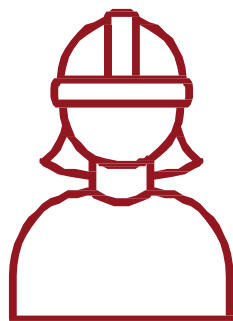
BUSINESS UNIT	SEGMENT ¹	SCOPE ²	JURISDICTION
HDA Moto Honda da Amazônia	2R / PF	SEDBA	Brazil
HAB Honda Automóveis do Brasil	4R	SEDBA	Brazil
HSF Honda Serviços Financeiros	Bank, Consortium and Insurance	SA	Brazil
HAR Honda Motor de Argentina	2R/ 4R / PF	SEBA ³	Argentina
HDP Honda del Peru	2R / PF /4R	SEDBA ³	Peru
HMDC Honda Motor de Chile	2R/ 4R / PF	SA	Chile

¹2R: Motorcycles / 4R: Automobiles / PF: Power Equipment
BHB: Banco Honda S.A. / CNH: Consórcio Honda Ltda. / SHB: Corretora de Seguros Honda Ltda.
² S (Sales); E (Engineering); D (Develop./R&D); B (Buying); A (Administration)
³ Sales of Automobiles and Power Equipment; and Sales and Production of Motorcycles

Honda South America Operating Model

Honda's operating model takes into account the achievement of results and the sharing of profits among stakeholders while considering the sustainability of the entire operation.

Associates



12121

permanent and temporary
associates

Stakeholders

Communities



Suppliers



Customers



Media



Associates



Government



Dealers



Points of sale



More than 2,200 points of sale
throughout South America

Results

Motorcycles



1269932

produced

Automobiles



63535

produced

Engines and
Machinery



19200

Peru

Honda Selva del
Perú S.A.

Honda del
Perú S.A.

Production of
motorcycles,
import and sale of
automobiles and
power equipment.

Chile

Honda Motor de
Chile S.A.

Import and
sale of
motorcycles,
automobiles,
and power
equipment.

Argentina

Honda Motor de Argentina S.A.

Production and sale of motorcycles
and import of cars.

Brazil

Honda Automóveis do
Brasil Ltda.

Production and sale of
vehicles and parts.

Moto Honda da
Amazônia Ltda.

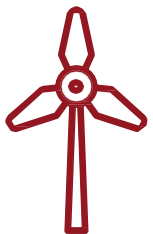
Production and sale of
motorcycles, power equipment,
quads, and parts.



More than

14,000

people attended HREC lectures
in 2022



635,000
MWh

of clean electricity produced
by 2022 (since the start of
wind farm operations)

Operational performance

In 2020, the world was caught off guard by the COVID-19 pandemic and has since struggled with the aftermath of the health crisis, which has brought new behavioral, ethical, and socio-economic demands and impacted the lives of billions of people around the globe.

In 2022, Honda made consistent progress in its operations, allowing the company to continue to be a success story in the region.

Throughout 2022, mass immunization remained active in Brazil, with the third and fourth doses of vaccine administered in different age groups of the population. Immunization allowed the resumption of on-site activities in the second half of the year and the optional use of protective masks.

As established since the beginning of the pandemic, Honda continued its activities based on reconciling concern for employee health and corporate sustainability and, by following government recommendations, it has been able to be more flexible in some of the measures taken during periods of high contamination, but always recommending hygiene, care with general sanitation, and attention to the onset of symptoms.

While the immunization scenario contributed positively to the gradual recovery of the economy, the logistical bottlenecks caused by the health crisis continued



to have a negative impact on operations. As reported in the last issue, disruptions in global supply chains again had to be managed in 2022, resulting in the temporary suspension of automotive production in Brazil.

In the South American context, it is important to emphasize that some impacts of the pandemic continued into 2022, notably the imbalances in global supply chains and changes in international logistics routes. Given these facts, Honda achieved a great performance across the region despite a complex and challenging business environment.

Argentina, Brazil, Chile and Peru are in a similar situation with moderate growth prospects.

Therefore, flexibility, adaptability, and speed in decision-making were again required in 2022.

Honda achieved a great performance across South America despite a complex and challenging business environment



More than 1 million motorcycles were produced by Honda in South America in 2022

Motorcycles

As the largest motorcycle manufacturer in South America and sales leader in this segment in Brazil, Honda Motos has produced more than 28 million units in Brazil. This volume represents the great contribution of the motorcycle to society.

It is a vehicle desired by consumers, whether for daily mobility, leisure, or as a work tool, and contributes to income generation in various economic activities.

In the context of the pandemic that began in 2020 and also experienced in recent years, the motorcycle remained relevant given the importance of home delivery services, as well as the prioritization of individual modes of transport, reducing the risk of contagion.

Demand for motorcycles remains strong, as the vehicle plays an important role in the mobility of Brazilians. It is a fast, economical, and low-maintenance transport alternative. In a scenario of a significant increase in fuel prices, the savings from 2-wheel mobility are even greater.

This scenario has led to an increase in demand for motorcycles in all countries in the region, contributing to a faster recovery than was predicted at the beginning of the new coronavirus crisis. This has led to an imbalance between supply and demand for motorcycles in the market at certain times.

Honda Motos in South America

In 2022, the motorcycle plants in Manaus (BR), Campana (ARG), and Iquitos (PER) together produced 1,269,932 units.

Sales totaled 1,221,135 units, an increase of approximately 30% over 2021.

Argentina achieved a result of 90,619 units sold in 2022, an increase of 22% compared to 2021.

In Peru, sales in 2022 totaled 85,065 units, also a 4% growth over 2021.

Chile recorded 13,504 units sold in 2022, down 9.5% from the previous year.

This is a positive performance across the region, considering the complex and challenging business environment, with political and economic instabilities faced in 2022.

Also noteworthy is the growing importance of the motorcycle in the mobility of South American citizens.

Every day, more people are choosing the practicality, economy, and safety of a two-wheeled vehicle, be it for their daily commute, to generate income, or for leisure.

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Honda Motos in Brazil

Honda Motos pioneered the development of the motorcycle segment in Brazil and today maintains its leadership position with a 76% market share. Its continuous investments and commitment to the country have contributed to the development of the entire sector.

Today, the plant in Manaus (AM) is an industrial complex that goes far beyond motorcycle assembly. The plant is the most vertical in Honda motorcycle production in the world, one of the largest in the Manaus Industrial Zone (PIM) and one of the most representative production centers in the Americas, where everything is made, from metal packaging, casting molds, structural tubing and tooling to the various components that make up the end product, such as exhaust pipes, wheels, handlebars, chassis, and other parts.

Honda Motos ended 2022 with a 17% increase in license plate registrations compared to the previous year. With 1.03 million units sold – the best result since 2014, when 1.14 million motorcycles were licensed – the brand maintained its consolidated leadership in the domestic market.

The positive performance reflects the strengthening of Honda's commercial strategies and also shows that demand for motorcycles remains strong. The vehicle is playing an increasingly important role, be it for a more convenient and economical mobility solution, for generating income, or for leisure.



Production also followed the upward trend: in Manaus (AM) more than 1.1 million units rolled off the assembly line, 19% more than in 2021. The accumulated result exceeds the level of 2015, when 1.04 million motorcycles were produced.

During 2022, in the face of imbalances in global supply chains and changes in logistics routes, Honda made great efforts to increase its production schedule and meet market demand.

Also in the last period, the company has completed important stages of the modernization plan for its production unit, with the aim of making the company a benchmark in production efficiency. The entire project is expected to be completed in the first half of 2023.

Honda Motos ended 2022 with a 17% increase in license plate registrations

The company's goal is to continue to be a sustainable leader in the industry. With this focus, Honda Motos will continue to strengthen its offering and develop products of the highest quality, aiming to improve the cost composition and management of its supply chain. This is complemented by a broad and comprehensive network with differentiated services and excellence in its relationship with the brand.

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VALUE CHAIN

Through its far-reaching chain, Moto Honda's promote investment, economic and social development, not only in the Amazon region but throughout the country.

The social contribution of the motorcycle business is significant, not only because of the 100,000 direct jobs throughout the chain, but above all because of the value and prosperity that the end product brings to individuals, families, and entrepreneurs in rural areas and cities across the country.



Around seven
thousand associates



Around 120 suppliers
of components and
raw materials



Hundreds of
service
providers



More than
1,100 points
of sale

Around 100,000 direct jobs
created throughout the chain

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TOP OF MIND

Honda Motos received the Folha Top of Mind 2022 award, which recognizes the brands most remembered by consumers last year. The company was honored for the tenth consecutive year in the “Top Moto” category.

For the award, the opinions of more than six thousand people in 197 Brazilian cities in the five regions of the country were taken into account. This result demonstrates Honda’s commitment to exceeding customer expectations with the highest quality products and services.

MARCAS MAIS

Honda Motos took first place in the regional ranking (São Paulo) and in the national ranking of the Marcas Mais Award, organized by the newspaper Estadão in collaboration with the consulting firm Troiano Branding.

The goal of the study is to identify the companies that generate the greatest interest and positive perceptions among consumers in a total of 31 categories. The 2022 edition consulted 11,782 people from across the country.

NPS AWARDS

The SoluCX Company honored Honda Motos as the winner of the 2022 NPS Awards - Mobility Edition in the first year of the two-wheeler category of the award at an event promoted by Automotive Business magazine.

Conducted in partnership with Exame magazine, the initiative aims to recognize the brands with the highest

consumer recommendation power based on Net Promoter Score (NPS).

The NPS (Net Promoter Score) is a method that uses research and classification tools to analyze the level of recommendation of a company by the public.

For the award, 18,890 consumer opinions were collected across Brazil between May 1st, 2022 and August 14th, 2022.



Automobiles

South America

Honda has been selling cars in South America since 1992, when it began importing the Accord model for the local market.

Five years later, in 1997, the Sumaré plant in the state of São Paulo was inaugurated and production of cars in the region began.

Throughout its more than 30 years of presence in South America and 25 years of car manufacturing in the region, the company has made continuous investments to increase production capacity and improve the efficiency of its processes.

Since the beginning of its operations, the company has strived to accelerate the process of developing, producing, and selling products that increasingly meet the expectations of South American consumers.



Thus, in April 2018, Honda announced a restructuring plan for the automotive production system in the region to strengthen the company's competitiveness.

In line with this plan, Honda opened its new automotive plant in Brazil in 2019, in the city of Itirapina in the state of São Paulo. The new plant has a high level of technology and efficiency.

From then on, production was gradually transferred to the new plant, which since January 2022 has been concentrating 100% of Honda's automobile production in Brazil.

Currently, Itirapina (SP) produces the New City sedan, New City Hatchback and New HR-V models, in addition to the WR-V model intended for export.

The Sumaré plant has established itself as a hub for engine and component production, vehicle development, strategy, and corporate governance of the Honda Group.

The unit includes the production of the engine assembly, including Engine Casting, Machining, and Assembly, as well as the processes for Plastic Injection and Painting, Tooling, Quality Engineering, Industrial Planning, R&D, the administrative areas of Honda South America, the Technical Training Center, and the Parts Division.

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Honda Automóveis has been present in South America for more than 30 years

Performance

The automotive segment was hardest hit by the pandemic, particularly the semiconductor crisis, which restricted the range of products globally and also in the region. Nevertheless, the South American market, excluding Brazil, recorded a level of sales comparable to the pre-pandemic period, with notable growth in the SUV segment.

With the long-term sustainability of the business in mind, Honda has continued to strengthen the company's fundamentals. Honda Automóveis do Brasil exports its models to Chile, Peru, Colombia, Uruguay, Paraguay, Bolivia, Ecuador, and Argentina. In 2022, approximately 11% (7,123 units) of Honda Automóveis production in Brazil was destined for export.



In 2022, Honda Automóveis activities in South America* recorded a total of 63,732 vehicles sold and 63,535 produced. The market share was 1.87%.

Honda continues to seek the best sources of supply and leverage the company's global manufacturing resources to better serve South American consumers.

The company will continue to offer products of the highest quality, environmentally friendly, and with maximum safety to satisfy demanding customers seeking reliability and technology.

**More than
60,000 cars
produced
in 2022**



*Markets covered: Brazil, Argentina, Chile, Peru, Colombia, Uruguay and Ecuador.

Honda Automóveis maintains its stability on the market

Honda Automóveis do Brasil

The evaluation of the brand's performance in recent years shows that the company has kept its sales volume stable between 2012 and 2019, even in the face of the economic crises of that period.

In the period 2020 to 2022, the pandemic had a significant impact on the number of units produced, as explained in the beginning of this chapter. To this factor was added the component crisis faced by the entire automotive industry worldwide, with a shortage of inputs, especially semiconductors, in the market, which was reflected in the supply of Honda vehicles.



Despite the turbulence the company has faced, Honda Automóveis has maintained its stability in the market, with a strategy that focuses on the quality of operations and the creation of sustainable value for customers and business partners, such as the dealer network.

In 2022, Honda Automóveis recorded a 28% decrease in production volume compared to 2021, with 63,540 vehicles produced in Brazil last year. In terms of sales, 56,699 cars were sold in Brazil in 2022, 30% less than the previous year.

This result is due to the crisis in components, particularly semiconductors, discussed in this chapter, which is affecting the industry worldwide and jeopardized the production of some models in 2022, affecting the supply of products to the market.

Honda Automóveis continues to strive to maximize its growth potential, given the recent launches and major redesigns of its product lineup, as well as the good reception from the public to the models launched in Brazil in 2022 and early 2023.

In 2022, the New City Sedan, New City Hatchback, and New HR-V models were launched, which are technologically very advanced, with highly efficient engines, an exclusive package of safety and driver assistance technologies, the Honda SENSING, as well as the exclusive connectivity platform myHonda Connect.

In addition, the company launched the hybrid Honda Civic in Brazil in early 2023, which features e:HEV technology, a hybrid with two electric motors, and is even more advanced, including a new direct-injection internal combustion engine, aligning the Brazilian offering with the company's global decarbonization strategies (more information on [page 43](#)).

By the time this report is finalized, three more models will be launched in Brazil: the Civic Type R, which embodies all of Honda's sporty DNA and is making its first appearance in the country; the ZR-V, an unprecedented SUV in the Brazilian market; and the new-generation CR-V, which will feature the e:HEV hybrid powertrain for the first time.

The company will continue to implement the necessary measures to ensure the long-term sustainability of the automotive business.

Honda Automóveis is one of the most admired brands in the sector

Honda Automóveis received several brand awards in 2022, underscoring the public's recognition of the company's quality services and products in Brazil.

Honda Automóveis receives recognition at industry awards



NPS Awards

For the second consecutive year, SoluCX honored Honda Automóveis as the winner of the NPS Awards 2022 - Mobility Edition, at an event promoted by Automotive Business magazine. Conducted in partnership with Exame magazine, the initiative aims to recognize the brands with the highest consumer recommendation power based on Net Promoter Score (NPS).

The NPS (Net Promoter Score) is a method that uses research and classification tools to analyze the level of recommendation of a company by the public. For the award, 18,890 consumer opinions were collected across Brazil between May 1st, 2022 and August 14th, 2022.



"Os Mais Amados do Rio" Award.

In the third edition of the "Os Mais Amados do Rio" award promoted by Veja Rio magazine, Honda was voted first in the Best Automaker category, placing the brand among the favorites of the public in Rio de Janeiro. In 2022, the award registered a record number of votes: 4,166 people were heard through the MindMiners survey platform.





Engines and Machinery

Honda presented to the market its new brand signature for the power equipment segment: Engines and Machinery. This signature integrates promotional items, point-of-sale materials, and other corporate communications.

Honda's range of Engines and Machinery includes a wide range, divided into the categories of stationary engines, brush cutters, generators, motor pumps, and lawn mowers, with a wide range of applications such as agriculture, domestic use, construction, and gardening.

In addition, Honda Engines and Machinery are of great importance for mobility in riverside regions, especially along the Amazon, as they allow access to more remote areas by coupling our stationary engines with different types of vessels. This is a river transportation solution adopted by several families who live far from the major urban centers and need transportation for commercial and personal purposes.

In 2022, the political impact and the increase in inflation and the exchange rate led to a decrease in public investment in South American countries. As a result, the construction and mining sectors were the hardest hit. On

the other hand, the agricultural business continues to expand, strengthening sales of motor pumps and motors in South American countries. In this segment, the performance of the Argentine market continues to show good results, with good prospects for 2023.

In the Brazilian market in 2022, the Engines and Machinery division recorded sales of 34,386 units, a slight decrease of 4% compared to 2021. Even in a challenging scenario, the Agriculture and Construction segments have potential to regain revenue growth in 2023.

Three models of stationary engines and three models of motor pumps are produced at the Moto Honda da Amazônia plant in Manaus, and more than 19,200 units of Engines and Machinery were produced in 2022.

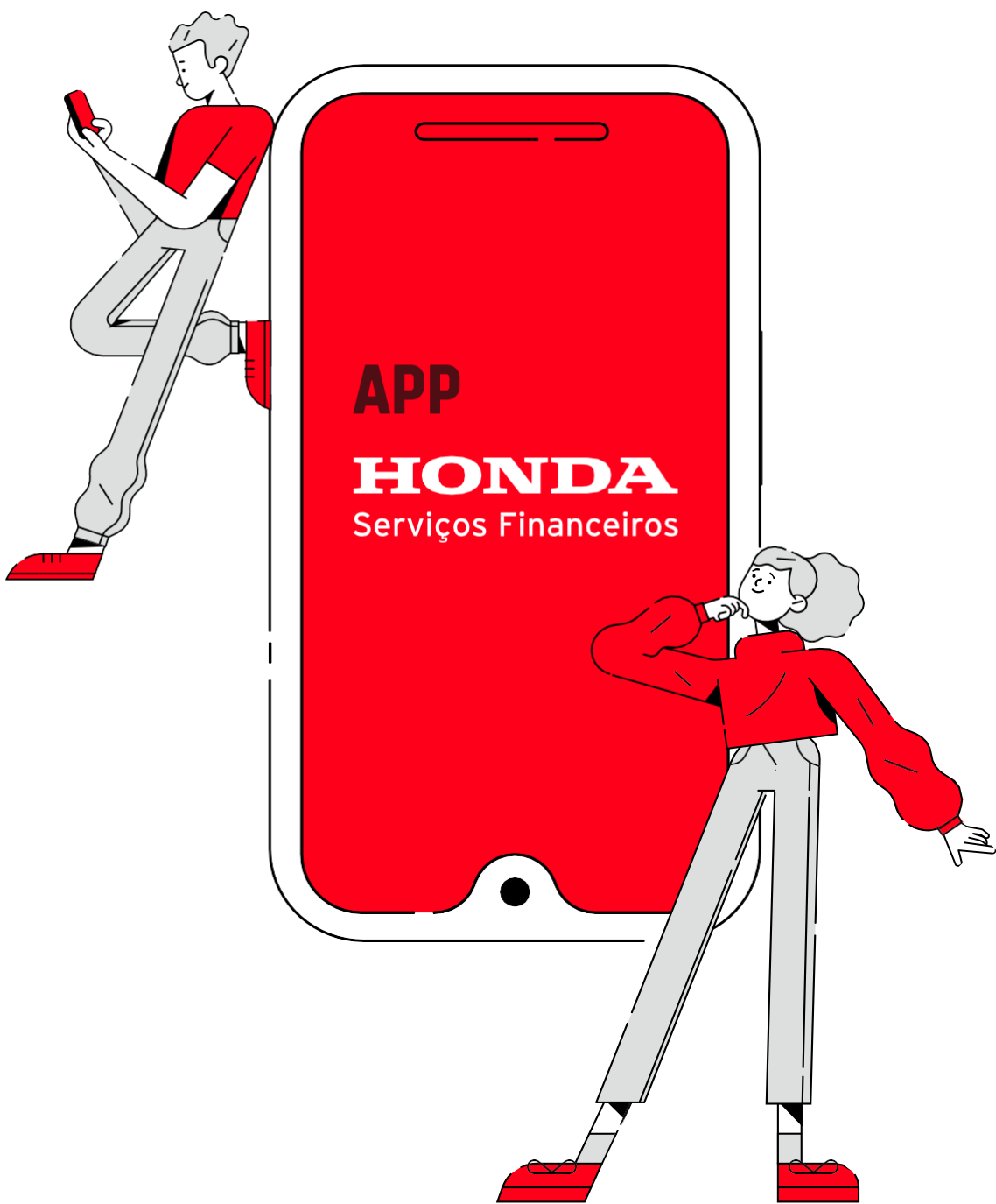


Honda Serviços Financeiros

In order to facilitate access to the brand's products, Consórcio Honda was created in 1981, a consortium management company that sets standards on the domestic market and is part of the Honda Serviços Financeiros structure, which also includes Corretora de Seguros Honda and Banco Honda .

