

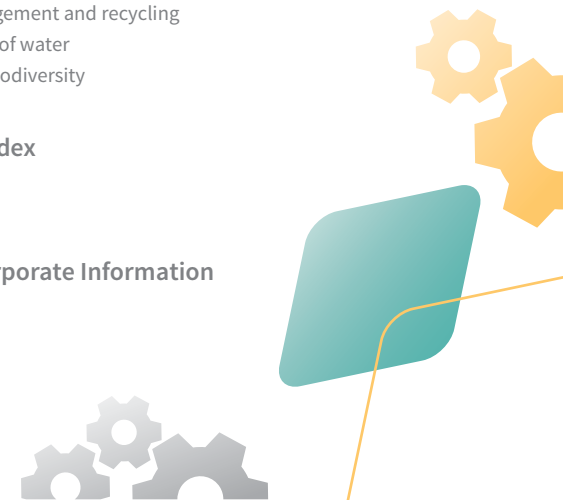


SUSTAINABILITY REPORT **2017**



contents

05	1	Message from the Administration
09	2	About the Report
10		Materiality Matrix
13	3	About Honda
15		Strategy and goals
16		Business context
22		Vision 2030 – Honda South America
23		Honda Sustainability Pillars
25	4	Product
25		Innovation
28		Product safety
28		Respect for and commitment to customers
31		Fuel efficiency and reduction of emissions
33		Customer satisfaction
35	5	Supply Chain
39	6	Corporate Governance
40		Governance assessment systems used by Honda
40		Corruption and fraud prevention
40		Unfair competitive practices
41		Respect for national legislation and international standards
41		Ethics Channel and Committee
43	7	Impact on Society
49	8	Labor Practices
53	9	Occupational Health and Safety
57	10	Environmental Performance
57		Climate strategy
59		Ecoefficiency
60		Waste management and recycling
61		Rational use of water
62		Preserving biodiversity
63	11	GRI Content Index
76	12	Credits and Corporate Information



Message from the administration

G4-1, G4-2, G4-4, G4-8

01



Issao Mizoguchi
President of Honda
South America

On March 31, 2017, we reached the end of another fiscal year (93 ki*) having experienced a period of special milestones in Honda's history.

Last year, we celebrated 45 years in Brazil, 40 years with the Manaus plant and producing the country's best-selling vehicle, the CG motorcycle, in addition to 35 years of Consórcio Honda (Honda Purchase Pool). The period also included important

launches: the tenth generation of the car that is the symbol of the brand in the automobile segment, the New Civic Generation 10, and the long awaited CRF 1000L Africa Twin, which returned to the Brazilian Market.

Regarding results and the business environment, we are experiencing one of the most challenging periods in the history of the automobile industry in South America. The

countries where we operate are experiencing a downturn in their economy due to dropping commodity prices, currency depreciation, and political problems.

Thus, in the last fiscal year, sales of the brand's cars in Honda South America's subsidiaries reached 139,175, representing a 15% reduction compared with the previous period.

* Japanese fiscal year that begins on April 1 and ends on March 31.

In the motorcycle segment, 849,523 units were sold, down 15.23% compared with the previous fiscal year. Despite a drop of 14% in the total South American market, in the region, the Power Products segment grew by 2.2%, with 88,294 units sold thanks to the launch of new products geared toward the agricultural and construction markets.

In Brazil, our main market in South America, we adapted costs, sought nationalization of components, and met the specific demands of local consumers; thus we were able to maintain our market share in all segments in which we operate. We implemented the redirection agreed upon at our global meeting in 2016, when we replaced the growth and expansion agenda with a reform of our organization, focusing on reacquiring profitability in order to get through the adverse local scenario, and investing in a sustainable structure suitable for the moment of market recovery.

Despite the drop in sales of motorcycles and ATVs, we sold 725,000

units in the country, which was a volume 13% lower than in the previous period - the total market remained at the level of about 4 million units per year (new and used). This means that the fleet is aging and that there is a strong potential for replacing used motorcycles with new ones - something that should occur gradually as the economic outlook improves.

In the automobile segment, our sales in Brazil reached 121,361 units, a volume within what was planned for the current economic scenario. The HR-V was the best-selling model in our line-up, remaining at the lead of the SUV segment. Also noteworthy was the arrival of the WR-V on the market, our fifth model produced locally. These achievements make us even more competitive in an increasingly challenging market.

Our sales of power products were also affected by the country's economic instability.

We ended the period with 28,133 units sold, representing a decrease of 2.3% compared with the previous fiscal year.

In *Honda Serviços Financeiros* (Honda Financial Services - HSF), the results, in general, were similar to the figures of the whole business, but it is worth mentioning that we increased interest in our authorized dealer network with the bank Banco Honda and the insurance company Seguros Honda, a reflection of our new commercial actions and partnerships. In Consórcio Honda, we achieved very positive results in the four-wheeler segment, with a growth of 36%.