This synergy with the plants is an important competitive factor and actively contributes to sales of Honda products.

The company also has solutions for the digitization of its services, with Consórcio Honda e-commerce and an app for IOS and Android devices, which has more than 1.6 million active users, making customers' everyday lives more convenient and flexible.



More than 1.6 million active users on the Honda Serviços Financeiros app

The synergy of HSF with the plants is an important competitive factor



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Honda Serviços Financeiros performance in 2022

In the context of 2022, which, as explained earlier, was still marked by the aftermath of the 2020 health crisis caused by COVID-19, HSF's contribution to the company's results was noticeable. Consórcio Honda was a key driver of the brand's financials numbers, especially in the motorcycle segment.



Consórcio Honda (CNH)

Consórcio Honda is a reference for consortiums in the Brazilian market, with a 42-year history and around 1.75 million active customers. A sales driver, the modality is very popular among Brazilian consumers as it adapts to the customer's budget, even in times of financial instability.

If we analyze Consórcio Honda's performance in recent years, we see a different evolution in the motorcycle market, due to the increase in delivery activities and the tendency to give priority to private vehicles during the pandemic. Even with the resumption of on-site activities in 2022, home deliveries remained relevant throughout the year, as did the use of motorcycles for work and leisure.

Adding to this is the financial difference the consortium modality offers consumers by offering more competitive administrative fees and payment plans compared to financing, in addition to the benefits of a planned purchase, where the customer makes an offer when they deem it appropriate in the context of their needs and financial planning.

Consórcio Honda is a major driver of the brand's financial division figures

Thus, in 2022, the consortium modality has achieved solid results in the brand's two-wheeler segment, registering 582,407 new quotas sold over the past year, a growth of 2.1%.

Deliveries of 0 km Honda motorcycles recorded an increase of 30.8% compared to 2021 thanks to the resumption of production activity. In 2022, 352,185 0 km Honda motorcycles were delivered.

The consortium modality for the four-wheel segment recorded 1,748 new quotas sold in 2022, an increase of 10.4% compared to 2021.

Consórcio Honda currently has around 12,000 active customers in the four-wheel segment and is currently working on modernizing its plans to be more consistent in this segment.



Banco Honda

Banco Honda was founded with the aim of providing an excellent financing opportunity for Honda products. Through the modality of Direct Consumer Credit (CDC), it guarantees both individuals and companies attractive conditions to get the Honda vehicle they want quickly, practically, and fairly.

In 2022, Banco Honda was a key financial intermediary for the brand in the automobile segment, accounting for 22.2% of the company's total sales and 16,083 contracts. Banco Honda's market share in the four-wheel segment increased from 54.5% to 59.7% in 2022.

In the motorcycle segment, Banco Honda recorded a 29.7% increase in financing compared to 2021. Between January and December 2022, 102,937 units were financed, representing 9.8% of the brand's 0 km motorcycle sales.



Corretora de Seguros Honda

Seguros Honda began its operations in Brazil in 1987 with the aim of offering a customized portfolio covering the coverage needs of Honda products at a competitive cost, in partnership with credible insurers in the market.

In the motorcycle market, Seguros Honda recorded a 16.2% decrease in completed bids in 2022, ending the year with 121,973 bids. In the automobile segment, 10,724 bids were recorded in 2021.

Banco Honda and Banco Seguros complete HSF's service package



Engine test successfully completed with 100% sustainable aviation fuel

HondaJet

The HondaJet is manufactured by the Honda Aircraft Company in the United States and has been marketed in Brazil since 2015 by Líder Aviação (the local sales representative for executive jets in the country). By December 2022, 7 HondaJets had been delivered in the country.

The world’s most advanced executive jet with exceptional benefits in terms of performance, comfort, quality, and efficiency, the HondaJet features numerous technological design innovations, including the unique OTWEM (Over-The-Wing Engine Mount) configuration, which significantly improves performance by reducing drag.

The OTWEM design also reduces cabin noise, minimizes ground contact noise, and offers the largest interior space among business jets on the market, in addition to the largest baggage compartment and a full lavatory on board.

Performance in 2022

In 2022, Honda Aircraft Company continued development of the jet and made a major announcement during the 2022 National Business Aviation Convention and Exhibition (NBAA-BACE): the “HondaJet Elite II, an updated new aircraft that offers a number of important advances in performance and comfort. The company also announced the introduction of automation technologies.

The HondaJet Elite II is the fastest, highest-flying, and longest-range aircraft in its category, achieving a new level of performance that redefines what it means to be a very light jet. With an extended range of 1,547 nautical miles, 110 nautical miles (about 200 km) more than its predecessor, the Elite II now extends the HondaJet’s range to more destinations and maintains its position as the most efficient aircraft in its category. The addition of ground spoilers completes the performance upgrade and optimizes takeoff and landing performance.

In addition, last year *GE Honda Aero Engines (GE Honda) successfully completed testing of its HF120 engine using 100% sustainable aviation fuel (SAF). Currently, the HF120 engine can operate in approved SAF mixtures of up to 50%, and this successful test demonstrates the engine’s ability to run with 100% SAF.

The purpose of the test was to evaluate performance of the engine technology with 100% SAF against Jet A/A1. Ground testing was performed on an HF120 engine over several days at GE’s Peebles test operations, using HEFA-SPK (Hydro- processed Esters and Fatty Acids Synthetic Paraffinic Kerosene), the most widely available SAF produced from plant-based used cooking oil, residual fats and grease. Test results are significant, with engine performance equivalent to Jet A fuel during SAF operation.

* GE and Honda established a 50/50 joint venture in 2004 called GE Honda Aero Engines, based in Burlington, North Carolina (USA). The joint venture combines the resources of GE Aviation and Honda Aero, Inc, a Honda subsidiary, to manage the combined engine business.

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Adopting ethical and transparent principles for corporate governance, recording the risks associated with activities, and establishing preventive and mitigating measures. These are the guidelines of Honda's corporate governance model.

The Company believes that ethics and compliance with regulations and industry laws are essential to business continuity. Therefore, these principles are applied in all departments to guide business decisions and make activities safer and more sustainable.

In managing corporate Governance, Risk and Compliance, Honda follows and strives to adopt best market practices.

Responsibility for managing Corporate Governance at Honda rests with the ESG Department, which brings together the concepts of Environment, Social Responsibility, and Corporate Governance, being responsible for coordinating all prevention and awareness-raising processes with a view to complying with and respecting the laws and regulations under which Honda South America operates.

Honda South America's Corporate Governance model includes three management pillars that are interconnected in driving sustainable business growth: governance, corporate risks, and compliance.



GOVERNANCE: Standards of conduct and business ethics.



CORPORATE RISKS: Identification and assessment of potential risks to the company, determination of measures to mitigate, eliminate or transfer risks.



COMPLIANCE: Compliance with legal requirements, regulations, and internal policies, standards and procedures.

In an effort to build ethical relationships with the various stakeholders, Honda adopts solid rules that guarantee transparency and certainty so that the company is clear in its positions and decisions. With this in mind, Committees have been set up to deal with the main Governance issues (Risks, Compliance, Ethics, Confidentiality, and Privacy) and are directly linked to the South American Board, being responsible for decision-making in the economic, environmental, and social areas.

Governance

• GRI 102-18 •

Honda bases its decisions on standards that must be observed and applied by anyone acting on its behalf. To ensure that the company enjoys a respectful and credible position, the governance model takes into account the transparency of management, the inadmissibility of corrupt practices, the clear definition of responsibilities and standards of conduct in individual cases, and compliance with legal requirements.

By maintaining integrity and clarity in its positions and decisions, Honda guarantees that it generates and shares consistent wealth with its stakeholders over the long term.

In this sense, there is the composition of Committees that deal with the main issues of Governance.



Corporate Risks:

• GRI 102-11 •

The sustainability of Honda’s business depends on identifying and constantly monitoring the risks inherent in the business in its various dimensions.

Therefore, for each of the potential risks identified, the ESG department coordinates and establishes preventive and mitigating measures together with the business units with the aim of ensuring safe, reliable, and transparent operations for associates and business partners, reducing financial losses and avoiding damage to the brand’s reputation.

The aim is to manage sustainable growth based on market standards and risks with potential impact on operations in the region and on a global scale. The evaluation takes into account ecological, social, financial, occupational health and safety requirements, the reliability of operations, and issues relating to business partners.

In this sense, Honda’s Global Risk Management Policy, which covers the operations of Honda South America, aims to promote the sustainable growth of the company based on the company’s philosophy and any risks that have the potential to affect operations on a global level. Honda has 11 risk management policies and normative documents.

Currently, the Code of Conduct is the main tool for employee behavior, including in terms of preventing and combating risks, and Honda also has guidelines and normative documents on the subject.

In addition, in accordance with the Honda Group’s global ERM (Enterprise Risk Management) models, annual risk identification and assessment processes are applied in all subsidiaries in South America and, in view of the recognition of these priorities, a more accurate follow-up is carried out with preventive actions to minimize materialization events.

Compliance

• GRI 103-2, 103-3/419, 419-1 •

To ensure a safe working environment without financial loss and to avoid damage to the reputation of the brand and society, Honda manages all relevant processes through its ESG Department. Critical areas are identified, relevant processes are mapped, and internal controls are tested with subsequent certification according to the US Sarbanes Oxley Act.

As a form of direct communication with company management, associates can report any non-compliance with the Code of Conduct and company policies through a communication channel managed by the Honda Compliance Committee. This channel is available to all associates at all Honda locations in South America.

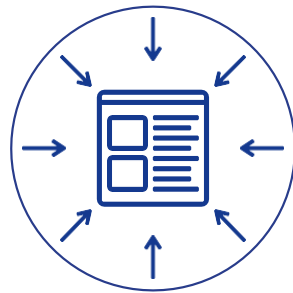
In order to ensure that the entire process described is reasonably enforceable and is carried out with a fully independent view, the Internal Audit department develops annual tests that can guarantee that the principles of the code of conduct actually work in the company.

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Compliance with Corporate Governance at Honda is assessed on an ongoing basis through systems that adopt international standards, composed of:



- **Corporate process management system:** self-assessment carried out by managers (100% managers and above) on process systems and operations.



- **Process-specific management system:** internal controls over relevant business processes and technologies (more than 100 sub-processes documented and reviewed annually), which are subject to certification under the US Sarbanes-Oxley Act by an independent audit.

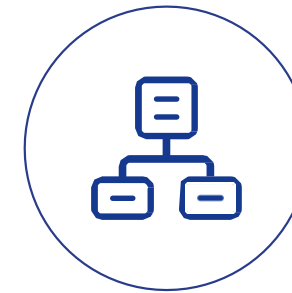


- **System of norms and conduct:** corporate policies and procedures, available on the intranet or directories for internal public access.



- **Personal data protection system:** Company policies and standards, recording of personal data processing, and assessment of data protection risks with a view to compliance with the Brazilian General Data Protection Law.

As a result of the actions taken by Honda, there have been no incidents of **non-compliance with social and economic laws and regulations related to operations in Brazil over the last year.**



- **Structure of code of ethics, confidentiality of information, and standard of formal conduct:** all disseminated through training and management.



- **Independent Internal Audit structure:** the HSA Internal Audit Division must perform a function compatible with the Three Lines Model, acting in the third line of defense, whose role is to provide independent and objective assessment and advice on the adequacy and effectiveness of governance and risk management. This is done through the application of systematic and disciplined processes, in addition to expertise and knowledge. It reports its findings to management and the governing body to promote and facilitate continuous improvement. The internal audit's independence from management responsibilities is critical to its objectivity, authority, and credibility.

Ethics Channel

• GRI 102-17 •

In support of the measures taken to ensure compliance in all Honda activities, the company has an ethics channel that allows direct communication between associates and management.

The purpose is to receive opinions, criticisms, complaints, reports, and consultations on the topics covered in the Code of Conduct and Policies.

The expressions entered through the Ethics Channel are submitted to the evaluation and actions of the Compliance Committee, whose mission is to ensure the continuous improvement of ethical standards of conduct.

The way the Compliance Committee works is set out in internal regulations.



By 2022,
5,435
associates
have been
trained on
the Code of
Conduct

* Privacy by Design is a key element of the adoption of practices that respect data privacy from the design stage of products, services, and processes, leading companies to act preventively rather than reactively.

Compliance with the Brazilian General Data Protection Law

Honda's personal data protection system is fully compliant with the Brazilian General Data Protection Law, based on Privacy Policies and Standards (Data Mapping, Impact Report, Security Incident, Privacy by Design, among other regulations), to better regulate the processing of personal data and to assess the risks to data protection. In addition, to raise awareness of this issue, mandatory training courses are provided for all levels of the organization. All of these activities are aimed at compliance with the law and to demonstrate Honda's commitment to stakeholders.

Code of Conduct

• GRI 102-17 •

In order to ensure and direct compliance in Honda's operations, the company's Code of Conduct is based on ethical values and contains clear guidelines for the necessary processes and the behavior expected from associates.

By 2022, 5,435 active associates across all business units in South America have been trained on the Code of Conduct.

This code also establishes a set of company policies responsible for combating illegal conduct such as slave labor,= and preventing money laundering and fraud, corruption, and practices that violate competition laws.

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Anti-Bribery and Anti-Corruption Policy

• GRI 103-2, 103-3/205 •

The Anti-Bribery and Anti-Corruption Policy determines the Company's position on business ethics.

The application of the guidelines set out in the Anti-Bribery and Anti-Corruption Policy is evaluated annually using internal control processes certified by the Sarbanes-Oxley Act and a self-assessment questionnaire for managers. In addition, the Policy is available to all associates at all units in South America.

In order to prevent the products offered by Honda from being used for the purposes of money laundering, terrorist financing, or the concealment of assets, Honda updated its Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Policy in 2022. Procedures were established to identify, qualify, and develop a monitoring approach for operations involving a higher risk of money laundering. The dissemination of the content of this policy was carried out through training available on the online education platform and with the holding of a Workshop with the leadership.



Honda's Global Anti-Bribery and Anti-Corruption Policy includes in its scope guidelines to prevent bribery and corruption practices in Honda's relations with its business partners.

Honda disseminates the guidelines contained in the Anti-Corruption Policy through training, internal communications, and workshops. By 2022, around 2,726 active associates had been trained to prevent bribery and corruption practices through the courses available on the E-learning platform. Also in 2022, more than 300 managers from business units in South America attended internal Workshops that addressed the main Corporate Governance issues, including the Anti-Corruption Policy.

The Anti-Bribery and Anti-Corruption Policy determines the Company's position on business ethics.

Combating Anti-Competitive Practices

• GRI 205-2 •

To combat anti-competitive practices, Honda has an Antitrust Policy that establishes measures to prevent violations of the economic order related to its business operations, trade practices, and interactions with business partners and/or competitors, directly or through trade associations.

In addition, the company strives to strengthen the culture of fighting anti-competitive activities by promoting the Policy in all business units in South America. Dissemination takes place through training and other activities, starting with the ****critical areas**, where around 273 associates participated in antitrust training courses available on the E-learning platform.



Honda strives to strengthen the culture of fighting anti-competitive activities by promoting the Policy in all business units.

Honda also places great emphasis on strengthening relationships with consumers, associates, partners, and the community, and strives to maintain responsible and trusting relationships in order to be a company whose existence is desired by society.

In addition to its commitment to providing the highest quality products and services at fair prices to satisfy its customers, Honda also strives to be a socially responsible company, undertaking various social activities (more information on [page 80](#)). To this end, the company has established a policy with guidelines and procedures for the social actions carried out by Honda in all South American units.

All of the aforementioned standards and policies are available for all associates for consultation.

**** Critical areas** are those with direct contact with regulatory or legislative bodies (Institutional Relations, Sales, Purchasing, Legal, Tax, and areas that participate in meetings with trade associations).





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Environment

Minimizing the company's environmental impact, developing ever more environmentally friendly products, and reviewing the company's activities. This is Honda's premise and it is based on this that the company has guided its activities.

In its long-term vision, creating a society with zero CO₂ emissions is one of the key guidelines of the company's sustainability strategy, which aims to achieve CO₂ neutrality in all products and corporate operations by 2050. All Honda subsidiaries around the world are committed to this policy.

To achieve this goal, the company works according to the Triple Action to Zero concept, which focuses on three areas:

Carbon neutrality: CO2 emissions, Net Zero by 2050

To address issues related to climate change, Honda will work toward the goal of limiting global temperature rise to 1.5°C above pre-industrial levels that prevailed before the Industrial Revolution, reducing CO₂ emissions from corporate activities and throughout the product life cycle.