Despite the signs of stabilization and recovery for the South American economy, there are still many uncertainties not only in the local political scenario, but also worldwide. Thus, for this fiscal year (April 1, 2017 to March 31, 2018), we expect stability with slight growth, especially in the second half, for our three main segments. The results of HSF should be similar to the performance of the entire business.

Sustainable and lasting relationships

Customer satisfaction is a key factor for business sustainability. Our main goal is for consumers to have a complete positive experience with the Honda brand. To this end, in the 93 ki*, we officially launched a corporate customer relationship project, myHonda, on which we had been working for about three years. The initiative consolidates our strategy through accurate data about the path and perception of each person regarding our brand. Thus, we can establish a two-way communication to understand the needs and aspirations of each of our customers throughout the country, thereby providing them with the best customer experience.



It is important to highlight the performance of the Honda Energy wind farm, which achieved a record production of clean energy and has already prevented us from releasing over 16,000 tons of CO₂ into the atmosphere.

Regarding our manufacturing operations, we believe in sound and responsible management, following principles of ethics, governance, and transparency in the market. We will continue to invest in the search for solutions that reduce the environmental impacts generated by our activities and products, promoting a healthy relationship with the communities around our units and contributing to the future of the next generations.

Also under this topic, it is important to highlight the performance of the Honda Energy wind farm, which achieved a record production of clean energy and has already prevented us from releasing over 16,000 tons of CO₂ into the atmosphere. Among our social actions, I would like to highlight

the social project in Recife, which reached 10 years in 2016 and is a source of pride for us. The initiative has helped hundreds of underprivileged youths have the opportunity to get their first job, build a career, and help their families.

Essential to the market in which we operate, traffic safety is also considered a priority at Honda's units in South America. In the last fiscal period, over 30,000 people participated in our activities focused on traffic awareness and safe motorcycle riding. The actions carried out by the staffs at our Traffic Education Centers (CETH) in Brazil, Argentina, and Peru are free of charge and include theoretical and practical training, as well as itinerant lectures. Always focused

on improving people's everyday lives, our brand has invested in global partnerships and research to accelerate the development of technologies for the future of mobility. In our 2030 vision, our goal is to achieve a carbon-free society with zero traffic accidents.

We are confident in the future. We believe in the potential of the South American market and in the dedication of our employees, who allow us to be a company that is always desired and admired by society.

Thank you very much!

Issao Mizoguchi
President of Honda South America

02

About the Report

G4-3, G4-17, G4-28, G4-29, G4-30, G4-31, G4-32

Honda South America (HSA) annually publishes its Sustainability Report with the goal of maintaining a transparent relationship with its stakeholders and reporting on the actions, projects, and results achieved. The information presented in this document represents the Japanese fiscal year –the company's country of origin - and refers to the period from April 1, 2016 to March 31, 2017. It includes the regional subsidiaries of the holding company in South America, located in Brazil, Argentina, Peru, and Chile, unless stated otherwise.

In this issue, Honda sought to contextualize readers on social, environmental, and governance issues relevant to its business, offering information about its management, performance, and related initiatives. These material aspects* guide the Report and follow the guidelines of the Global Reporting Initiative (GRI G4), a methodology adopted worldwide by the private sector for building and communicating Sustainability Reports. Additional details about the indicators can be found in the GRI-G4 Content Index.



+ INFO

For suggestions regarding the content of the Report, please contact e-mail : institucional@honda.com.br.

* Material topics are the most important and relevant issues for a company and also to stakeholder representatives.

Materiality Matrix








G4-18, G4-19, G4-20, G4-21, G4-22, G4-23, G4-24, G4-25, G4-26, G4-27

In 2015, Honda South America began the process of building its materiality matrix. The process included interviews with 18 Honda executives and consultation with internal and external stakeholders through online questionnaires sent to 478 people, of which 143 responded. Of the responses received, 38% were customers, 24% were employees, 12% were suppliers, and 7% were local communities. The rest of the sample comes from representatives of media, government, dealerships, and others. Based on this survey, the most

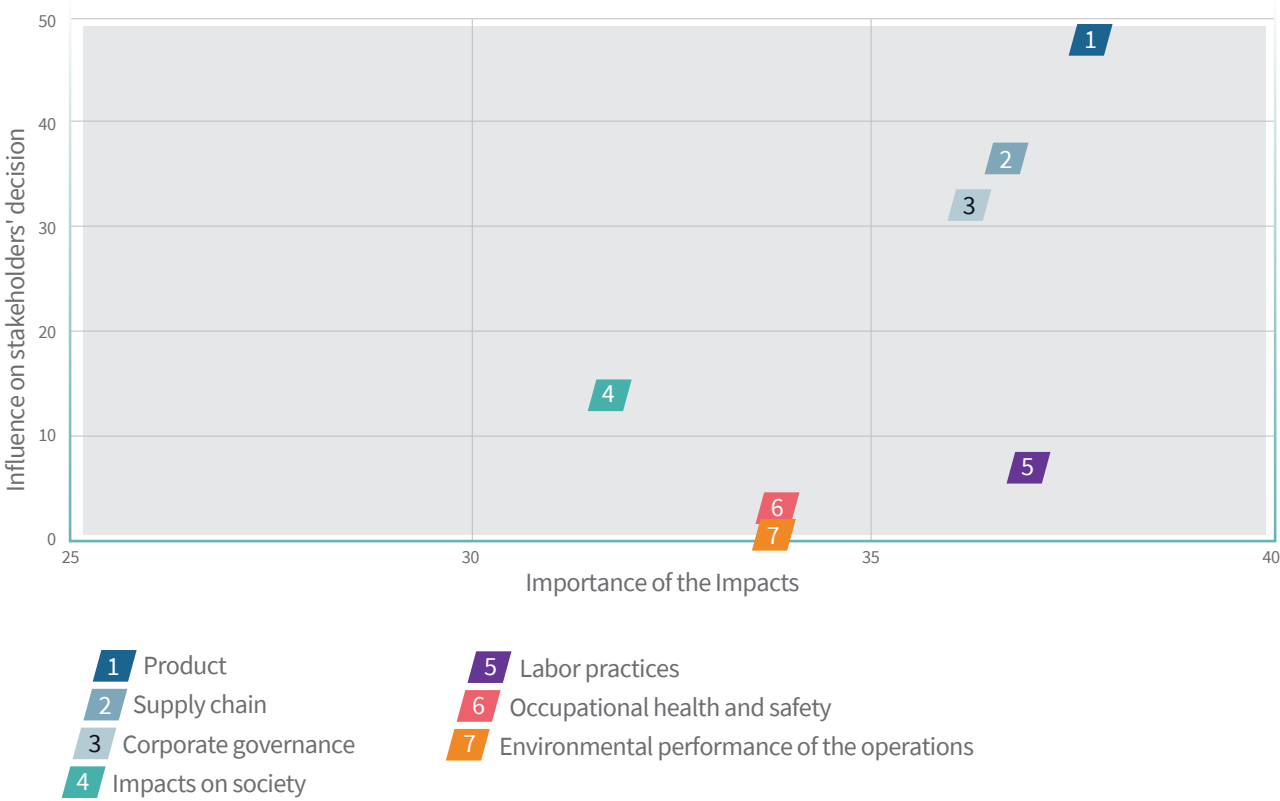
important aspects for the organization were prioritized and validated by the company's leadership, and constitute the materiality matrix presented in this report.

In this new cycle, HSA sought to update the matrix, strengthening the vision of the importance of the aspects to the business and to the decisions of its main stakeholders. This way, the aspects were remapped using the most recognized sources in the market, such as RobecoSAM (which conducts company

assessments for participation in the Dow Jones Sustainability Index, DJSI), SASB (which defines sustainability reporting standards for companies publicly traded in the American stock exchange), and RepRisk (which assesses reputational risks related to the social, environmental, and governance issues of companies applying for the DJSI). Next, those at HSA responsible for managing each of the aspects indicated the relevance for creating and protecting company value. The material aspects identified and validated in this process include:

Material Aspects	What is the contribution to the aspect?
 Product	Innovation Product safety Customer satisfaction Fuel efficiency and emissions
 Supply chain	Supplier management Supply of raw material
 Corporate governance	Prevention of corruption and fraud Unfair competitive practices Compliance with national legislation and international standards Tax planning
 Impact on society	Impacts on and relationship with the community Human rights
 Labor practices	Labor practice indicators Freedom of association and collective bargaining
 Occupational health and safety	Occupational health and safety
 Environmental performance of operations	Climate strategy Ecoefficiency Generation of waste and recycling

Priority matrix for the aspects





At the beginning of 2017, HSA updated its materiality matrix using globally accepted references such as RobecoSAM, SASB, and RepRisk



03

About
Honda

G4-4, G4-5, G4-6, G4-7, G4-8, G4-9

Present in South America for 46 years, Honda produces motorcycles, automobiles, and power products. In 2015, the company also began selling executive jets in the country. The company has production units in Brazil, Argentina, and Peru, and an import unit in Chile. It has over 2,500 points of sale, which ensures the presence of Honda in the main cities of South America.

Honda's entire network and infrastructure is managed by Honda South America (HSA), a holding company of the group headquartered in the city of Sumaré, 119 kilometers from São Paulo.

South America is one of the seven administrative blocks that form the company's global operations, which include Japan, North and Central America, Europe, the Middle East and Africa, Asia and Oceania, and China. In total, Honda has 442 subsidiaries and affiliates worldwide.