Clean energy: 100% use of carbon-free energy by 2050

To address energy issues, Honda will take a step beyond its traditional energy reduction initiative and intends to use clean energy in both product use and corporate activities;

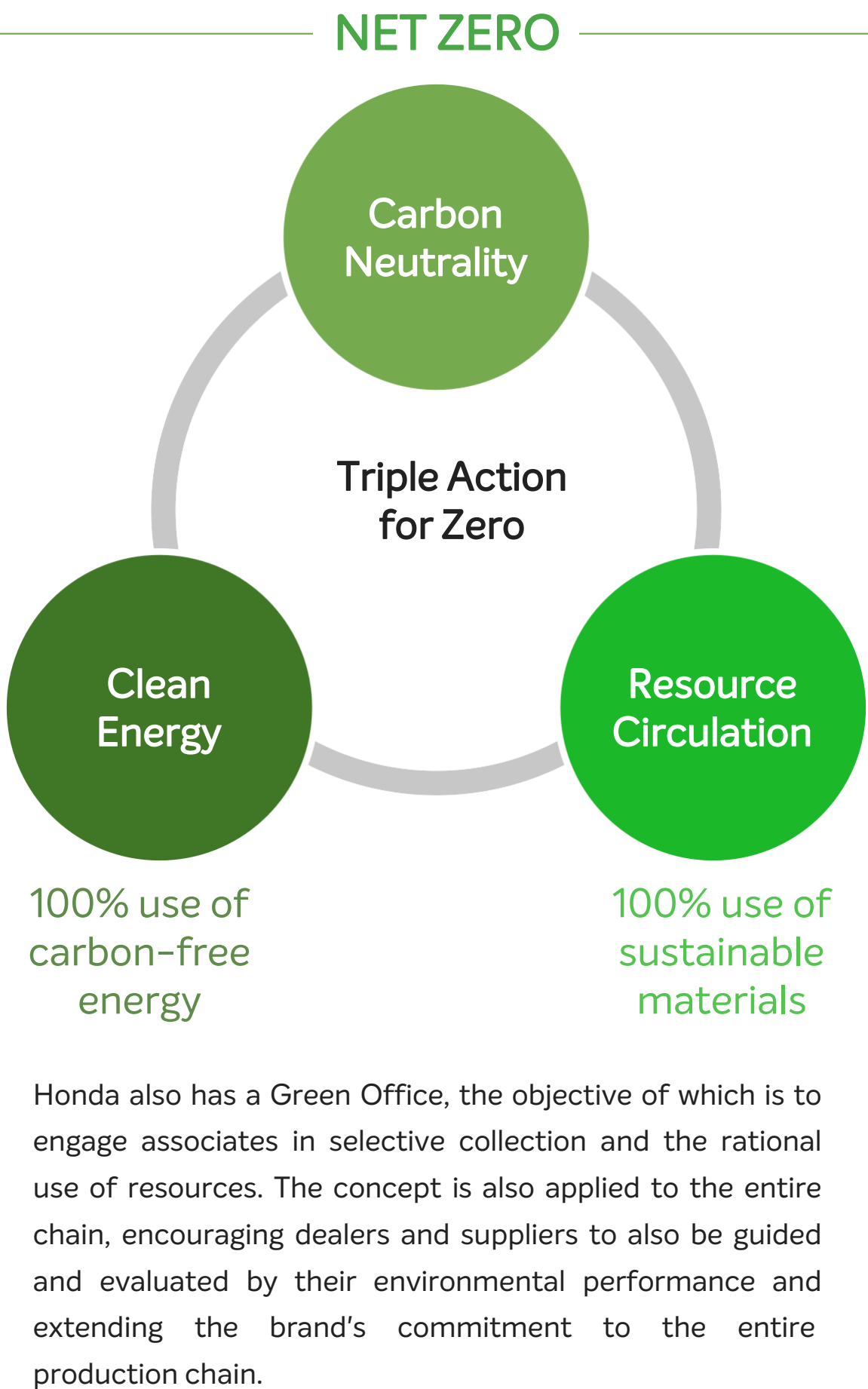
Resource circulation: 100% use of sustainable materials by 2050

To improve the effective use of resources, Honda will conduct research on materials recycling, including battery reuse and recycling.

Beyond its initiative to reduce risks associated with resources and waste disposal, Honda will have the additional challenge of developing products that use sustainable materials with zero environmental impact.

In addition, Honda works with the Green Factory concept, which is applied in all production facilities to manage waste, energy efficiency, the rational use of water, and the reduction of atmospheric emissions.

Likewise, the concept is applied to logistics operations through Green Logistics, which aims to reduce packaging volumes and maximize transportation through floating warehouses.



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Emissions

• GRI 103-2, 103-3/305 •

As previously mentioned, Honda has set a goal to be carbon neutral in its products and operations by 2050. This commitment guides the definition of targets in production and corporate activities, as well as in the emission levels of products and services. Improving the environmental performance of the brand’s products is one of the most important initiatives towards realizing the vision of a zero-carbon society.

Globally, Honda is investing in improving the environmental performance of its internal combustion engines and in the development and marketing of new models with electrified propulsion technologies such as battery electric vehicles (BEV), hybrid electric vehicles (HEV), and hydrogen fuel cell vehicles (FCV).

Honda’s policy is to adopt the right technology in the right place at the right time. In this way, the company decides to implement the most appropriate type of motorization for each region, taking into account differences in public policies and regulations, energy mix, available infrastructure, and consumer market characteristics.

In Brazil, Honda continues to improve the environmental performance of its product line, both motorcycles and cars. The New City, New City Hatchback, and New HR-V models feature a 1.5 DI DOHC i-V-TEC engine with Direct Injection, which combines high performance with low fuel consumption and reduced emissions, ensuring excellent driving performance while maintaining energy efficiency.

Honda continues to improve the environmental performance of its product line

In terms of fuel consumption, the New City deserves special mention. According to the Brazilian Vehicle Labeling Program (PBEV), the New City has consumption in the city of 9.2/13.1 km/l (ethanol/gasoline) and, on the road, of 10.5/15.2 km/l – respectively, the New City Hatchback recorded 9.1/13.3 and 10.5/14.8 km/l. With such numbers, both achieved an A rating on the PBE, within their categories.



Electrification

Honda has taken another important step in introducing electrified products in Brazil, launching the new Civic Hybrid in January 2023, which represents a technological and design leap forward.

The Civic Hybrid is the company's second electrified model to launch in the country. The first was the Honda Accord in 2021. In addition, Honda has already announced that the imported CR-V SUV will also be equipped with a hybrid powertrain.

Honda's hybrid technology - e:HEV - features a unique system consisting of two electric motors (one generator and the other for propulsion) and an internal combustion engine, offering three possible operating modes: all-electric, hybrid, and combustion. Depending on driving conditions, the system automatically selects the operating mode that offers the best balance between performance and low fuel consumption.



Clean sources

Following Honda Motor's global guidelines, Honda's South American units have set themselves the goal of reducing their actual electricity consumption and analyzing the possibilities of diversifying their energy sources.

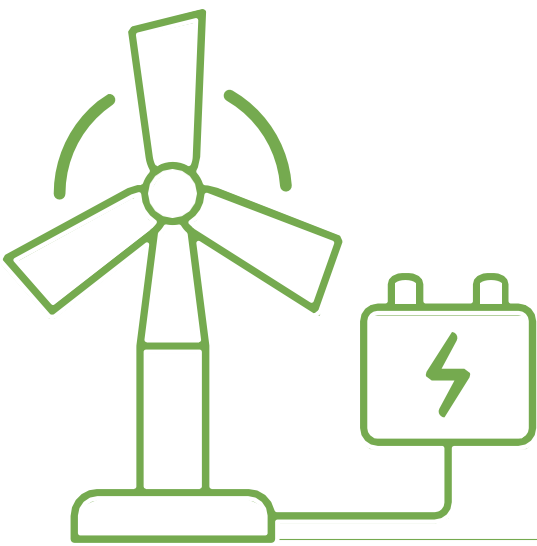
The Honda Energy wind farm is the prime example of this commitment. In addition to the efforts of the Honda Argentina and Moto Honda da Amazônia units to obtain part of their electricity from the renewable energy market, **Honda South America now gets about 36% of its electricity from clean sources.**

Last year, Honda South America achieved an emissions reduction of 2,145.65 tCO₂ in its operations, taking into account electricity and fuel consumption (diesel, gasoline, LPG, natural gas, and ethanol) from certain projects.

Every year, Honda develops projects aimed at reducing emissions in its businesses. The 2022 result is the result of projects such as the purchase of renewable energy certificates (I-Rec); the replacement of equipment that previously ran on fossil fuels with more efficient machines; and the replacement of old lighting systems with more efficient LED systems.



REDUCTION OF GHG EMISSIONS • GRI 305-5 •



2021

1891.61
kgCO₂/unit

2022

2145.65
kgCO₂/unit

Absolute emissions

Flex technology on motorcycles

The constant technical evolution of motorcycles underlines the philosophy of environmental protection and a notable example is the FlexOne technology. An unprecedented initiative in the industry worldwide, it allowed motorcycles to use gasoline and/or ethanol in any ratio, maintaining operating characteristics and reference durability.

Honda was a pioneer in introducing this important technological innovation to the market, which has been well received by Brazilians. **Developed in Japan with the participation of Brazilian engineers, the project aimed to create an engine with the least possible impact on the environment.**



The FlexOne technology was developed specifically for the Brazilian market and launched in the country with the CG 150 Titan Mix. It is currently available on eight motorcycles: Biz 125, CB 300F Twister, CG 160 Titan, CG 160 Fan, CG 160 Cargo, NXR 160 Bros, XRE 190, and XRE 300, representing about 60% of the volume produced annually.

Since 2009, when the technology was introduced, more than 8 million FlexOne units have rolled off the assembly line at the Manaus (AM) plant. Year after year, the domestic motorcycle has gained in robustness, efficiency, and economy, becoming a product recognized worldwide for its very high quality.

In the early 2000s, with the implementation of the Program for Controlling Air Pollution from Motorcycles and Similar Vehicles (Promot), targets were set for reducing pollutant emissions, leading to gradual alignment with the most stringent international standards.

The fifth phase of Promot, which came into force in January 2023, aims to adapt to the Euro 5 standard, a decisive step towards integrating domestic motorcycles into global trade chains. In this sense, Moto Honda is in line with the recommendations and guidelines of the standard to reduce emissions.

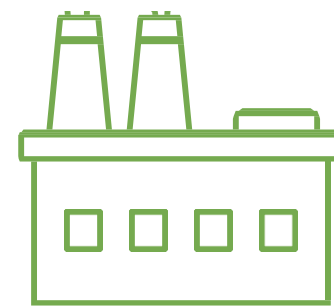
Ethanol is a natural, renewable fuel that is widely available in Brazil. In addition, during its growth, the sugar cane absorbs the carbon dioxide needed for photosynthesis from the atmosphere.

More than 8
million FlexOne
units produced
by Honda since
2009

Evolution of emission indicators

Direct and indirect greenhouse gas (GHG) emissions in tCO₂e • GRI 305-1; 305-2 •

In order to understand, quantify, and manage its emissions, Honda uses an international, standardized methodology called the GHG Protocol and participates annually in the Brazilian GHG Protocol Program by publishing the Greenhouse Gas Emissions Inventories of its units in Brazil (HDA and HAB).



Honda South America Emissions

	2021	2022
*Scope 1 (tCO ₂ e)	27,293.37 tCO ₂ e	27,718.18 tCO ₂ e
**Scope 2 (tCO ₂ e)	11,690.08 tCO ₂ e	10,520.35 tCO ₂ e
Total (tCO ₂ e)		

* Scope 1 direct GHG emissions consist of the sum of emissions from fuel consumption (diesel, gasoline, ethanol, natural gas, LPG) of the Honda South America units (HAB Sumaré, HAB Itirapina, HDA, HAR, HDP, HSP, HSF, HMDC) in the period from January 1, 2022 to December 31, 2022.

** Scope 2 direct GHG emissions consist of the sum of emissions from the consumption of electricity of the Honda South America units (HAB Sumaré, HAB Itirapina, HSF, HDA, HAR, HDP, HSP, HMDC) from January 1, 2022 to December 31, 2022.

When analyzing Honda South America's emissions, there is a slight increase in scope 1 emissions in 2022, due to greater production activity at all of the company's units, compared to 2021.

However, it is worth remembering that 2021 was still impacted by stoppages due to the COVID-19 pandemic and, therefore, brings a lower base for comparison. **The fuel consumptions that most contributed to the result were diesel, gasoline, and natural gas.**

With regard to scope 2, Honda units have been seeking to increase the share of renewable energies in their energy mix. Thus, they have implemented new alternatives, such as the purchase of I-RECs certificates and the purchase of energy from renewable sources on the free market.

As an example, in 2022 Honda da Argentina signed a partnership with the YPF company to supply the factory in Campana, Buenos Aires province, with renewable energy for a period of five years, which will cover 100% of its electricity demand.

YPF Luz will supply renewable energy from the Zonda solar park, located in the province of San Juan, which is under construction and will start operating in 2023. This agreement is in line with Honda's global goal of achieving zero carbon emissions for all products and corporate activities by 2050.

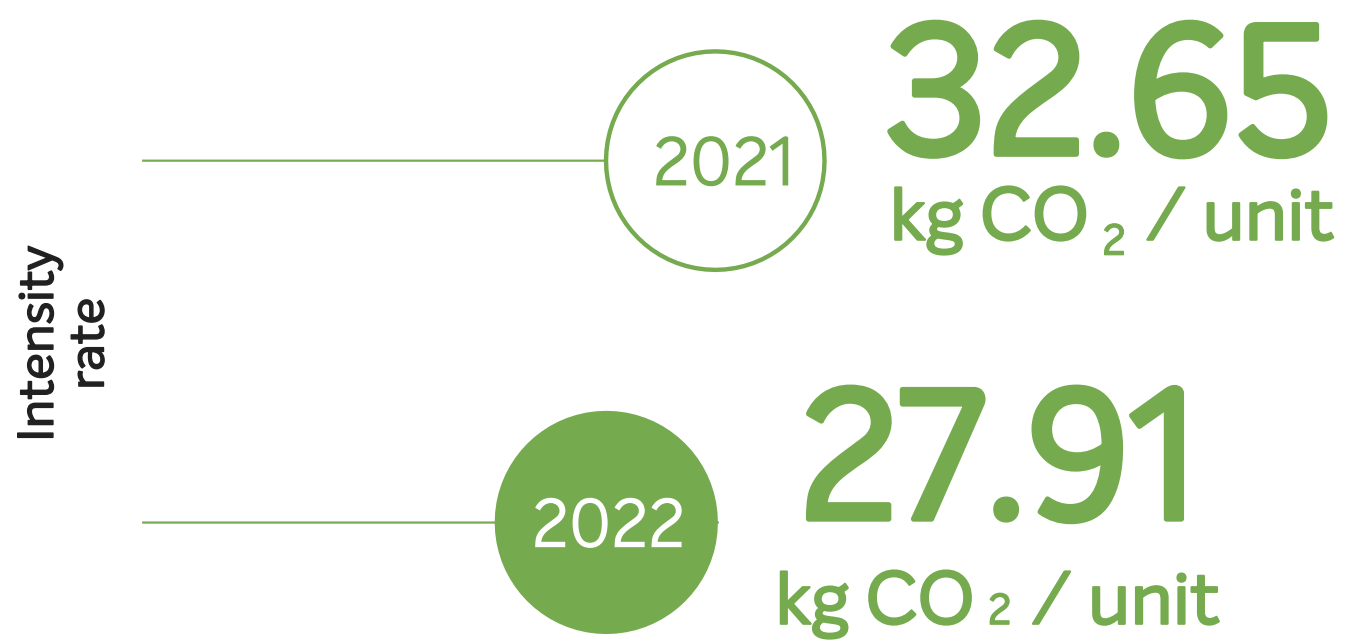
Programa Brasileiro
GHG Protocol

Honda uses the international GHG Protocol methodology adapted to the local reality for its plants in Brazil

GHG Emissions

Intensity of greenhouse gas (GHG) emissions • GRI 305-4 •

To calculate the intensity of the greenhouse gas emissions, the CO₂ emissions of Scopes 1 and 2 of the plants are added and the result is then divided by the number of units produced in the period from January 1, 2022 to December 31, 2022 in the Honda South America production plants (HAB Sumaré, HAB Itirapina, HDA, HAR, HSP). Honda South America is in line with the company's global policies and aims to be carbon neutral by 2050.



NOx, SOx and other significant atmospheric emissions

• GRI 305-7 •

In 2022, 1,500.79 tons of VOC (Volatile Organic Compound) were emitted. This is a decrease compared to 2021.

To estimate this amount emitted by Honda South America units, 65% of the total value of solvent-based products (paints, varnishes, primers, catalysts, solvents etc.) purchased during the period in question is taken into account.



In 2022, there was a decrease in VOC emissions due to the closure of solvent-based bodywork painting at the Honda Automóveis plant in Sumaré (SP), which closed at the end of 2021 and moved to the new plant in Itirapina (SP), which has a process that generates fewer VOC emissions.

Motorcycle production in Manaus has also reduced its VOC emissions compared to previous years by automating painting processes and shutting down painting lines with obsolete technology.

EMISSIONS VOLUME	2021	2022
NOx	(-)	(-)
SOx	(-)	(-)
Persistent organic pollutants (POP)	(-)	(-)
Volatile Organic Compounds (VOC)	2179.31 tons	1500.79 tons
Hazardous air pollutants (HAP)	(-)	(-)
Particulate matter (PM)	(-)	(-)
Other categories (if applicable)	(-)	(-)

Considering the units: HAB Sumaré, HAB Itirapina and HDA



Honda Energy Wind Farm

Honda in Brazil has spared no effort to meet the global target of achieving carbon neutrality in its products and corporate activities by 2050. The Honda Energy wind farm is a great example of this. The first of its kind in Brazil and by the Honda group in the world, the project was inaugurated in November 2014 and is located in the city of Xangri-Lá (RS).

The operation covers the entire electricity needs of the car factories in the countryside of the state of São Paulo and the administrative office in São Paulo (SP).

In November 2020, Honda expanded its venture, which now has ten turbines and an installed capacity of 31.7 megawatts (MW), an increase in generation capacity of around 11%.

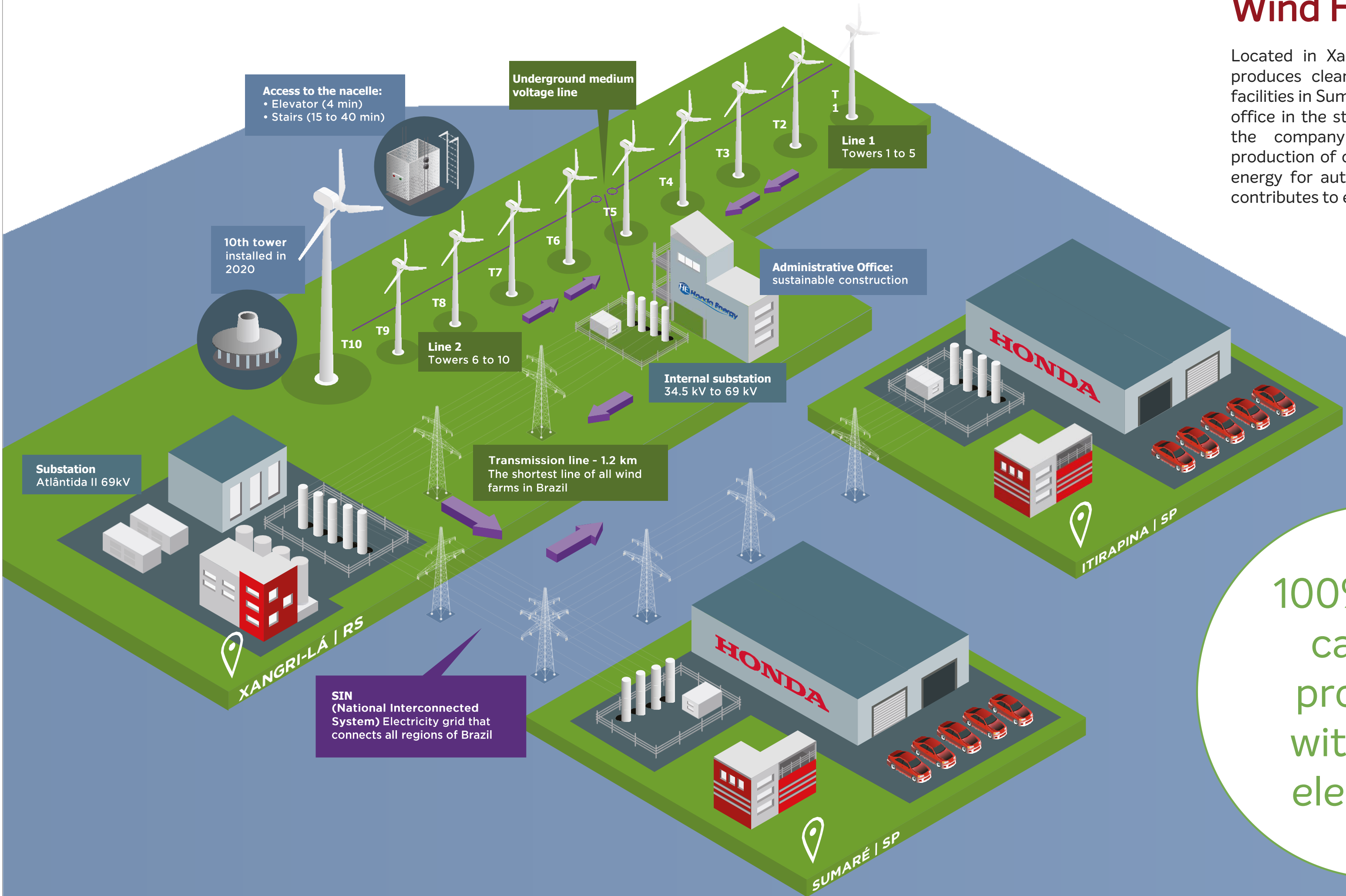
In 2022, the farm reached the milestone of 84,200 GWh of generated energy. The maximum annual power generation capacity of the farm is 94,000 Gwh. From inauguration in November 2014 to December 2022, the project has generated more than 630,000 MWh of clean electricity, enabling the sustainable production of more than 900,000 cars.