Honda Soth America



Business Unit	Corporate Name	Scope	Jurisdiction
HDA	Moto Honda da Amazônia Ltda.	2R / PF	Brazil
HAB	Honda Automóveis do Brasil Ltda.	4R	Brazil
HSF	Honda Serviços Financeiros Ltda.	BHB / CNH / SHB	Brazil
HAR	Honda Motor de Argentina S.A.	2R / 4R / PF	Argentina
HDP	Honda del Peru S.A.	2R / PF	Peru
HSP	Honda Selva del Peru S.A.	2R / PF / TR	Peru
HMDC	Honda Motor de Chile S.A.	2R / 4R / PF (imports)	Chile
2R: Motorcycles / 4R Automobiles / PF Power Products / TR Tricycles BHB: Banco Honda S.A. / CNH: Consórcio Honda Ltda. / SHB: Corretora de Seguros Honda Ltda.			

Strategy and goals

G4-14

The consolidation of Honda's business is based on its quality advantage. This principle has been reinforced globally and gains even more importance in the competitive scenario of the automobile industry. The business context for the industry is in constant transformation and is increasingly focused on issues associated with environment, safety, and artificial intelligence. Although these concepts, as well as the vision of quality, are already fully integrated

into the Honda culture, the quest for improved management is ongoing.

Aware of these challenges, the company is reinforcing initiatives that bring it closer to its end customers. The goal is to listen to them, understand their aspirations and expectations when they purchase a Honda branded product. An important breakthrough was introducing manufacturer warranty levels equivalent to those for cars

(up to three years). The benefit is extended to all Honda vehicles.

Another significant step has been the development of a new conception of post-sale channel, through which it is possible to track, in real time, the customer's experience with the brand, conduct surveys in appropriate timing and offer more personalized services that increasingly meet their expectations.

Exclusive platform for Honda customers

Since April 2017, the myHonda portal has been available at the website www.honda.com.br, to all customers and fans of the brand who, using login and password, can have access to content and exclusive services. For owners, it is possible to view specific information about their product, schedule visits to the dealership, view the services performed, offer suggestions, in addition to content on Honda's products and services.



Honda has also been strengthening its relationship with dealers and suppliers. In the search for more proximity and transparency in relationships, the company holds periodic meetings with these stakeholders and specific training

with the teams, always focusing on the quality of services and the final product. This work reinforces the company's strategy and mission to provide joy and improve people's lives through mobility.



+ INFO

Learn more about Honda's challenges and strategies on page 22: Vision 2030 – Honda South America