The project has generated more than **630,000 MWh of clean electricity**, enabling the sustainable production of more than **900,000 vehicles**.



Wind Farm

Located in Xangri-Lá (RS), the wind farm produces clean energy for the production facilities in Sumaré and Itirapina, as well as an office in the state of São Paulo. As a result, the company is self-sufficient in the production of clean and renewable electrical energy for automotive production and also contributes to environmental protection.



100% of the cars are produced with clean electricity

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Eco-efficiency of operations

• GRI 103-2, 103-3/302-1 •

Honda conducts regular assessments of its facilities, always prioritizing the use of natural light and other environmentally friendly resources.

Environmental indicators are monitored and analyzed monthly by the planning and environmental management areas of the plants and, in cases where consumption is found to deviate sharply from established targets, PDCA (Plan, Do, Check and Act) analyses are conducted to identify causes and establish preventive and corrective actions.

To ensure standardized reporting and analysis across Honda units, energy values are converted to gigajoules (GJ) using factors proposed by the GHG Protocol Tool and aligned with IPCC (Intergovernmental Panel on Climate Change) premises.

2022 saw higher overall renewable fuel consumption, driven by the company’s efforts to embrace renewable energy sources. Because of this, the total energy consumption was lower than in 2021. In 2022, Honda used 1,383,665.89 GJ of energy at Honda South America plants.



EMISSIONS VOLUME

	2021	2022
Total consumption of non-renewable fuels (GJ)	473262.12	478598.07
Total consumption of renewable fuels (GJ)	11607.78	13508.77
Electricity consumption (GJ)	902728.43	891559.05
Total energy consumption (GJ)	1387598.33	1383665.89

Considering the units: HDA, HAB Sumaré, HAB Itirapina, HAR, HSP, HDP, HMDC, MorumbiHSP

Energy Intensity Rate

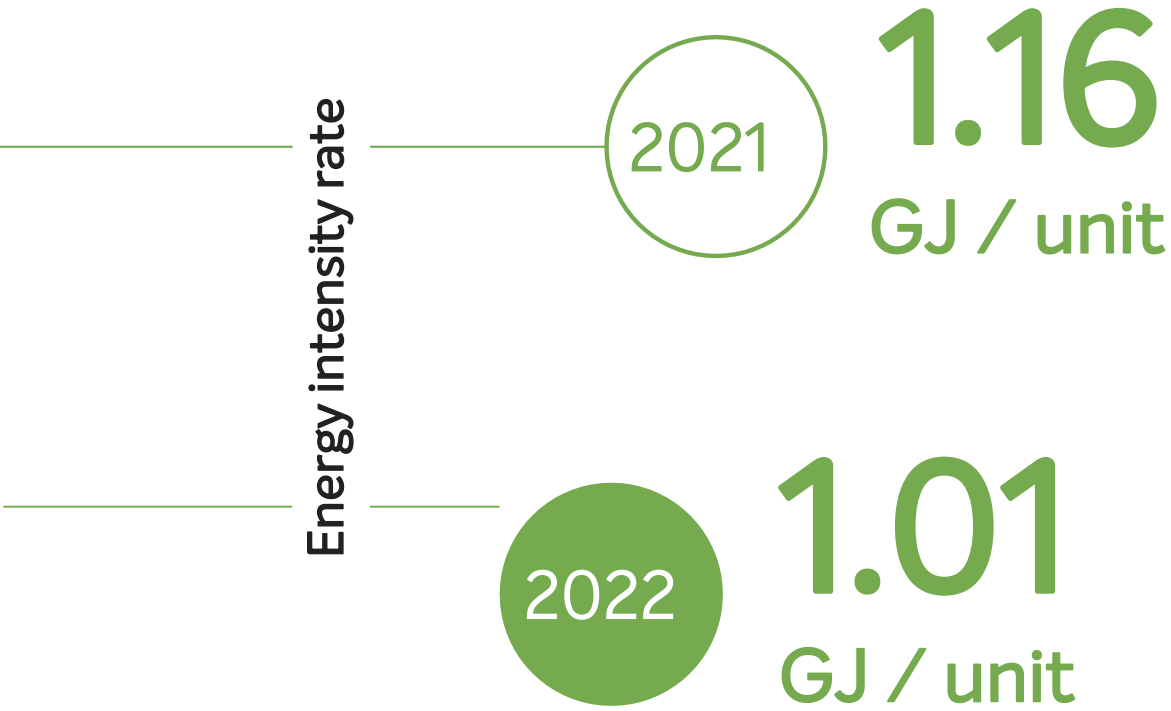
• GRI 302-3 •

The energy intensity rate recorded last year by Honda South America’s production units was 1.01 GJ/unit.

The calculation takes into account electricity and fuel consumption (diesel, gasoline, LPG, natural gas, and ethanol). For this indicator, the total consumption was divided by the number of cars, motorcycles, and tricycles produced in the period from January 1, 2022 to December 31, 2022 at Honda South America production plants (HAB Sumaré, HAB Itirapina, HDA, HAR, HSP).

Honda South America is in line with the company’s global policies and aims to be carbon neutral by 2050. Therefore, the goal is to reduce energy consumption per unit produced compared to the previous fiscal period.

Honda South America is in line with the company's global policies and aims to be carbon neutral by 2050



Considering the units: HAB Sumaré, HAB Itirapina, HDA, HAR, HSP

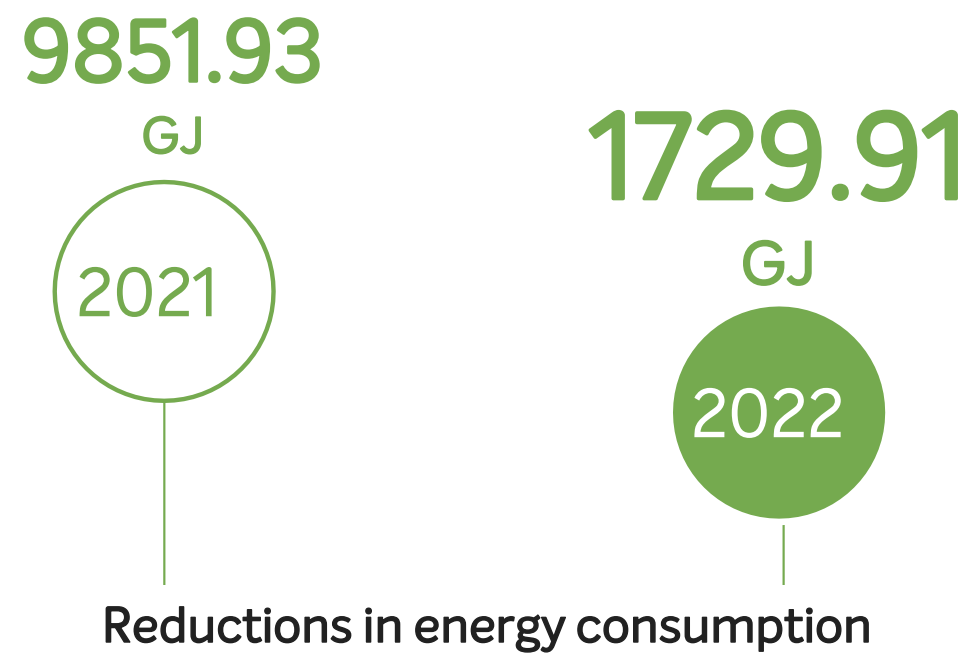
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Reduction in energy consumption • GRI 302-4 •

In 2022, there was a lower decrease in GJ compared to 2021, due to the decrease in projects executed.

Despite this result, other Honda units in South America have continued to implement projects that have improved their results, including replacing inefficient equipment with more efficient options, setting up environmental committees and awareness campaigns etc.

It is worth noting that due to the transfer of vehicle assembly from Honda Automóveis Sumaré to the Itirapina plant last year, no investments were made in major automotive energy reduction projects. Specific actions were carried out by the departments themselves (awareness campaigns, NHC, environmental award etc.).



Considering the units: Honda South America (HDA, HAR, HSP).

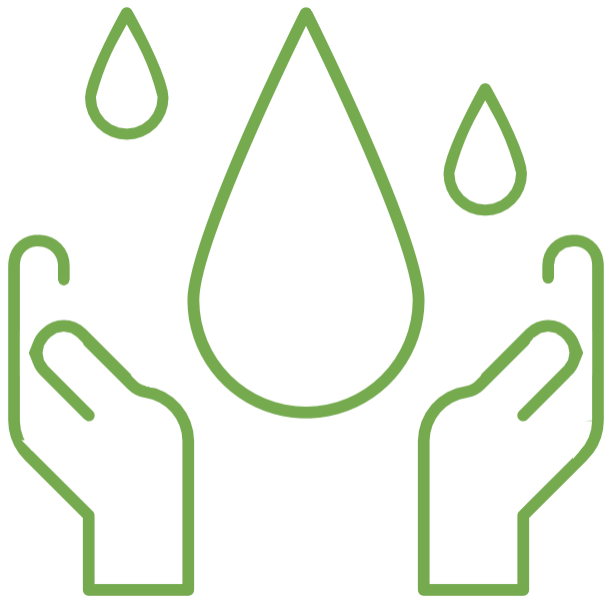
Rational use of water

• GRI 103-2, 103-3, 303-1 •

In order to establish a balanced relationship with the environment and the use of natural resources, **Honda maintains the best practices in the sector and follows all regulations applicable to its activities.**

With regard to water consumption, Honda units strive to optimize the use of this resource and implement the best wastewater treatment solutions.

Groundwater consumption increased significantly in 2022 due to increased production and, above all, due to the replacement of old and damaged hydrometers at the Manaus (AM) unit. This made it possible to measure the actual consumption of the unit, which was most responsible for the increase in the indicator. **The improvement of the units is crucial to make production processes more efficient**, since once measured it is possible to identify waste and formulate strategies to increasingly improve the production chain in line with the assumptions and long-term environmental strategies.



SOURCE

	2021 m³	2022 m³
Surface water	92417.50	44000.00
Groundwater	792132.24	1513003.58
Rainwater	-	-
Wastewater from another organization	-	-
Supply by public or private water utilities	6970.31	10151.31

Considering the units: HAB Sumaré, HAB Itirapina, HDA, HAR, HDP, HSP, HSF, HMDC

Honda's measures to protect sources and use water wisely

At its motorcycle plant in Manaus (AM), Honda uses rainwater in the toilets, saving an average of 800,000 liters/month, equivalent to the daily consumption of 230 people.

The company's sinks are equipped with automatic shut-off taps and water flow reducers that help reduce consumption by around 70%. In addition, the water produced during compressed air generation is collected in a cistern and reused to cool the production processes, resulting in savings of around 700,000 liters per year.



Moto Honda's Wastewater Treatment Plant in Manaus is considered one of the most modern in Latin America

Wastewater Treatment Plant (WWTP)

The Moto Honda da Amazônia Wastewater Treatment Plant (WWTP) is considered one of Honda's most modern plants in South America, treating 1,950 m³ of wastewater per day with a capacity of up to 2,500 m³/day.

After water has been used in production processes, dining areas, and toilets, it goes through a thorough purification process before being released back into the environment.

In this treatment process, the chemical elements of the water are separated

and then sent to the biological treatment tank, where they are combined with the activated sludge resulting from the treatment to remove organic pollutants.

Then, the water that has undergone the disinfection process is fed into the stabilization pond.

Part of the final treated wastewater is reused for garden irrigation, in industrial processes to clean parts, and to clean the plant; the other part is returned to nature, contributing to the preservation of the stream ecosystem.



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Waste management and recycling

• GRI 103-2, 103-3, 306; 306-2 •

Honda applies in all its operations the concept of 3Rs: Reduce, Reuse and Recycle. In this way, the company manages the waste arising from its activities and focuses its efforts on improving production processes by developing new technologies aimed at reduction, reuse and recycling.

Honda is a company committed to reducing and mitigating the impacts of its activities caused on the environment in which it is involved. All its plants in South America promote selective collection, develop projects aimed at reducing and eliminating waste generated by its activities, promote improvement in the management of waste generated in production processes, such as the application of the TWM concept (acronym for “Total Waste Management”) at HDA, as well as new ways to reuse them in its own activities. It is worth remembering that the HDA, HAB Sumaré and Itirapina plants are already zero landfill companies.



HAZARDOUS WASTE

	2021 WEIGHT (t)	2022 WEIGHT (t)
Recycling	588.66	680.77
Recovery	0	0
Incineration	2466.68	2854.32
Landfill	0	0
Other (specify) – incorporation	0	0
Other (specify) – co-processing	361.73	475.68

NON-HAZARDOUS WASTE

	2021 WEIGHT (t)	2022 WEIGHT (t)
Reuse	0	0
Recycling	38004.96	37304.13
Composting	129.73	206.76
Incineration	7758.61	9598.28
Landfill	873.50	669.26
Other (specify) – co-processing	2130.72	1168.58
Other (specify) – ultra filtration	0	0

TOTAL VOLUME 52,314.59

52957.77

Considering the units: HAB Sumaré, HAB Itirapina, HDA, HAR, HDP, HSP and HSF.

17.15 tons of organic fertilizer were produced in 2022 by Honda

Composting

Leftover food is not waste. It is possible to transform what was left in the dish into fertilizer, through the composting process.

This is what the **Honda Automóveis** plant in Sumaré has been doing since it opened its **Internal Composting Center**, reducing the emission of carbon dioxide in the logistics chain involved in the collection and disposal of more than 120 tons of this type of waste per year.

This is yet another initiative by Honda in favor of sustainability.

In 2022, around 17.15 tons of organic fertilizer were produced, which were used internally in the company's green areas.



Composting and cabotage are examples of more sustainable actions

Cabotage

In its logistical system, Moto Honda da Amazônia uses innovative modes of transport, in order to ensure timeliness, safety, economy and also sustainability in the distribution of motorcycles to dealerships.

In this sense, cabotage becomes one of the most important modes of transport, both in motorcycle distribution logistics and parts supply logistics.

In 2022, Moto Honda da Amazônia used the cabotage mode in the supply logistics. 3,555 containers of raw materials, parts, components and RACKS sent to the Manaus factory were used, resulting in a reduction of more than 7,455 TonCO₂ (compared to road transport).



Three springs are preserved in the Agricultural Project and another three in the Private Natural Heritage Reserve

Biodiversity • GRI 304-1 •

Private Natural Heritage Reserve (RPPN)

In order to contribute to the preservation of biodiversity in the Amazon region, Honda has undertaken to maintain, since 2006, a Private Natural Heritage Reserve (RPPN), located in the urban perimeter of Manaus (AM).

This conservation modality is part of a voluntary commitment to preserve nature and the balance of the local ecosystem through the protection of water resources, management of natural resources and maintenance of climate balances, among other environmental contributions.

Considered an urban forest fragment of secondary forest, located on the banks of the Igarapé do Mindu, the reserve maintained by Honda is home to a great biodiversity of Amazonian flora and fauna species in an extension of 16 hectares of forest, a space that is equivalent to 17 fields of soccer.

Around 140 forest tree species are preserved thanks to this initiative, including kapok, laurel, angelim, ucuúba, in addition to species of native animals, especially the Sauim de Coleira, an endangered species.



Agricultural Project

80 km from Manaus, in the municipality of Rio Preto da Eva, **Honda has a complete structure for testing the quality and durability of its motorcycles.**

In a harmonious way, the company also maintains a project for horticulture and reforestation of native species. About 80% of the land, equivalent to 802.38 hectares, is maintained as a legal reserve, a rural property to be maintained with native vegetation, where endangered species are cultivated, such as mahogany, rosewood, ipê and andiroba.

The Agricultural Project, launched in 2003, aims at planting fruit trees, such as coconut, pupunha, acerola, lemon, papaya and banana, in addition to lettuce and hydroponic arugula, which supply the plant's restaurants and entities that care for needy children and elderly people.

A large part of the fruits and vegetables grown are donated to social institutions, complementing people's healthy diet, such as Abrigo Moacir Alves, Casa Mamãe Margarida and the Grupo de Apoio à Criança com Câncer (GACC - Support Group for Children with Cancer). Since the start of the project in 2003, more than 143 tons of food have been donated.

Safety

Transit safety is an essential commitment for Honda, an indispensable condition for mobility. The brand's performance is directed in two main dimensions. Firstly, the company develops advanced and innovative technologies, improving the characteristics of its products, so that they are increasingly safe for customers. In the second pillar, there are educational and awareness actions, aimed at strengthening the safe behavior of the main transit agents.

Product safety Motorcycles

In the motorcycle segment, an important milestone was the implementation of CBS (Combined Brake System) or ABS (Anti Lock Brake System) brake technology on 100% of the motorcycles produced in the country.

CBS, an innovative technology developed by Honda, consists of a hydraulic/mechanical system that acts on the motorcycle's brakes to evenly distribute braking between the rear and front wheels, ensuring greater braking stability for the rider.

ABS is an electronic system that prevents the wheel from locking when braking hard and on low-grip surfaces.

Honda has been increasing the insertion of this technology in its product line. In addition to brake systems, Honda invests in the development of advanced technologies such as traction and stability controls, electronic suspension, assisted and sliding clutch, electronic accelerator, anti-wheelie system and traction control, in addition to connectivity and even airbags, that are implemented according to the strategy of each product.

Finally, the company is continuously working on its projects to improve the motorcycle's control parameters and the chassis/suspension set, which allow for safer cycling.