Business context

G4-4, G4-8, G4-9, G4-10, EC1

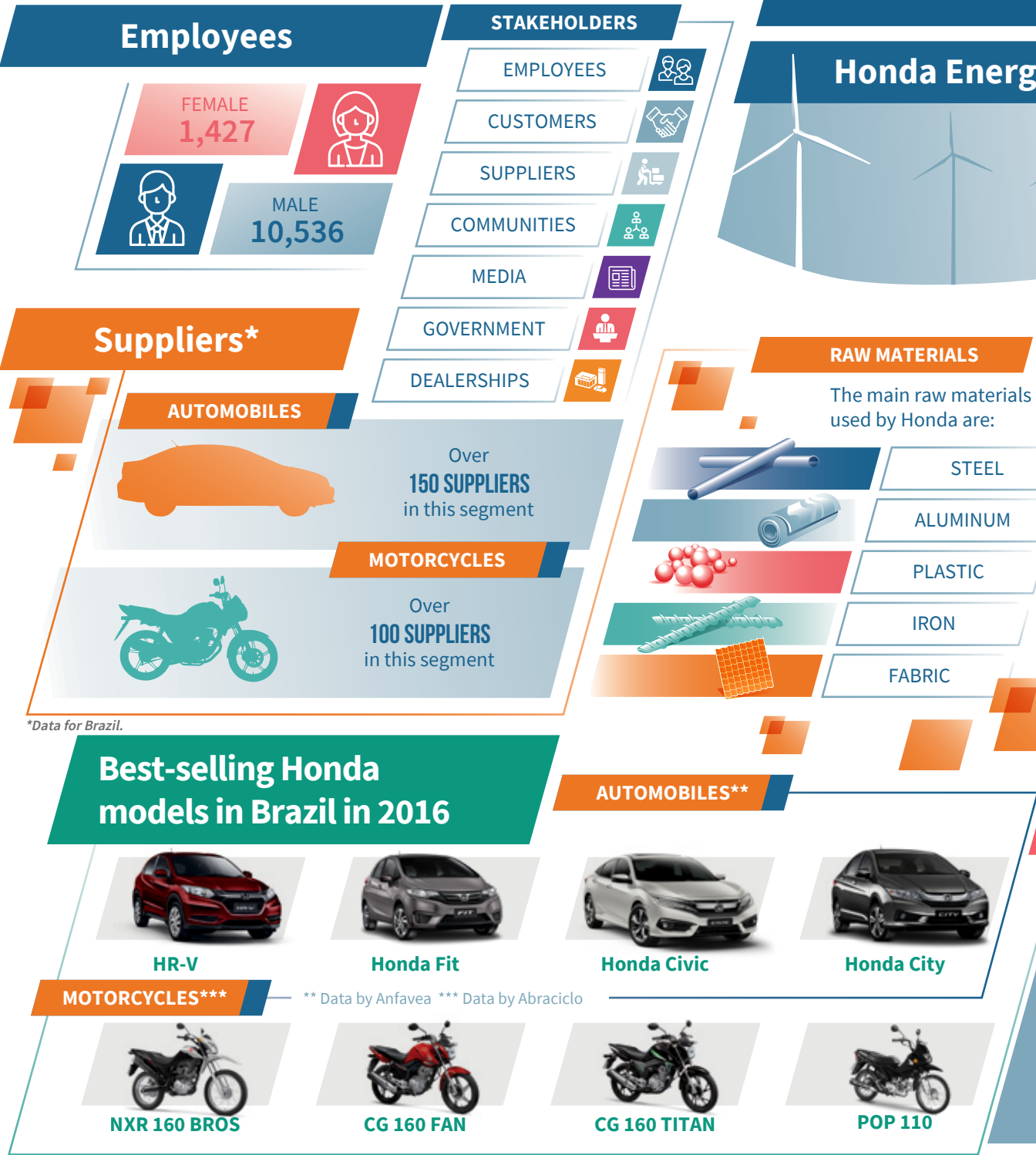
Worldwide

Honda has been establishing global partnerships in order to accelerate the development of technologies that meet mobility expectations, reduce environmental impacts, and increase the safety of vehicle users. Among the highlights are agreements reached with GM and Hitachi to produce fuel cells for hydrogen cars and electric motors. In addition, the company has been intensifying cooperation and integration among the seven regions in which it operates, focusing on the most efficient use of its resources and knowledge to achieve positive results and strengthen global competitiveness. The effort will be based on the perspective of contributing to the matrix, where each region will be responsible for seeking the development of attractive products that meet local needs, but also have global potential - a result already seen in Brazil with the launch of the WR-V, which is also being produced in India.

South America

In 2017, HSA closed the operations of its motorcycle plant in Florencio Varela, located in Argentina. Local production was transferred to the Campana unit in the same country where the brand's cars were already being produced. With this decision, Honda gained more competitiveness in its operations and adjusted its production to the market conditions of the South American region. See the highlights for South America in the infographic on the side.

Honda's Operating Model (South America)



Honda Automóveis do Brasil Ltda.
Production and sales of automobiles and parts.

Moto Honda da Amazônia Ltda.
Production and sales of motorcycles, power products, and ATVs.

121,361

722,216

28,133

BRAZIL

POINTS OF SALE

2,074

Honda Energy do Brasil

73,391 MWh

generated in the last fiscal year at Honda's wind farm in Xangri-Lá (RS)

Honda Motor de Argentina S.A.
Production of motorcycles and automobiles, importing and sales of motorcycles and power products.

12,958

72,876

26,014

ARGENTINA

POINTS OF SALES

299

Honda Motor de Chile S.A.
Importing and sales of motorcycles, automobiles, and power products.

3,202

8,045

4,704

CHILE

POINTS OF SALES

73

Honda Selva del Perú S.A.
Honda del Perú S.A.
Production of motorcycles, importing and sales of automobiles and power products.

1,654

33,181

29,443

17,716

PERU

POINTS OF SALES

265

Brazil

Motorcycles



The largest motorcycle manufacturer for South America, with a production of over 22 million units, Moto Honda da Amazônia is the absolute leader of the segment in Brazil, with over 80% market share. The plant, inaugurated in 1976 in the city of Manaus (Amazonas), is today the largest Honda bike production unit in the world and integrates a complex production process that develops from molds and production tools to essential components such as exhaust pipes, wheels, handlebars, and parts for chassis. With national and imported models, the bikes range from 110 cc to 1,800 cc for different types of use and customer

profiles. With over 6,000 employees, the Manaus plant is also responsible for the production of ATVs and stationary engines.

According to data from ABRACICLO (Brazilian Association of Manufacturers of Motorcycles, Mopeds, Scooters, Bicycles, and the like), in 2016 the motorcycle segment in Brazil suffered a 30% reduction in production when compared with 2015.

However, perspectives show that there is still a potential market, with many customers looking for alternatives for travel to work, study, and for leisure. So, Honda

maintained its launch schedule, strengthening the line-up and ensuring its leadership in the domestic market.

In the last fiscal year, sales of Honda motorcycles and ATVs totaled approximately 725,000 units, a reduction of 13% compared with the previous period. A slight recovery is expected for the second half of the next fiscal year. Nevertheless, the company works cautiously, since a favorable economic scenario requires overcoming major challenges, such as reversing the increase in the unemployment rate, the loss of consumer confidence, and an increase in production costs.

Time to adapt

G4-13

Still seeking to adapt to the downturn in the Brazilian economy, Honda temporarily suspended operations of one of the production lines at the Manaus plant, responsible for the production of mopeds and scooters. Production of these models was redistributed.