PCX 160 - introduction of the Honda Selectable Torque Control (HSTC) system

In the motorcycle segment, an important milestone in 2022 was the introduction of the Honda Selectable Torque Control (HSTC) system on the PCX 160 model. The system **controls wheel rotation through speed sensors, ensuring more safety for the biker** and is available in the ABS and DLX ABS versions of the model.

Proving its pioneering spirit in product safety, Honda is the first brand to offer this type of technology for low-displacement scooters.



Automobiles

In the automobile segment, Honda has been introducing Honda SENSING in Brazil, a package of advanced safety technologies and driver assistance, which is present in all imported and domestic* models of the brand as standard equipment.

Honda SENSING takes as reference images captured by a wide and long-distance vision camera, installed in the central and upper part of the windshield.

Honda SENSING
is present in the
entire Honda
line-up in Brazil

Check out the functions of Honda SENSING:

- **ACC** – Adaptive Cruise Control -- Helps the driver maintain a safe distance from the vehicle detected in front. It has Low Speed Follow, which allows you to maintain the distance from the vehicle in front even at low speeds;
- **CMBS** – Collision Mitigation Braking System – - Activates the brake when detecting a possible frontal collision, in order to mitigate accidents. It is capable of detecting and identifying pedestrians and vehicles traveling in the same or opposite direction. Bicycles and motorcycles can also be detected by the camera;
- **LKAS** – Lane Keeping Assist System -- Detects the lanes and adjusts the direction in order to help the driver to keep the vehicle centered on the marking lines;
- **RDM** – Lane avoidance mitigation system – Detects lane departure and adjusts the direction in order to avoid accidents;
- **AHB** – Automatic Headlight Adjustment -- Automatic nighttime switching of low and high beams according to the situation.



* on New City and New City Hatchback models, Honda SENSING is available as standard on Touring models.

Safe transit

Honda Transit Educational Center – (CETH)

Honda believes that education, combined with product technology, is the key to an accident-free future. Thus, the company promotes transit safety activities in all the continents where it operates, carrying out actions according to the characteristics and transit situations of each country.

In Brazil, there are three units of the Honda Transit Educational Center (CETH), located in Indaiatuba (SP), Recife (PE) and Manaus (AM), which offer practical and theoretical classes aimed at disseminating transit safety concepts and safe motorcycle riding.

The project is also carried out at CETH units located in Argentina and Peru.

The Honda Transit Educational Centers offer training, free of charge, to fleet owners from public and private companies, including the Military Police, Army, Firefighters, among others.

At CETHs, theoretical training is carried out in a classroom and offers bikers important information about riding in the most varied transit situations. Afterwards, the students put into practice, on the roads of the units, what they had learned in the classroom.

To multiply training, the company also has the support of the network of dealerships across the country. In the units, instructors trained by the CETHs, take the concepts and techniques to bikers from all regions. There is also the Mobile Riding Unit that supports the initiatives carried out by the dealerships.

In 2022, the Honda Transit Educational Centers resumed face-to-face activities after the period of social isolation imposed by the covid-19 pandemic in 2020 and 2021. Last year, more than 2,500 people were trained in practical courses on safe riding and more than 14,000 people participated in CETH lectures. In addition, on social networks, more than 20 million people were impacted with relevant publications on the subject. Among them, the “Ambassador in Command” web series stands out, in which brand ambassadors give tips on safe riding.

Since the start of the initiative, in 1998, more than 430,000 people have been impacted by CETHs’ activities.



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Honda Clubhouse

Transit Educational Centers also offer education-oriented activities for children. This is the “Clubinho Honda – Trânsito Amigo” project, existing since 1992 to promote playful activities that invite children aged 4 to 7 to learn about transit safety, in a light and fun way.

The CETHs also have the Cidade Mirim of Honda Clubhouse on their premises. The space, open to children from public and private schools, reproduces a city with the intention of teaching transit education concepts.

On site, a mini city is simulated, with elements such as crosswalks, transit lights, signs and electric mini vehicles so that children can learn the main transit rules.

In 2022, in a gradual resumption of in-person activities and following health and safety protocols, Honda Clubhouse began to serve children in public and private schools, increasing the reach of participants in relation to road safety concepts, through a children’s movie and ludic activities, which portray the topic. 211 actions were carried out and more than 41 thousand children were impacted.



41,000 children participated in Honda Clubhouse actions in 2022

PARTNERSHIPS FOR SAFER TRAFFIC

In line with its ongoing actions aimed at safer mobility, Honda entered into partnerships in 2022 with public agencies and entities related to transit management, in order to expand the dissemination of transit safety concepts.

FEBRUARY 2022: Signing of a cooperation agreement with the Manaus Municipal Department of Education (SEMED), aimed at carrying out educational activities in favor of safer transit. The actions impacted around 6,000 students, aged between 4 and 10, who attend the municipal education network in Manaus (AM). In addition to classes and lectures, ludic educational activities were developed, with the support of videos and teaching materials, which allowed the creation of a dynamic and engaging learning environment for children. Concepts such as citizenship, safety and harmonious coexistence were transmitted by professionals from the Amazonian unit of the Honda Transit Educational Center (CETH).



MAY 2022: in Yellow May, the month in which awareness for safer transit intensifies, Honda started Safe Riding training for motorcycle freight drivers, in partnership with the São Paulo State Transit Department. The initiative is the result of a commitment signed between the brand and a public body and improved riding techniques for 400 professionals who use motorcycles for their daily work. Participants were selected through the Safe Freight Driver Program, an initiative by the Government of São Paulo and Detran SP that offers training to create a protection network for the category and contribute to the safety of those who exercise this activity. Of the total number of registered professionals, half received training during 2022, and the rest will receive it in 2023.

Honda enters into partnerships with public bodies and entities related to transit management, in order to expand the dissemination of transit safety concepts.

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JUNE 2022: partnership with the City Hall of Indaiatuba, through the Municipal Department of Education, with the aim of disseminating the topic of transit education for children in the municipal school system. The initiative involves more than 15,000 students from Municipal Schools, who receive information about transit and participate in educational dynamics, with the support of videos, personalized teaching materials and theatrical performance, contributing to learning in a dynamic and engaging environment. In addition to face-to-face activities in schools, run by Honda, complementary actions are also carried out so that children can visit the Cidade Mirim do Honda Clubhouse, at the Honda Transit Educational Center (CETH), located in the city. The space reproduces a city, with elements such as crosswalks, transit lights, road signs and mini-vehicles so that children can learn the main transit rules.



More than
15,000
students
from
Municipal
Schools
receive
information
on safe
transit



SEPTEMBER 2022: partnership with Detran Pernambuco to offer Safe Riding training to freight drivers, motorcycle taxi drivers and instructors at the Driver Training Centers (CFC) in the region. The course was taught by brand professionals at the headquarters of the Honda Transit Educational Center (CETH), in the capital of Pernambuco. Participants were able to improve their riding techniques and enjoy the full potential of motorcycles, with safer conduct in transit. The selection of bikers for training was carried out through the Associations of Motorcycle Taxi Drivers, Freight Drivers and Instructors of the Driver Training Centers in the city of Pernambuco.

Recall

Respect for the individual is one of the principles that govern Honda’s operations around the world.

Based on this, the company carries out its recall campaigns throughout the country, free of charge and with the support of its solid network of dealerships. **The company seeks to summon customers for repairs with transparency and agility.**

Mega recall of Takata airbags

Takata’s airbag recall is the largest in the history of the automotive industry in Brazil.

Since July 2010, Honda has been calling on its customers to repair the defective Takata airbag inflator and, as of the closing of this report, has carried out 16 recall campaigns for Takata airbag inflators in automobiles and 2 campaigns for the GoldWing motorcycle. • [GRI 103-3/416, 416-1](#) •

Considering the campaigns announced until December 2022, there are 906,267 vehicles in need of a recall, with the possibility of replacing the driver and/or passenger side inflators, we have a total of 1,611,187 Takata inflators to be replaced.

As of December 2022, 1,315,527 Takata airbag inflators have already been repaired, in addition we have 35,430 inflators in vehicles already scrapped or out of circulation, totaling a service rate of 83.8%.

During this period, Honda has a record of 58 confirmed cases of abnormal rupture of the Takata airbag inflator, providing full support to customers.

Honda has adopted a series of measures to expand communication with all owners whose vehicles have pending recalls and create awareness about the urgency of repairs.

It is common for cars to change owners over time, but new owners do not always return to dealerships to carry out revisions and/or periodic repairs, making it difficult to update data in Honda’s records. In this sense, Honda spares no efforts to reach these customers, through campaigns and actions, such as advertising items aimed at this consumer profile, stickers on Genuine Parts packaging, letters with personalized messages, among other initiatives.

Aware of the seriousness of the Takata airbag inflator recall, Honda is committed to initiatives to accelerate the campaign’s service rate, acting in full compliance with current law.

On a recurring basis, the company has carried out the following actions:

- Digital media campaigns;
- Availability of videos with real testimonials from affected customers on the brand website [www.honda.com.br/recall](#)
- Partnership with SENATRAN for sending letters to customers and notification via the Carteira Digital de Trânsito application, reminding them of the need to carry out the recall;

- Active and receptive Call Center for appointments and doubts;

- Sending e-mails and SMS to customers registered in the company’s database, using the myHonda CRM tool;

- Disclosure of communication items in box trucks.

In addition, Honda carried out other specific disclosure actions, such as:

- Agreement with the DETRANS of São Paulo and Paraná, in addition to partnerships with insurance companies and automatic toll collection companies, among others, to locate the owners of the affected vehicles;

- National broadcasting of an exclusive video on free-to-air TV to alert customers;

- Partnership with influencers specialized in the automotive sector with the aim of transmitting relevant information about the need for airbag repair;

- Partnerships with vehicle dealership sites to expose media items alerting visitors to the recall, as well as warnings to advertisers of Honda vehicles;

- Delivery of leaflets at tollbooths, mall parking lots and gas stations.

Quality

First, customer satisfaction

Offering the highest quality products at a fair price to exceed customer expectations is a fundamental principle that governs Honda's operations worldwide. This commitment can be seen in the words of the founder, Soichiro Honda, who stressed that "100% quality is not acceptable. Our efforts are applied to reach 120%."

The total quality concept adopted by the brand incorporates all dimensions of the business. Honda believes that the final product will only offer differentiated value to the customer if the entire operation is guided by the same principle, from design, development, supply chain management, production, sales, after-sales and administration. Thus, the concept of total quality is also extended to the entire chain, including suppliers of parts and raw materials, dealerships and other partners.

The focus on customer satisfaction through the differentiated quality of products and services is one of the main competitive differentials that sustain the value of the Honda brand in the long term.

Efforts applied to achieve 120% quality



Product quality recognized by the customer

Customer satisfaction with products sold in Brazil is a key indicator for evaluating the company's quality and performance.

Honda continually invests in surveys that allow it to identify the degree of customer satisfaction in relation to the brand's products and services, directing initiatives aimed at continuous improvement and the development of new solutions.

Likewise, Honda is attentive to surveys, assessments and awards conducted by third parties that allow the company to obtain recognition of its strengths and improvement points.



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AWARDS

Honda Automóveis do Brasil

In 2022, Honda Automóveis won important awards in the sector, including:



• Car of the Year

Promoted by Autoesporte magazine, the Car of the Year award enshrined the New HR-V model as the big winner of the Car of the Year 2023, one of the main awards in the industry and which includes cars that cost up to BRL 150,000.



• Best Purchase

The New City Sedan EXL CVT won first place in the Best Purchase award, organized by Quatro Rodas magazine. The model was featured in two categories: “cars up to BRL120,000” and “cars up to BRL150,000”.



• UOL Carros

The UOL Carros award, promoted by the UOL portal, awarded first place to the New City Hatchback and New City models, in the “Hatch” and “Sedan” categories, respectively. The jury was made up of 22 journalists and digital influencers specialized in the automotive sector, who pointed out the models that stood out the most in 13 categories.



Honda Motos

Among the national two-wheel segment awards, Honda Motos was featured in:

• Motorcycle of the Year Award

Promoted by the magazine Duas Rodas, the Moto of the Year award elects the best motorcycles in terms of Engine, Brakes, Suspension, Agility, Comfort, Design and Cost-Benefit, through the voting of journalists specialized in the two-wheel segment. The motorcycle elected with the highest score among all participants is considered the “Motorcycle of the Year”. In the 2022 edition of the award, Honda Motos was the winner in two categories: Scooter, with the X-ADV model; and in the Naked category, with the model CB 1000R Black Edition.



• Mobility Award

Promoted by the newspaper Estadão, the Mobility award enshrined the Honda PCX 160 in the Best Scooter of 2022 category, in a year in which the model went through its most important evolution, gaining a new engine of 160 cc, new design, in addition to control of traction, an unprecedented item among models in the same category. The award jury was made up of a robust team of experts, selected by the editorial teams of Mobilidade Estadão, Jornal do Carro and MotoMotor.

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Quality management system

Honda has a global quality management system, the G-HQS, established in April 2005, consisting of a set of fundamental standards that support quality assurance and improvement activities in all operations of the Honda group. The system aims to ensure quality not only in production activities, but also in other areas of the company.

Through the G-HQS, Honda clearly defines roles and responsibilities, standards and indicators for development areas; manufacturing; services; purchasing and engineering to continually improve process and product quality.

The G-HQS systematizes the knowledge acquired by Honda, independently, in the manufacturing of quality products and in the prevention of potential problems. In addition to its own system, Honda also complies with ISO certification standards. Currently, four Honda facilities in South America have ISO 9001 certification (Moto Honda da Amazônia, Honda Automóveis Sumaré and Itirapina and Honda da Argentina).



Honda has a global quality management system

Honda Quality Cycle



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Research & Development

For Honda, investing in research and development is essential for the innovation process.

In this sense, the Research and Development Center, located at the Automobile plant in Sumaré (SP), is strongly involved in initiatives to increase the nationalization rate of components, in technologies that are less harmful to the environment and adapted to the specific demands of countries in the region.

With state-of-the-art laboratories and technical equipment, the Center is now one of Honda's main development centers outside the Japan-United States axis.

Within this same strategy, the Center for Development and Technology (CDT), located at the plant in Manaus (AM), works as a multidisciplinary technological center and has the mission of strengthening research and creating solutions for the needs of the South American market.

The plant has a product evaluation infrastructure, as well as a proving ground that simulates the most varied conditions of motorcycle use, engine test laboratories, gas emissions and durability.

In both segments, resources and technical competence for research and development in Brazil, added to global knowledge in the areas of innovation, technology, energy management, robotics and artificial intelligence, guarantee Honda to lead the way in mobility.

The research and development area is also fundamental to guarantee the quality of the products, creating designs and projects that limit the variability of the manufacturing process.

Honda's engineers have access to a broad base of accumulated knowledge about procedures and techniques that help to avoid quality issues in joint development with suppliers and in production.



With state-of-the-art laboratories and technical equipment, the Center is now one of Honda's main development centers outside the Japan-United States axis.

Supplier Management • GRI102-9 •

Honda South America seeks to work with suppliers recognized not only for their service capacity and quality of products and services, but also for their ethical behavior in the social and environmental spheres.

Thus, to be part of the company's supplier team, all companies undergo a selection process carried out in accordance with the global guidelines defined by the headquarters in Japan.

Honda's partner selection and management standard is defined by the QCDMEFS methodology (Quality, Cost, Delivery, Management, Environment, Finance and Safety).

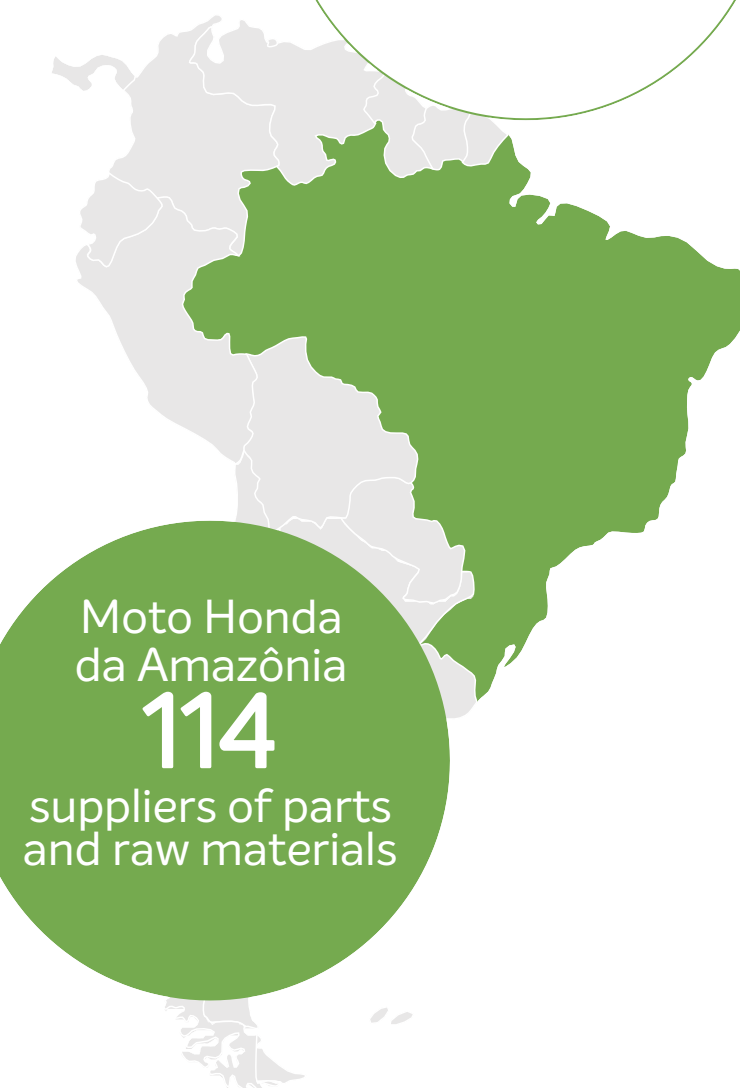
Focusing on these dimensions, indicators and processes are established for the development and monitoring of suppliers, such as specifications for quality, efficiency, service, environmental management, human resources management, among others.

NUMBER OF SUPPLIERS

(Base Dec 31) • GRI102-10 •

The increase in Honda Automóveis do Brasil's supplier base compared to the previous year is due to the introduction of the New HR-V model, launched in 2022.

Honda Automóveis do Brasil
153
suppliers of parts and raw materials



Moto Honda da Amazônia
114
suppliers of parts and raw materials



NHC-S – New Honda Circle Suppliers

Every year, Honda promotes a development program called NHC (New Honda Circle). Within it, associates from all areas and plants are invited to create working groups dedicated to identifying opportunities, developing and implementing innovation projects and improvements in processes and the work environment as a whole. Learn more on [page 79](#).

To encourage suppliers and engage them in its philosophy, Honda developed the New Honda

Circle Suppliers (NHC-S), which aims to encourage them to act within the concept of continuous improvement.

At Honda Automóveis do Brasil, the NHC-S was resumed in 2022 after two years of suspension due to the pandemic (program not carried out in 2020 and 2021). When it resumed, the initiative involved the participation of 47 suppliers. Of these, 10 companies were finalists and participated in the award ceremony held in August 2022. The three winning companies were: first, Denso; second Panasonic; and in third place Scorpions.

At Moto Honda da Amazônia, the program was also resumed in 2022 in a face-to-face format with the participation of 65 companies, which worked on various topics of quality improvement and increased efficiency with average gains of up to 20% in production processes.

In addition, continuing the Sustainability Program, the Manaus plant participated in the charity campaign “Banho Solidário” which, in partnership with suppliers and business partners, provided a total of 12,940 baths and hygiene products for the homeless population of Manaus and São Paulo. In addition, virtual seminars related to the topic were also held.

New Honda Circle Suppliers – NHC–S Environmental

Honda also annually applies the New Honda Circle Suppliers – NHC–S Environmental program, whose goal is to encourage its suppliers to eliminate energy waste. Thus, partners are encouraged to improve the energy efficiency of their machines and equipment, reducing energy consumption and, consequently, CO₂ emissions.

In 2022, Honda Automóveis do Brasil had the participation of 21 suppliers who, together, stopped emitting 12,551 tons of CO₂ into the atmosphere through continuous improvement actions.

The Manaus plant delivered the 2022 Sustainability Grand Prize, which included the participation of 36 companies focused on reducing greenhouse gas emissions, reducing energy consumption and social inclusion, based on the 17 goals of UN sustainable development – SDGs.



Quality in the production process

Honda's production processes are developed using modern manufacturing technologies, which provide parts and components with a high quality standard. In addition, rigorous intermediate inspections are applied, using high standards, to further enhance product quality, always focusing on the customer.

In 2022, more than 12,000 tons of CO₂ were avoided thanks to Honda Automóveis Environmental NHCs

Market Quality Center

Honda established an area, the Market Quality Center (MQC), to manage information about the quality of the product offered to the market.

The MQC aims to improve issue prevention, as well as quickly detect and solve occurrences. The area gathers information related to the quality of products from dealerships throughout Brazil and through the service department of customer relationship centers.

This information is shared with the areas of research and development, production and supplier management for technical evaluations that allow the identification of causes and implementation of countermeasures.

Relationship with customers

Honda aims to provide customers with positive experiences over time, at all points of contact with the brand. In this way, a relationship history is created that enables the customer to recognize the value of the brand, its qualities and differentials.

In this mission, one of the main pillars of Honda in Brazil is its extensive network of dealerships, comprising 207 points of sale and service for automobiles and more than 1,100 for motorcycles.

The dealership network is a key partner that shares the same customer-oriented culture, offering custom service from the first contact, product testing, negotiation for sale, service provision and implementation of communication and relationship strategies.

The management of the dealerships is closely monitored by Honda's consulting teams, through constant updates, providing both remote and face-to-face consulting, discussing and guiding the best joint actions with the network, based on satisfaction surveys about service, products and services offered.

In 2022, 153,970 customers were heard and were able to express their opinions, through surveys by the After-Sales area, contributing to the company's continuous improvement processes.

The training of associates in the dealership network is another essential factor in ensuring positive experiences for customers. In 2022, Honda applied more than 188,000 hours of technical and behavioral training, both remotely and in person, to service and parts associates in the network.



In 2022, more than

153,970
customers were heard
and were able to express their
opinions



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BEST QUALITY PROGRAM

The Best Quality program reached its 15th edition in 2022. The brand’s initiative is aimed at training technicians, consultants and service and parts managers at its network of motorcycle and car dealerships. In addition to training, the Best Quality Program seeks to engage and motivate thousands of professionals in the Dealership Network to improve their professional performance with focus and dedication to customer satisfaction.

In the first phase of the program, which had more than 6,000 participants and was held between April and November 2022, professionals had access to a gamified learning platform with training, history of circulars and technical bulletins, in addition to other specific activities to their areas of activity.

The best placed in the ranking in each category (technician, service consultant, parts consultant and manager) in the motorcycle and car segments proceeded to the face-to-face stage, which took place at the Training Center, in Sumaré, in the countryside of São Paulo, in February 2023.

After the selection, in addition to the winners of each category, five representatives of the technical categories will go to the world competition, which will take place in Japan in October 2023.

The final assessment, which brought together 66 finalists, consisted of practical diagnostic tests on vehicles, simulations of care, as well as a written test of knowledge and psychological analysis. Several criteria are evaluated, such as adhesion to Honda’s service methodology and culture, correct use of tools and manuals, case resolution, test time and, above all, service to the brand’s customers.

Since its launch in 2007, the program has already registered the participation of more than 123,000 associates from the dealership network throughout South America, which demonstrates the brand’s commitment to ensuring the high quality of its After-Sales service.



Honda acts in compliance with the policies and legal requirements in its marketing communication

Marketing Communication •GRI 417-3•

Marketing is an area focused on generating value about the product, service or the brand of a business.

It is an important method of communication between organizations and customers and is subject to laws, codes and regulations.

An organization is expected to use fair and responsible practices in its business and in its relationships with customers.

Fair and responsible marketing avoids any misleading, false or discriminatory claims.

Thus, Honda acts in accordance with the policies and legal requirements.

In 2022, no cases of non-compliance with laws and/or voluntary codes were identified.

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Digital Relationship

Thanks to a strong communication strategy through digital channels and its own CRM platform, called “myHonda”, the company and its entire network of dealerships maintain a relationship with customers, over time, throughout the country, on the most diverse demands.

Online communication is guaranteed not only for current customers, who already have a history of relationship with the brand, but also for those who wish to purchase a Honda product or service for the first time.

By being part of myHonda, customers and fans of the brand have access to content of interest, opportunities and special conditions, information on products and services. In this way, Honda guarantees excellence in customer service also in the digital environment.



After-sales portal

With the aim of extending the brand’s excellence to the digital environment, bringing more information to users in an easy and transparent way, since 2019, Honda customers have had new tools and functionalities on the after-sales website, such as consultation and scheduling of overhauls and frequency indicated for the exchange of parts and components (www.honda.com.br/pos-venda/automoveis).

In addition, customers can check service and parts values, in addition to scheduling services, in the comfort of their homes.

Social Media

In order to maintain yet another important communication channel with the public, Honda is also present on social media, offering customer service and varied content about its products and services.

The pages also present topics that constitute the pillars of the brand, such as transit safety, environment, motor sports, among others. In all its official channels, Honda accumulates approximately 11 million and 500 thousand followers in Brazil.



www.facebook.com/HondaBR
www.facebook.com/hondaautomoveis
www.facebook.com/HondaMotosBr
www.facebook.com/hondaracingbrasil
www.facebook.com/ConsortioNacionalHonda
www.facebook.com/bancohondaoficial



www.linkedin.com/company/honda-brasil



www.tiktok.com/@consorciohonda
www.tiktok.com/@hondaautosbr



www.instagram.com/hondaautosbr
www.instagram.com/hondamotosbr
www.instagram.com/consorciohonda
www.instagram.com/hondamotoresemaquinasbr
www.instagram.com/hondaracingbr
www.instagram.com/hondaredrider



www.youtube.com/HondaMotosBrasil
www.youtube.com/hondabr
www.youtube.com/HondaInstitucional

In order to promote a healthy environment for sharing ideas and opinions on social media, Honda created the Term of Use for Social Media, which is available on its website and is visible to all users. The content brings guidelines that show the policies adopted by Honda in its work in the digital environment, increasing the governance pillar. Log in and check it out: <https://www.honda.com.br/redes-sociais/termos-de-uso>

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People

Honda believes in the Power of Dreams as a driving force to face challenges and undertake great achievements.

Thus, the company seeks to maintain an innovative work environment, capable of creating unique values for society and customers, where each employee can enjoy the true joy of creating, discussed [on page 7](#) of this report.

The Human Resources policy is supported by the fundamental belief of respect for the individual, which must be understood through three pillars:

- Valuing the initiative of each employee to realize ideas and aspirations;
- Equality so that people are treated fairly, with equal chances;
- The fundamental trust for the establishment of lasting relationships and for the formation of work teams.

It is based on this philosophy that Honda incorporated, in 2022, the Diversity theme into its materiality matrix (more information [on page 13](#)), under the material topic “People Management and Diversity”, discussed later in this chapter.



General Data

• GRI 102-8, 103-2, 103-3/402 •

Honda South America ended the year 2022 with 11,515 people in its permanent staff and 606 non-permanent. Each of these associates was able to share in this work environment, based on respect for human beings and which encourages achievement and professional development in the long term, in addition to receiving remuneration in line with the best practices in the market. With this philosophy, Honda manages its human capital and creates a corporate culture that provides a sustainable competitive advantage in the long term.

BY
REGION

2021

North/Northeast – Brazil:
Temporary: 488
Permanent: 6,636

South/Southeast – Brazil:
Temporary: 0
Permanent: 3,699

Argentina:
Temporary: 54
Permanent: 515

Chile:
Temporary: 12
Permanent: 79

Peru:
Temporary: 125
Permanent: 143

2022

North/Northeast – Brazil:
Temporary: 523
Permanent: 6,922

South/Southeast – Brazil:
Temporary: 40
Permanent: 3,515

Argentina:
Temporary: 08
Permanent: 678

Chile:
Temporary: 05
Permanent: 81

Peru:
Temporary: 30
Permanent: 319

Total number of
associates per
employment contract
(permanent and temporary)

BY
GENDER



2021

Temporary: 605
Permanent: 9,669

Temporary: 74
Permanent: 1,534

Total number of associates er
employment contract
(permanent and temporary)

2022

Temporary: 526
Permanent: 9,981

Temporary: 80
Permanent: 1,513

2021

Full-time: 10,215
Part-time: 59

Full-time: 1,412
Part-time
período: 65

Total number of associates by
type of job
(full-time and part-time)

2022

Full-time: 10,394
Part-time
period: 113

Full-time: 1,513
Part-time
period: 101

Diversity and Inclusion • GRI 405-1 •

Honda understands the topic of Diversity and Inclusion as of paramount importance for society, as greater equality promotes social stability and supports economic development, in addition to contributing to the company having access to a broader and more diversified view of the issues that surround it. **The topic became a material topic of the company in 2022.**

Honda's look at Diversity

Diversity in the workplace refers to the plurality of characteristics among associates. It encompasses respect and acceptance of people through the recognition of differences and the uniqueness of each one, and may refer to gender, race, ethnicity, nationality, age, sexual orientation, disability, physical characteristic, religious belief, political perspective, social status among others.

An environment based on diversity tends to be more stimulating and flexible, which, added to the power of dreams, teamwork and the initiative of each employee, favors innovation and creativity.

Honda incorporates the principles of Diversity in its values, mainly based on the concept of Respect for the individual, present in the Honda Philosophy. It is believed that each person is unique and has its own characteristics in the way of thinking, creating and dreaming and that this singularity must be respected.

This concept is based on three others: Initiative, Equality and Trust. Through them, there is an incentive not to limit oneself to preconceived ideas, recognize and respect individual differences, treat everyone fairly and offer equal opportunities to all.

This ensures a stimulating, productive and positive environment, where everyone can contribute equally to the company's success and be recognized for their efforts.

How Honda is committed to the topic

Honda is committed to playing an active role in reviewing its operations and decisions, in order to promote diversity and support equal opportunities, in order to propagate an inclusive culture throughout the company. **These principles apply equally to the recruitment of people, career advancement opportunities and compensation policies.**

Respect for the Individual is the foundation of the Honda philosophy



Diversity and Inclusion Actions

Honda has several Diversity and Inclusion actions. Among them:

1 – Creation of the Diversity Program at Honda South America

Honda values the practice of actions aimed at diversity and, therefore, created the Diversity Program, which contains an action plan to:

- Recognize differences as a source of strengthening human potential, generating value for the organization and society;
- Promoting mutual respect and equal opportunities through awareness actions, aiming at the effective application of the Honda Philosophy of Respect for the Individual;
- Ensure the promotion of the principle of equal opportunities in the areas of Recruitment and Selection, Employee Development and Career Management.

2 – Monitoring goals and indicators to increase Gender Equity in leadership positions

- The percentage of women in Leadership Positions at Honda South America currently stands at 12.5%;
- The percentage of women on the *shortlist of selection processes is also monitored;
- Quarterly follow-up with the company's board regarding diversity goals;
- Increase in hiring of Young Talent Programs, which resulted in more gender and racial diversity in the trainee groups in the last two years.

There is a long way to go towards gender equality, since, historically, the automotive sector is predominantly male.

3 – Awareness and training actions

Honda has been conducting, more intensively since 2021, training on the subject for the company's leadership, including courses:

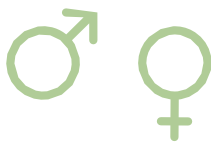
- Training on Inclusive Leadership, Diversity and Inclusion and Unconscious Biases for Senior Leadership (boards, vice-presidencies and presidency);
- Unconscious Biases Training for Human Resources (HR) leaders and ESG general management;
- Training of HR and Labor Relations teams in Diversity and Inclusion.

In 2022, a moment was held to raise awareness and clarify doubts about Diversity and Inclusion in the training of new company managers.

In addition, in the last year Honda began the deployment of Diversity and Inclusion and Unconscious Biases Training for all levels of leadership (general management, management, supervision and leadership) of the entire organization. According to the Human Resources plan, 100% of the leadership will be trained on the subject in 2023.

* Professionals in leadership positions are considered to be those who exercise management and trust functions.

DIVERSITY AND INCLUSION



FUNCTIONAL CATEGORY	2021		2022	
	MALE	WOMEN	MALE	WOMEN
Directors	18	0	18	0
Managers and General Managers	164	13	176	14
Supervisors	329	49	330	61
Associates – Administrative	1872	661	1996	716
Associates – Plant	7392	698	7427	733

* Shortlist: selection in steps, considering the list of applicants considered for interviews

Employee Well-being and Safety Occupational Health and Safety

• GRI 103-2, 103-3/403, 403-2 •

“Without safety there is no production.” Honda Founder Soichiro’s phrase is still alive today and can be seen on posters around the plants and heard in the company’s corridors. When it comes to preserving the health and safety of employees and third parties, Honda not only complies with current laws and the regulations of the sectors in which it operates, but also makes constant investments in actions aimed at increasing safety and promoting associates health.

Management of the Health and Safety area supports the company’s strategic plan.

In addition, all professionals at Honda are committed to accident prevention, with top management playing an important role in this process, supporting initiatives and providing resources for creation and implementation of preventive programs.

Accident and incident free environment

In order to anticipate possible risks and impacts that may be generated in its operations, the company uses methodologies and tools to map all existing activities. For each of the mapped situations, there are preventive procedures and solutions, which include making professionals aware of the importance of thinking and acting, always considering everyone’s safety in the first place. **Honda’s goal is to achieve “zero accidents” in all production plants.**

Honda is always looking for new tools and technologies to convey safety information to all generations. An example of this commitment is the “daily safety pill” in which, right at the start of the working day and before starting production, associates receive instructions related to the safety of their activity.

Workplace Safety
Suggestions increase
associates risk perception
and encourages accident
prevention

In recent years, the rate of frequency and severity of accidents has decreased significantly, as a result of its policy of continuous improvement and the application of various methodologies and tools, including:

- **Safety Dojo by department (Manaus):** In order to develop associates safety awareness, eight safety Dojos¹ were installed attached to the production areas of the Manaus (AM) plant. The Dojos provide information and simulations of the risks present in each work environment and their safety measures;
- **SST – Work Safety Suggestion (HAB):** Bottom-up² tool created to increase associates perception of risks and encouraging search for improvements to prevent accidents within the manufacturing area of Honda Automóveis do Brasil;
- **Accident Mitigation Meetings (HAB):** Meetings held through ‘genba’, an expression in Japanese that means “go to the site and check the situation in loco”, where each team presents statistical data to the production board and the Workplace Safety team, as well as accident prevention actions adopted in the month, occurrences in other Honda units and data on use of safety tools and future planning to mitigate accidents.

¹ Safety Dojo: term in Japanese that indicates a place where martial arts practitioners carry out their training to improve performance.

² Upstream orientation of an information flow.

Update on actions to face the covid-19 pandemic

As part of its safety policy, since March 2020 Honda has adopted a series of measures to face the covid-19 pandemic, as reported in the company's latest sustainability reports in greater detail.

In 2022, the company maintained permanent care for the health and safety of its associates and third parties and, in view of the advancement of mass immunization in Brazil and decrease in serious cases of the disease, it began the review and flexibility of some measures in 2022, as:

- Optional use of protective masks;
- Suspension of the HCheck platform, in which employees and visitors answered a questionnaire for self-monitoring of health;
- And implementation of the “*Work from Home*” system, ensuring maintenance of the home office regime, in full or in part, for administrative associates or whose activities allow remote work.



A healthy team

Safety and well-being go hand in hand. In this sense, **Honda implements several measures to preserve the health of its employees** including ergonomic study of the work, specialized medical care in emergencies and prevention campaigns through awareness, such as Outubro Rosa, focused on breast cancer, and Novembro Azul, focused on prostate dysfunction, among others.

Health includes emotional well-being. In this sense, Honda offers medical and psychological monitoring with the aim of taking care not only of the body, but also of the mind of associates, promoting well-being.

87,6% favorability rate was achieved in the 2022 climate survey

Climate Survey

The main indicator that reflects quality of human resources management in the company is the evolution of the annual Climate Survey carried out with all employees in South America. The 2022 result remains at a high level, with an increase in relation to the indicator achieved in 2021, with an 87.6% favorability rate, which indicates general average of responses from satisfied associates. There was improvement in key issues, as: work environment, relationship with the line manager and recognition of efforts. The results are evaluated by the human resources area to prepare a corporate action plan and by managers to define actions focused on different areas.

Training and empowerment

• GRI 404-1 •

In 2022, with the resumption of face-to-face training in the administrative and operational areas after the last few years of the pandemic, Honda established new development strategies focused on raising motivation, self-knowledge, strengthening the Honda Philosophy, developing technical skills, soft skills and new people management concepts.

Diversity and Inclusion were also part of the strategy. Leadership training played an important role last year, and the relationship with people was a key concern to ensure information and subsidy to leaders.

The offer of online training and learning trails, offered on the Honda Academy platform, continued in 2022 with an important role for development and preservation of organizational knowledge, including on technical topics, in the plant's areas of expertise.

Honda continues to work to expand and strengthen availability of training to associates with improvement studies for specific technical training in the areas, support for professional qualification and continuous improvement of processes, as well as meeting the needs for strengthening of leadership.



GENDER	2021		2022	
	MALE	FEMALE	MALE	FEMALE
Average number of training hours completed by associates during the reporting period	5.9	10.3	9.8	14.4
FUNCTIONAL CATEGORY				
Directors	3.2	0	19.0	0
Managers and General Managers	8.3	16.3	18.8	19.6
Associates – Administrative	12.0	15.4	13.5	16.5
Associates – Plant	4.0	4.2	8.5	12.4

School of Leadership

With a focus on internally developing new leaders, Honda's managers are prepared to inspire, coordinate and enhance the talents of their teams.

Based on the company's philosophy, a training grid guarantees proper training for associates in management positions, through activities and tools, as strategic projects in multidisciplinary groups (Cross-Functional Team), Professional Coaching, Individual Development Plan (PDI) and 360° Assessment.

Internship Program

This is the main gateway for young professionals looking for an inspiring work environment that values aspects as initiative, equality, trust and communication.

With a maximum duration of 24 months, divided into three stages, the program includes a methodology focused on learning and practical experience of the final area. In addition to participating in projects and activities in the defined area, students develop a relevant improvement proposal.