Automobiles

Data from ANFAVEA (National Association of Automobile Vehicle Manufacturers) show that the 2016 recorded a reduction of 11.2% in the production of cars for the domestic market compared with the same period in 2015. In order to face the difficulties presented by the downturn in the Brazilian economy and the instability in the main South American countries, Honda Automóveis do Brasil (HAB) underwent a process of cost adjustment, strengthening nationalization of components, and meeting the specific demands of local customers.

Since the start of its domestic car production in 1997, Honda has been experiencing growth and modernization. With 225,000 sqm of built-up area, the Sumaré plant in the state of São Paulo concentrates the production of models Fit, WR-V,

HR-V, Civic, and City. In all, over 1.6 million vehicles have already left the unit, which is also responsible for importing the models Honda CR-V and Accord.

In the last fiscal year, over 121,000 new units were licensed in Brazil, a decrease of 15% compared with the previous period. On the other hand, it increased its market share, reaching a peak of 7.1% in February 2017. Political uncertainties and doubts about the future of the economy make short-term forecasts difficult. But for the new fiscal year, a growth of approximately 5% is expected - a percentage still considered too low to allow the beginning of operations of our second automobile plant in the city of Itirapina, also in the state of São Paulo.

7.1%

best market share of the last fiscal year, recorded in the month of February 2017

Power Products

Honda's power product segment consists of 23 models of stationary engines (three of which are produced in Brazil, at the Manaus plant), as well as brush cutters, motor pumps, generators, lawn mowers, and knapsack sprayers.

With a market linked to the performance of production sectors such as agribusiness and civil construction, today one of Honda's main challenges in this segment is to create actions to improve the visibility of the brand in its network of motorcycle dealers and representatives.

To this end, the primary focus will be the market for sterndrive engines in Northern Brazil and the agricultural market in the South. Today, there is a potential for 60,000 units/year. In the last fiscal year, 28,133 units were sold in Brazil, resulting in a 2.3% reduction compared with the previous fiscal year.

Honda Financial Services

Formed by Banco Honda, Consórcio Honda and Seguros Honda (insurance), the Financial Services segment (HSF) aims to provide solutions that facilitate the purchase of the company's products. The synergy and proximity between the plant and its financial branch is an important competitiveness factor for Honda.

Banco Honda

Today, Banco Honda holds a 70% stake in financing new Honda vehicles. In the last fiscal year, the result of the business followed the retraction of the vehicle market and registered a 27% decrease in the automobile segment and 23% in motorcycles. Despite the reduction in volumes, the share of total financing carried out in the network increased.

For the automobile segment, the highlight of the period was the Unic Plan. Launched to boost sales of the Honda Civic Generation 10, this financing format follows the trend of flexible payment and facilitates customer access to the model. The plan allows the buyer to establish the

value of the down payment (up to 30% of the value of the vehicle), and the remaining payment may be made up to 35 times, with fixed intermediate monthly installments at lower amounts than those practiced by the market. For motorcycles, Banco Honda offers the Renova Plan, with financing conditions similar to those of the Unic Plan for purchasing the CRF 1000L Africa Twin model.

For this fiscal year, there is a potential demand in the vehicle sector and Banco Honda's outlook is toward growth. The company is optimistic about the new models and projects a scenario where interest rates may become more attractive, increasing consumer confidence.

70%
market share for the Bank in financing via the network

In December 2016, Honda Financial Services began digitizing the entire lending process. As with the consortium sales system (purchase pool), which is already done via a 100% digital platform, the new format is gradually being introduced in the dealership network and will improve internal controls and make the analysis of proposals more agile. Digitization began in the automobile segment and will be extended to motorcycles.

Consórcio Honda

In the market for over 35 years, the largest administrator of its kind in the country has approximately 1.7 million active customers. The company stands out by offering plans that suit the customer's budget and gains market share by representing a viable alternative amidst financial instability, offering customers the advantage of committing to monthly payments that fit their budget.

The division achieved positive results in the four-wheeler segment, exceeding the goal set for the period and closing with 36% growth. On the other hand, in two-wheelers, the economic scenario affected the sale of quotas in practically all regions. As with financing, we saw an improvement in the first quarter of 2017. However, it was not sufficient to prevent sales from

ending the fiscal year with a 15% drop. Consórcio Honda's perspective is to maintain business stability, with slight growth beginning the second half of this fiscal year. The company plans to reach a number of 700,000 motorcycles/year. In automobiles, the expectation is for a 34% growth, with 15,000 quotas.

Seguros Honda

With 30 years of national experience, Seguros Honda has already exceeded 1 million policies sold in Brazil. With plans to intensify its retail actions by increasing the sales force, Honda included in its strategy developing partnerships with other insurance companies in order to serve the segment of bikes with smaller engines. Seguros Honda is present

in several segments such as vehicle insurance, internal credit, life insurance, and health insurance.

Seguros Honda reached a total volume of 156,000 policies sold in the last fiscal year, which represents an 8% decrease compared with the previous period. However, in motorcycles, the share increased from

10 to 12%, while in the automobile segment it remained stable.

For this fiscal year, the company will increase the sales effort to strengthen insurance culture in the two-wheeler segment. In cars, the focus will be on maintaining stability, increasing customer loyalty.

HondaJet

Marketed in Brazil since 2015, HondaJet is the first aircraft developed by Honda and the most advanced executive jet in the world in its category. Produced by the Honda Aircraft Company in the United States, the aircraft is a milestone in the aerospace industry for its series of innovations, such as improved aerodynamics that have resulted in improved fuel efficiency. In Brazil, Líder Aviação is HondaJet's exclusive sales representative. In this fiscal year, sales of the jet were expanded to Argentina, Uruguay, and Paraguay. Additionally, the aircraft obtained the Brazilian Type Certificate issued by the National Civil Aviation Agency (ANAC).



Vision 2030 – Honda South America

Honda's Vision 2030 defines the path the company will follow to meet future demands of society, maintaining its mission of providing joy and improving people's lives through mobility. This direction was defined based on the vision of a future with new values generated according to the demands of society. For South America, the starting point was the current reality and a view of the peculiarities of the countries that make up the bloc. HSA Vision 2030 includes the following initiatives:

- Strengthen the synergy between South American countries and other regions where Honda is present. Cooperation will be very important for the future of the business and will contribute towards optimization of resources, development, and nationalization in the South American region.
- Attention to the specificities of the region, such as the ethanol promotion policy, the need to increase the infrastructure to recharge electric vehicles, the solidification of industries focused on the production of high technology parts, and the purchasing power of our population compared with wealthier countries. With this, the introduction of certain technologies tends to occur at different moments in time.
- Provide South Americans with the pleasure of enjoying life, by offering products and services that fit their reality. For customers in the low-income bracket, Honda's goal is to offer solutions that ease their difficulties in locomotion and in performing manual tasks. For consumers with greater purchasing power, the focus will be on offering products that create an experience with even more comfort and well-being.
- Offer more cost-effective mobility solutions and make time in traffic more productive for each individual.
- To ensure the joys of future generations, Honda will work towards a "carbon-neutral society." This will be done through the following initiatives:

active use and improvement of the economic efficiency of flex-fuel vehicles (ethanol), use of wind energy to significantly reduce CO₂ emissions, efficient use of resources, and proper disposal of waste.

■ Vision 2030 also seeks to work to increase "safety and tranquility for everyone in transit," which will be done by investing in technologies and strengthening of traffic education actions.