Throughout development, interns are monitored by managers and the Human Resources department.

In December 2022, Honda launched its 2023 Internship Program. **26 internship opportunities were offered to work in the commercial, administrative and financial areas of the company in São Paulo (SP) and Sumaré (SP).**

Trainee Program

Joining a solid company, with a philosophy that values continuous learning and development, can be a great career opportunity. So, Honda annually holds the Trainee Program, aimed at newly graduated professionals interested in starting their professional path.

The program is aimed at newly graduates (up to two years) with good knowledge of English, courses as Administration, Computer Science, Engineering, Technology, Statistics, Physics, Marketing, Mathematics, Information Systems, among others.

Trainees spend the first three months in job rotation across the main areas of the company, and the following nine months in their own areas of expertise.

Development of improvement projects in relevant areas is also expected, in addition to a specific plan of training and mentoring with managers.

Honda opened the selection process for its Trainee program in January 2023, offering 17 vacancies for the company's units in São Paulo (SP), São Caetano do Sul (SP), Sumaré (SP) and Manaus (AM), to work in the areas of Information Technology, Controllershship (Fiscal & Tax), Innovation Management, Credit, Commercial, Risks, Insurance, Customer Management and Training Center.



NHC

Every year, the Honda Philosophy is applied through the NHC (New Honda Circle) development program. In it, associates from all areas and sites are invited to form working groups dedicated to identifying opportunities, developing and implementing innovation and improvement projects in processes and work environment as a whole.

These projects must be developed under the program's methodology, and are an opportunity for associates to learn about quality tools, exchange knowledge and gain visibility and recognition, as outstanding groups have the opportunity to participate in national and international events, sharing their experiences and creations.

In this sense, Honda values human capital, encouraging ideas and recognizing individual dedication in favor of joint learning. In the 2022 edition, we had the participation of 9,210 associates in South America, forming 1,535 teams.



Local Communities

• GRI 103-2, 103-3/203, 203-1 •

The company's vision of sharing joy with people would not be complete without Honda working with local communities. **Since it was founded, Honda has sought to contribute to society and its customers by creating quality products and technologies, coexisting harmoniously and promoting philanthropic activities with the aim of strengthening ties with the communities around its operations.**

Currently, various social activities are carried out in the three regions of global operations, with the aim of sharing joy with people all over the world and becoming a company that society wants. Honda also strives to support initiatives that reflect local circumstances in its foreign corporate activities. Furthermore, these activities are in line with the contents and objectives of international discussions, such as the SDGs (Sustainable Development Goals).

Honda establishes core principles and global directions that represent its approach to social activities. From this way of being, thinking and acting, the motto “Together for Tomorrow” was created. Adopted worldwide by the company, the motto evidences the importance of the relationships it maintains with the society as a whole. Its construction was based on four pillars – protection of environment, education for future generations, meeting the needs of local communities and promoting a safer traffic – to help the company direct actions in favor of social, economic and environmental development, towards a better, fairer world for future generations.

Seeking to improve the direction and focus of social projects and actions in the region, Honda South America has a Social Actions and Sponsorship Policy that seeks to promote the guidelines of the Global Policy within the reality of the region.

During the period from January 1, 2022 to December 31, 2022, 54 social actions and projects were carried out, representing an investment of around 392,000 dollars. Of this amount, 17% (around 66,000 dollars) was invested via the Rouanet Culture Incentive Law.

In addition to the resumption of face-to-face social actions, online actions have not only continued, but have increased in scale, reaching ever larger audiences. These actions reached millions of views, with several posts shared and a great deal of public participation online.



Different social activities are carried out in the six regions of world operations



Brazil

Incentive to education • GRI 203-1 •

Recognizing the importance of education in individual training, since 2007 Honda has offered the Professional Training Course for young people in the Recife (PE) region. The initiative occurs at the facilities of its Training Center located in the city.

Over the course of 870 hours of training, students take part in theoretical classes and technical maintenance of cars and motorcycles, with topics involving metrology, electrical work, overhauls, periodic inspections, and others.

The course also includes modules on sales, negotiation techniques, health, family relations, information technology, the environment, traffic safety, and the importance of voluntary work, with the aim of broadening the field of knowledge for these young people and increasing their chances of entering the job market.

The selection process for the young people taking part in the annual course begins with an analysis of basic criteria such as age, schooling, and social vulnerability. **Applicants must be between 18 and 20 years old, and be**

The following steps involve a written test, group dynamics and visits to families. Since the first edition, the project has trained more than 290 participants, currently present in the job market, in different functions, some of them starting their professional careers in the Honda dealer network.

In 2022, after two years of suspension due to the COVID-19 pandemic, the Professional Training Course resumed its activities, following all health and safety protocols, and had a group of 19 students.

In order to expand this activity, Honda signed, in April 2023, a Cooperation Agreement with the City of Sumaré, to offer professional training for young people in the city. The new course is inspired by the positive experience and lessons learned over the years with the training in Recife, and will follow the same pattern of success. The new training will be applied at the Honda Training Center, located at the company's administrative unit, in Sumaré (SP).

The Professional Training Course counts on commitment and dedication of Honda professionals, from different areas of activity, who voluntarily add knowledge to the project through their skills and professional experience.

Sowing Dreams - Cooking Oil Collection - Honda Automóveis do Brasil (HAB)

The “Semeando Sonhos” (Sowing Dreams) project is a socio-environmental action implemented by Honda Automóveis do Brasil (HAB) since 2019, in the city of Itirapina/SP. **The project aims to promote integration between Honda, its associates and the local community, raising awareness about environmental sustainability.**

The oil collection flow consists of voluntary action of Honda associates, who bring used oil from their homes to the collection points identified in the company, where all collected material is later removed by a specialized institution and filtered for sale. With the sale of oil, the institution can turn the profit into income, to benefit the institution's 110 children and 23 elderly people. In 2022, the social service carried out an expansion of the project with the support of local schools to increase the volume of oil collected. Honda donated collectors to

for schools to store the donated oil they received and gave educational talks through theaters to clarify the importance of the action and the negative impacts of incorrectly disposing of this waste on the environment.

On that occasion, an internal competition was created among the participating schools, generating the engagement and effective participation of 1,882 students, through which two classes from the winning school in the oil collection had the opportunity to visit the production area and the wastewater treatment area of the Honda automotive plant in the city of Itirapina/SP.



I'm a Honda Volunteer – Moto Honda da Amazônia (HDA)

Honda believes that union and solidarity actions bring satisfaction and spread joy. For this reason, in 2021, the group “I’m a Honda Volunteer” was created, with the participation of more than 500 associates from the Manaus plant. Volunteers contribute by donating food, preparing and delivering basic food baskets.

In 2022, the program proved it came to stay and, once again, volunteers collected tons of food, in addition to donations. Around 100 tons of groceries and more than 2,000 toys were donated in over 30 communities, benefiting thousands of families.



Sowing the Future – Moto Honda da Amazônia (HDA)

In 2021, the “Sowing the Future” action was launched at the Manaus plant, born out of Honda’s desire to expand its contribution to preserving the forest, for current and future generations.

As a starting point, 1,000 seedlings of native species were planted, such as açaí, cupuaçu, ipê-roxo, among others, at the company’s premises, and distributed to associates to encourage the practice of reforestation.

In 2022, the project had a partnership with Soka Institute through the donation of several species of seedlings for the action. The “Sowing the Future” action generated great collective engagement, and currently has more than 2,000 seedlings planted.

A logo was developed for the initiative, showing the union of a hand and a tree. These elements represent human intervention in nature in a positive way.





Donation of generators and motor pumps to assist in the work of the Pernambuco Military Fire Department – Moto Honda da Amazônia (HDA)

In July 2022, heavy rains and floods hit the city of Recife, located in the state of Pernambuco, Brazil. To help the important work of the State Military Fire Department, Honda donated 10 EZ3000 CXBS generators, 5 EU22i TSB power generators and 15 WCH10XR motor pumps. Donations helped generate energy for shelters and drain flooded areas.

The delivery of equipment to the representative of the Logistics Board of the Pernambuco Military Fire Brigade took place at Honda’s Centro Educacional de Trânsito (CETH), in Recife.

Honda believes that the union of efforts and resources is fundamental in emergency situations and in the protection of society.

Environment Week of the Soka Amazônia Institute – Moto Honda da Amazônia (HDA)



Honda volunteers, together with the Soka Amazônia Institute, took part in the event at the National Institute for Amazonian Research (INPA) to clean up a lake, collect garbage, and plant seeds. In addition to the environmental benefit, the action also contributed to a feeling of belonging and pride for Honda associates.

The initiative reinforced Honda’s commitment and concern to ensure a better planet for future generations. **The action took place in May 2022, with the participation of 40 volunteers.**

Soka Institute contributes to preservation of biodiversity through regeneration of devastated areas, and supports scientific research to increase the productivity of plantations with less aggressive techniques to nature, and projects to improve quality of life of the population, mainly in riverside communities.





Argentina

Pioneros en Movimiento, Unidos por la Sustentabilidad Vial – Honda Motor de Argentina (HAR)

The social project “Pioneros en Movimiento, Unidos por la Sustentabilidad Vial” is an educational program by Honda Motor de Argentina (HAR) aimed at creating a present and future society in which everyone can pursue their dreams.

It began in 2013 with the aim of raising awareness among teachers, parents and students aged 6 to 12 in public and private elementary schools.

The four pillars of Honda’s Global Social Action Policy (environment protection, education for future generations, meeting the needs of local communities and promoting safer traffic) are addressed through presentation of content represented by four super-heroes (Super Saber, La Chica Vialidad, Super Eco and Capitan Solidario).



The action has expanded its scope since the launch of its website, where educational games, wallpapers and other materials are available for download, and to raise awareness of the four pillars.

For students without an internet connection, the project also features a comic book with educational content, offering equal opportunities for access to information and learning through play. At the end of the year, a competition is held to choose the “Escuela mas Pionera”.

Using educational resources as games, plays, traffic circuits, selective collection and recycling of waste, from August to December 2022, the action benefited 42,129 people, both in face-to-face and online activities.

Social actions are developed by Honda in all its units in South America



Jornada de Empleabilidad by Honda Motor Argentina (HAR)

With the aim of joining forces to promote a culture of sustainability, Honda Motor de Argentina (HAR) together with the AcercaRSE Corporate Social Responsibility Group, consisting of 18 companies from different sectors, carried out in October 2022 the action called “Jornada de Empleabilidad”.

420 young people from nine secondary and technical schools (public and private) in the cities of Campana, Zárate, Lima and Exaltación de la Cruz, all located in Argentina, benefited. The social action aims to share tools, experiences and guide young people on topics as: writing resumes, attending job interviews, personal marketing, among others.

At the end, the event held a lecture by actor Gatón Pauls, who spoke about prevention and impacts of drug use. The event also featured a presentation by the Orquesta de los Barrios de Buenos Aires, formed by young people in vulnerable situation.



For a better future – Honda Motor de Argentina (HAR)

Honda Motor de Argentina (HAR) has a strong commitment to cooperation and attention to the community, always seeking to help in emergencies resulting from natural disasters in the country.

In April 2022, in order to strengthen its relationship with society and help provinces facing difficulties after natural disasters, Honda Motor de Argentina (HAR) donated 3 generators, 1 motor pump, school supplies, hygiene items and toys for the Taji Poty Santo Municipal Urban Reserve of Tomé and three nearby rural areas, Gómez Cué, Los Bretes and Galarza, with a population in a situation of high vulnerability. **Donations helped generate energy for shelters and drain flooded areas.**

The action directly benefited 700 people and involved participation of 5 volunteers and suppliers. The delivery of donated goods was attended by municipal authorities of Santo Tomé, representatives of Honda and dealerships.



Peru

Vertical Bike by Honda del Peru (HDP)



According to the Peruvian Institute for Research in the Amazon (IIAP), Peru comprises almost 800,000 square kilometers of Amazon rainforest, making it the second largest territory in the Amazon rainforest after Brazil, and every year more than 1 million trees are cut down indiscriminately in the Peruvian Amazon as a result of the aguaje harvest.

Aguaje is a fruit known for having a high concentration of vitamin A, and grows on palm trees that usually reach 35 meters in height, making it difficult to harvest. Therefore, currently, the fastest way to reach the fruit is to cut down the trees.

In view of this, the company Ogilvy Peru designed the “Vertical Bike”, a creative solution that facilitates collection of fruit and avoids cutting down the tree, contributing significantly to protecting the Amazon ecosystem and its biodiversity. The equipment allows to climb 35 meters in height in 30 seconds, it is easy to

carry, and has the capacity to support up to 90 kilos. In addition to preserving the environment, it helps to increase the work efficiency of farmers. Honda del Peru (HDP) contributed to this action by supplying the engines for the prototypes.

Professional motorcycle riding course – Honda del Peru (HDP)



In April, May, October, November and December 2022, Honda del Peru (HDP) organized the “Professional motorcycle riding course”. Lasting 8 hours, it took place two to three times a month, directly benefiting 418 people.

The course has volunteer instructors who teach practical and theoretical classes to teach traffic laws and riding methods to the community in general, customers, and potential customers. The action is in line with Honda’s initiatives for harmony in traffic and the goal of contributing to safer traffic for everyone.



Chile

Free Safe Handling Course – Honda Motor de Chile (HMDC)

Committed to traffic safety, Honda Motor de Chile (HMDC) promoted the “Curso Manejo Seguro Gratis” (Free Safe Handling Course) social action in the city of Santiago, which is carried out by means of free courses in safe motorcycle riding at a location with guidance from professional instructors. Participants are taught theoretical and practical concepts of riding and traffic safety.

The course offers all equipment necessary, including motorcycles, information material and safety equipment. In 2022, the course had seven Honda volunteers to teach 1,384 people.

The activity was also publicized on social networks through participation of personalities from the automotive segment. Publication on Facebook and Instagram had more than 4,550 hits and 5,791 “likes”.



Mobility and Innovation

Based on its 2030 Vision, Honda expresses the desire to “Serve people around the world with the joy of expanding their lives’ potential” and “Lead the advancement of mobility, promoting improvements in everyday life”. That is why it develops solutions designed to be beneficial to society.

As explained in more detail in chapter 3 of this report (Sustainability Strategy), **Honda has defined specific guidelines for achieving its 2030 Vision, which includes the development of diversified mobility solutions.**

In this sense, the “Mobility and Innovation” chapter presents Honda’s cutting-edge initiatives, research and technologies and how they converge to consolidate a carbon-free and accident-free society.

It is worth mentioning that Honda continuously plans introduction of its technologies in the markets in which it operates. The company follows the policy of offering the right technology, in the right place, at the right time. For that, it is necessary to evaluate different factors as the country’s energy matrix, public infrastructure, market and geographic characteristics and consumer profile.

Honda develops diversified mobility solutions



Global initiatives towards a carbon-free society

Automobiles

In April 2022, Honda Motor announced investments of 8 trillion yen in Research & Development over the next 10 years. Just for electrification and software development, the company plans to invest 5 trillion yen. In addition, Honda Motor announced its plan to launch 30 new electric vehicle models by 2030, reaching an annual production volume of 2 million units.

Regarding batteries, which is an essential challenge in the era of electric vehicles, the company has been accelerating the internal development of technologies, especially solid-state ones, in order to apply them in its models in the second half of the 2020s.

All these advances demonstrate Honda’s ability to innovate and offer products and technologies that meet the brand’s purpose. These investments are essential to ensure long-term sustainability of the company around the world, including Brazil.

In addition, with a focus on strengthening its capabilities and accelerating development in the areas of electrification, safety and software, Honda Motor has announced a partnership with SONY and GM.

Electrification in Brazil

In the area of electrification, Honda Automóveis do Brasil introduced its first hybrid model, the Honda Accord, in 2021. Honda's hybrid technology - e:HEV - features a unique system consisting of two electric motors (one generator and the other for propulsion) and an internal combustion engine, offering three possible operating modes: all-electric, hybrid, and combustion. Depending on driving conditions, the system automatically selects the operating mode that offers the best balance between performance and low fuel consumption.

In addition, the company launched the hybrid Honda Civic in Brazil in early 2023, which features e:HEV technology, a hybrid with two electric motors, and is even more advanced, including a new direct-injection internal combustion engine, aligning the Brazilian offering with the company's global decarbonization strategies.

Also scheduled to arrive in Brazil is the new generation of the CR-V model which, for the first time, will feature e:HEV hybrid powertrain.



e:TECHNOLOGY

Honda globally adopted the nomenclature e:TECHNOLOGY, which encompasses the brand's high-efficiency electrification solutions. Honda e:TECHNOLOGY products aim to minimize energy consumption and make everyday life more enjoyable.



Motorcycles

Striving to achieve carbon neutrality for the entire motorcycle lineup during the 2040s, Honda will accelerate electrification of its models as the main focus of environmental strategies for the two-wheel business, while continuing to advancing in internal combustion engines.

Honda plans to introduce ten or more electric motorcycle models globally by 2025, and aims to increase annual sales of electric models to 1 million units over the next five years, and 3.5 million units (equivalent to 15% of total sales) from 2030.

As the largest motorcycle manufacturer worldwide, Honda will continue to lead the industry in this "carbon neutral era", offering the "joy of riding" with its electric motorcycles and products with new value, taking advantage of the high level of compatibility of software technology and electrified models.



Other initiatives towards a carbon-free society:

Interchangeable Battery Station “Honda Power Pack Exchanger e:

Honda Motor Co., Ltd. Announced, in 2022, the start of sales in Japan of the Honda Power Pack Exchanger ed:, an interchangeable battery station, with the first unit delivered to Gachaco Inc., a service joint venture for battery sharing.

With that, Gachaco began operating the first mass-produced model of the Honda Power Pack Exchanger e: in Japan.

Electrification of its mobility products, essential to achieve this goal, has three challenges that need to be addressed: short range, long charging time and high battery cost.

By addressing these challenges with interchangeable batteries and its sharing services, Honda is striving to contribute to accelerating electrification and expanding the use of renewable energy.



The Honda Power Pack Exchanger e: is an interchangeable battery station that simultaneously charges multiple units of the Honda Mobile Power Pack e: (MPP e:) and allows a simple battery swap for users of electric motorcycles and other mobile products equipped with MPP e:.

Users will have access to the MPP e: fully charged when they need it at local battery exchange stations, allowing efficient use of electrified mobility products without having to wait for the batteries to be charged.

Among the initiatives for expanding the use of renewable energy, the following stand out:

- Search for proper balance between demand and supply of electricity by installing a storage function through the Honda Mobile Power Pack (MPP) and other devices;
- Better usability of renewable energy by addressing the core issue of this type of energy, which is sensitivity to natural conditions, reducing the load on the electrical grid (using the storage function);
- Possibility of supplying electricity stored in the MPP and other devices to the electrical grid in the event of a power outage.

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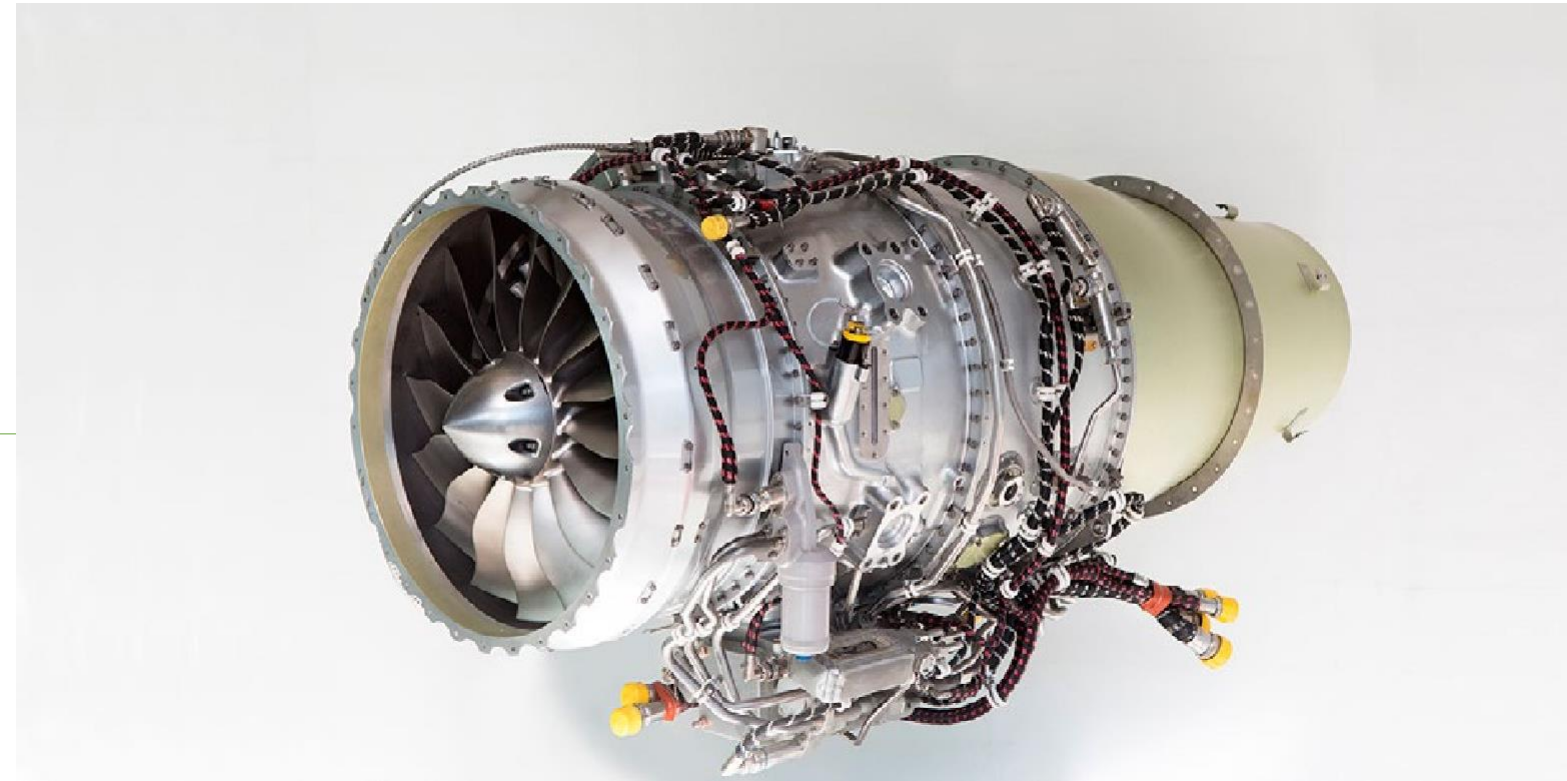
Issuance of Green Bonds in US Dollars

In order to accelerate its environmental initiatives, Honda Motor Co. Ltd. announced, in March 2022, that the company will issue Green Bonds in US dollars (Unsecured Straight Bonds), totaling US\$ 2.75 billion for its initiatives towards a society with zero environmental impact.

Resources obtained with the issuance of these bonds will be used exclusively in environmental initiatives*¹. This will be the first time that Honda Motor Co., Ltd. will issue Green Bonds.

By allocating resources from issuing Green Bonds to eligible green projects, including development of zero-emission vehicles, as EVs and FCVs, Honda will further accelerate its initiatives towards a society aimed at zero environmental impact.

*¹Projects that fall within the specified eligible Green Project categories



GE Honda Aero Engines (GE Honda) and Sustainable Aviation Fuel (SAF) Testing

GE Honda Aero Engines (GE Honda) has successfully completed testing its HF120 engine using 100% sustainable aviation fuel (SAF). Currently, the HF120 engine can operate in approved SAF mixtures of up to 50%, and this successful test demonstrates the engine's ability to run with 100% SAF.

The purpose of the test was to evaluate performance of the engine technology with 100% SAF against Jet A/A1. Ground testing was performed on an HF120 engine over several days at GE's Peebles test operations, using HEFA-SPK*, the most widely available SAF produced from plant-based used cooking oil, residual fats and grease. Test results are significant, with engine performance equivalent to Jet A fuel during SAF operation.

* Hydroprocessed Esters and Fatty Acids Synthetic Paraffinic Kerosene

Global initiatives towards an accident-free society

Committed to allow a society free of traffic accidents, based on its motto “Safety for all”, Honda has long been at the global forefront of research and development of safety technologies.

In December 2022, Honda Motor Co. presented state-of-the-art technologies from the Honda SENSING 360, an omnidirectional safety and driver assistance system; and from the Honda SENSING Elite, a flagship variation of Honda SENSING.

Based on its global safety motto “Safety for All”, Honda strives for a collision-free society for everyone who shares the streets, through research and development of safety technologies from a hardware and software perspective.



Among the benefits of the Honda SENSING 360 are new functions to minimize driver overload, detecting abnormal conditions for the driver and around the vehicle to prevent collisions. These new functions will be added to the current Honda SENSING 360, and applied sequentially worldwide as of 2024.

As part of the Honda SENSING Elite’s next-generation technologies, Honda also announced newly developed functions based on enhanced recognition and understanding technologies through the company’s original AI technologies. These new functions will allow the driver to travel safely and comfortably, from home to their destination, with total confidence on any road, including non-express lanes.

As for future plans, Honda intends to equip all its new car models worldwide with the Honda SENSING system (including the 360 and Elite variations), with the motorcycle detection function by 2030. In addition, Honda aims to equip all its new models in major markets with the Honda SENSING 360 system by 2030, while continuing to enhance the Honda SENSING functions. Through these initiatives, Honda aims to halve fatal traffic collisions involving the brand’s motorcycles and cars by 2030.



In 2021, Honda presented the Legend luxury sedan equipped with one of the company’s most distinct technologies, the “Traffic Jam Pilot” function, qualified for Level 3 autonomous driving (autonomous driving conditioned in a limited area), for which Honda received a type designation from the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT). The Traffic Jam Pilot technology allows the autonomous driving system to steer the vehicle instead of the driver under certain conditions, such as when the vehicle is on an expressway with congested traffic. Honda is the first and only brand in the world to market a Level 3 autonomous driving vehicle.

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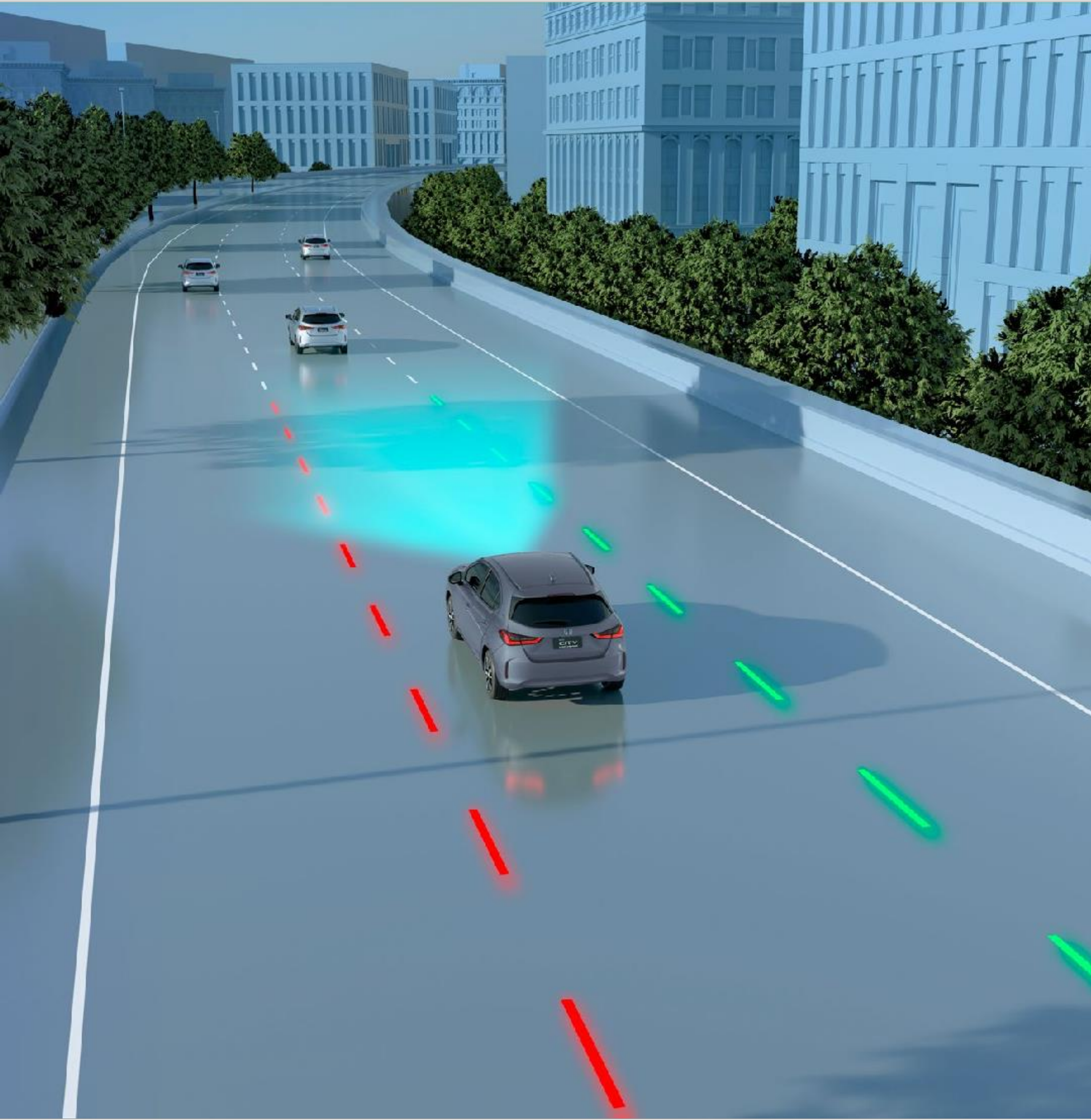
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Application of safety technologies in Brazil

As explained in more detail in the “Safety” chapter of this report (page 56), Honda has been introducing Honda SENSING in Brazil, equipped in the Honda Accord since 2018, as standard equipment; in the CRV model, the brand’s most complete SUV in Brazil; in the New City and New City Hatchback models, the first models manufactured in Brazil to incorporate safety technology and driver assistance; and also in the most recent launches New HR-V and Civic Hybrid.

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GRI Standards Content Summary

• GRI 102-55 •

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	102-6 – Markets served	pages 16 and 17	
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	102-8 – Information about associates and other workers	pages 72 to 79	
	102-9 – Supply chain	page 67	
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GRI 101: 2016 FUNDAMENTALS			
GRI 102: General disclosures 2016	General Disclosures		
	102-13 - Participation in associations	ABEEólica – Associação Brasileira de Energia Eólica ABRACICLO – Associação Brasileira dos Fabricantes de Motocicletas, Ciclomotores, Motonetas, Bicicletas e Similares SIMEFRE – Sindicato da Indústria de Materiais e Equipamentos Ferroviários, Rodoviários e Duas Rodas ANFAVEA/SINFAVEA – Associação Nacional dos Fabricantes de Veículos Automotores / Sindicato Nacional da Indústria de Tratores, Caminhões, Automóveis e Veículos Similares AEA –Associação Brasileira de Engenharia Automotiva FIEAM – Federação das Indústrias do Estado do Amazonas CIEAM – Centro da Indústria do Estado do Amazonas AFICAM – Associação dos Fabricantes de Componentes da Amazônia Câmara de Comércio e Indústria Nipo-Brasileira do Amazonas e São Paulo ABIAPE – Associação Brasileira dos Investidores em Autoprodução de Energia FIESP-CIESP- Federação das Industrias do Estado de SP – Centro das Industrias do Estado de SP IQA -> Instituto da Qualidade Automotiva ABIMAQ – Associação Brasileira da Indústria de Máquinas e Equipamentos SINDIPEÇAS –Sindicato Nacional da Indústria de Componentes para Veículos Automotores SINDIENERGIA-RS – Sindicato da Indústria de Energias Renováveis do Rio Grande do Sul CÂMARA DE COMÉRCIO E INDÚSTRIA JAPONESA DO BRASIL	
	102-14 - Declaration of the main decision maker	page 5	
	102-16 - Values, principles, standards and social norms	pages 7 to 11	
	102-17 - Advice mechanisms and ethical concerns	page 37	
	102-18 - Governance structure	page 35	
	102-40 - Stakeholders list	page 13	
	102-41 - Collective bargaining agreements	100% of associates registered under CLT regime are covered by class and collective agreements	
	102-42 - Identification and selection of interested parties	page 13	

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STANDARD GRI

DISCLOSURE

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EXCEPTION

GRI 101: 2016 FUNDAMENTALS

General Disclosures

GRI 102:
General
disclosures 2016

102-43 – Approach to stakeholder engagement

page 13

102-44 – Main topics and concerns raised

page 13

102-45 – Entities included in consolidated financial statements

page 13

102-46 – Definition of report content and limit of topics

page 13

102-47 – List of material topics

page 13

102-48 – Information reformulations

page 13

102-49 – Change in reports

page 13

102-50 – Period covered by the report

page 13

102-51 – Date of the last report

2022

102-52 – Reporting cycle

Annual

102-53 – Contact for questions about the report

For suggestions regarding content of Report, contact us
by phone:
Motorcycles and Power Products: 0800 055 22 21
Automobiles: 0800 017 12 13
Honda Bank: 55 (11) 2172 7080
Honda Consortium: 55 (11) 2172 7007

102-54 – Agreement declaration with GRI Standards

page 13

102-55 – GRI Content Summary

page 94

102-56 – External verification

The Sustainability Report is not verified externally

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STANDARD GRI	DISCLOSURE	PAGE AND/OR URL	EXCEPTION
MATERIAL TOPICS			
Quality of Products and Services			
GRI 103: Form of Management	103-1 – Explanation of material topic and its limits	Page 13	
	2 – Form of management and its components	Pages 62 to 71	
	3 – Assessment of the form of management	Pages 62 to 71	
GRI 417-3: Cases of non- compliance regarding marketing communication 2016	417-3 – Cases of non-compliance regarding marketing communication	Page 70	
Customer satisfaction			
GRI 103: Form of Management	103-3 – Assessment of the form of management	Page 69	
Own control item	• Customers heard in satisfaction survey • Brand image surveys and public awards	Pages 69 and 63	
Mobility and Innovation			
GRI 103: Form of Management	1 – Explanation of material topic and its limits	Page 87	
	2 – Form of management and its components	Page 87	
Own control item	• Launch of new products and services • Report on the global innovations of the brand	Pages 87 to 92	
Road Education and Safety			
GRI 103: Form of Management	1 – Explanation of material topic and its limits	Pages 55 to 61	
	2 – Form of management and its components	Pages 55 to 61	

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Road Education and Safety			
Own control item	<ul style="list-style-type: none">• Goals and/or commitments to promote road safety• New technologies in products• HREC for people affected• New initiatives (agreements)• Takata recall service index	Pages 55 to 61	
Emissions and Operational Eco-Efficiency			
– Emissions			
GRI 103: Form of Management	103-1 – Explanation of material topic and its limits	Pages 42 to 48	
	103-2 – Form of management and its components	Pages 42 to 48	
	103-3 – Assessment of the form of management	Pages 42 to 48	
GRI 305: Emissions 2016	305-1 – Direct GHG emissions (Scope 1)	Page 45	
	305-2 – Indirect GHG emissions from purchase of energy (Scope 2)	Page 45	
	305-4 – Intensity of greenhouse gas (GHG) emissions	Page 46	
	305-7 – NOX, SOX and other significant atmospheric emissions	Page 46	
– Eco-efficiency of operations			
GRI 103: Form of Management	103-1 – Explanation of material topic and its limits	Page 49	
	103-2 – Form of management and its components	Page 49	
	103-3 – Assessment of the form of management	Page 49	

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GRI 302-1: Energy	GRI 302-1: Energy	Pages 49 and 50	
	GRI 302-3: Energy Intensity Rate	Page 49	
	GRI 302-4: Reduction in energy consumption	Page 50	
– Water			
GRI 103: Form of Management	103-1 – Explanation of material topic and its limits	Page 50	
	103-2 – Form of management and its components	Pages 50 and 51	
	103-3 – Assessment of the form of management	Pages 50 and 51	
GRI 303: Water 2016	303-1 – Water consumption by source	Page 50	
– Waste and Recycling			
GRI 103: Form of Management	103-1 – Explanation of material topic and its limits	pages 52 and 53	
	103-2 – Form of management and its components	pages 52 and 53	
	103-3 – Assessment of the form of management	pages 52 and 53	
GRI 306: Effluents and waste 2016	306-2 – Waste by type and disposal method	page 52	

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People and Diversity Management			
– Work Relations			
GRI 103: Form of Management	103-1 – Explanation of material topic and its limits	page 72	
	103-2 – Form of management and its components	page 72	
	103-3 – Assessment of the form of management	page 72	
GRI 402: 2016 Work Relations	402-1 Minimum notice period for operational changes	In cases of internal recruitment involving displacement of domicile, the employee is informed at least 30 days in advance.	
– Occupational Health and Safety			
GRI 103: Form of Management	103-1 – Explanation of material topic and its limits	page 76	
	103-2 – Form of management and its components	page 76	
	103-3 – Assessment of the form of management	page 76	
GRI 403: 2016 Occupational Health and Safety	403-2 – Types and rates of injuries, occupational diseases, days lost, absenteeism and number of work-related deaths	pages 76 and 77	not detailed
–Training and Education			
GRI 103: Form of Management	103-1 – Explanation of material topic and its limits	pages 78 and 79	
	103-2 – Form of management and its components	pages 78 and 79	
	103-3 – Assessment of the form of management	pages 78 and 79	
GRI 404: 2016 Training and Education	404-1 – Average hours of training per year, per employee	page 78	

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	103-2 - Form of management and its components	pages 74 and 75	
	103-3 - Assessment of the form of management	pages 74 and 75	
GRI 405-1: Diversity in governance bodies and associates	GRI 405-1: Diversity in governance bodies and associates	pages 74 and 75	
Ethics and Governance			
GRI 103: Form of Management	103-1 - Explanation of material topic and its limits	page 34	
	103-2 - Form of management and its components	pages 34 to 39	
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GRI 102-16, 102-17, 205-2, 419-1	102-16 - Values, principles, rules and social codes	page 34	
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Coordination of collection of GRI disclosures and texts

Tassia Rodrigues and Aline Cerri

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Magenta•Lab

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The Power of Dreams