Honda Sustainability Pillars

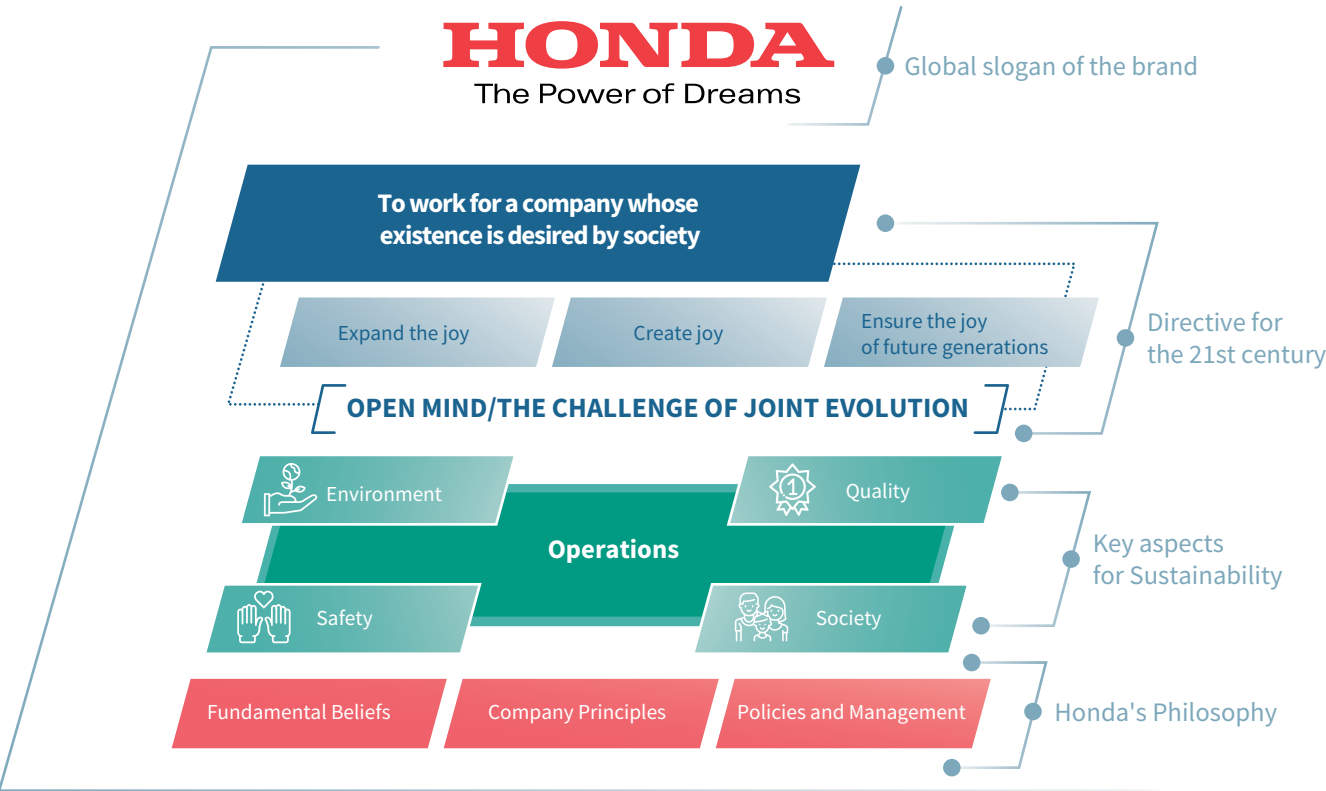
G4-15, G4-16

Environment, safety, quality, and society are Honda’s strategic sustainability pillars. These four principles interrelate and are present in all company activities and operations through sound management and following the principles of ethics, governance, and transparency in the market. Proximity to the network of dealers and suppliers, as well as

developing activities to stimulate employee engagement in its social and environmental commitments, contribute to strengthening the sustainability of the company’s entire value chain.

Honda develops its activities focusing attention on procedures that guarantee greater security when making business decisions.

Assessing macroeconomic conditions allows the company to anticipate difficulties and benefit from market opportunities that positively impact its competitiveness and reputation. All these principles and procedures are part of Honda's business platform and are disseminated in all activities in its production chain.



04

Product G4-4**Constant Commitment to Quality**

Honda's commitment is to offer consumers motorcycles, automobiles, and power products that suit the local market and are constantly updated with the latest trends. This strategy represents the company's efforts to meeting the expectations of its customers.

Honda Principle

"In a global spirit, we are dedicated to delivering the highest quality products at a fair price to satisfy our customers worldwide."

Innovation

Honda believes that business continuity is guaranteed by customer trust, gained initially through a first contact and consistently perceived throughout the relationship with the brand. Such recognition can only be achieved through advances generated by investments in innovation in the products and services offered to consumers.

This goal is made possible because Honda has in-place an organized strategic planning process to assess future demands and set the timeline for the introduction and development of new technologies. The company has, in its management model, guidelines and goals for all company activities and constantly invests in research to bring the most modern options to the market. These values also extend to the entire production chain (suppliers of parts and raw materials, dealerships, and other business partners).

To stay innovative and always ahead of market demand, in addition to conducting surveys with current and potential consumers, the team responsible for development monitors new technologies, legislation, and trends. The information collected enables key market needs to be reflected in new products or technology. All of these processes are reviewed periodically in consensus with the Sales and Industrial departments based on the headquarters' guidelines. Last year, despite difficulties due to the country's economic recession, Honda maintained its investments in research and development, nationalizing parts, and increasing efficiency in production processes, attitudes that reinforce the company's commitment to creating products with a vision of the future and the sustainability of the business.

Advanced technologies for the local car market

Honda South America's Automotive Research and Development Center (R&D) is located at the plant in Sumaré (SP), where the factory is also located. Inaugurated in 2001, it was expanded and received new facilities in 2014. The Center, which has approximately 300 employees, has state-of-the-art laboratories and technical equipment that enable the development of components, as

well as durability tests and emissions and consumption measurements. The equipment for the latest tests already has the necessary technology to meet the legal and environmental requirements that will come into effect as of 2020.

The unit is one of Honda's main innovation and development centers outside Japan and the

United States. Its activities are developed according to the company's global strategies, without losing sight of the specific demands of the countries in the region. Among its main initiatives is to increase the nationalization rate of components and technologies applied when developing local products.

A year of premieres

2017 Car of the Year

The New Civic Generation 10 is one of Honda's most complex and ambitious projects, requiring unprecedented commitment from the company's research & development and engineering resources.

Launched in August 2016, this generation represents the largest and most extensive renovation of the model throughout its history, which has resulted in the creation of a more sophisticated, spacious, safe, and technologically advanced automobile that offers efficiency and performance. The launch also marks Honda's first turbocharged engine sold in the country. The Touring version of the Civic brings to Brazil the 1.5 Turbocharged, 173 hp engine that uses turbocharger technology with direct fuel injection, which results in reduced fuel consumption and low emissions.



First model with development led by the Brazilian team

The WR-V is an important milestone in the history of Honda Automóveis do Brasil. The SUV is the first car with development led by the R&D area in Sumaré and features suspension, design, and versatility characteristics that cater to the specific needs of the local market.

Pioneering in the motorcycle industry

Investment in technological innovation guarantees the competitive advantage of Honda motorcycles. The company has been a pioneer in the market since 1976, when it began production in the country. In 1981, the company stood out when launching the first ethanol-powered motorcycle in the world, and in 2009, when presenting the first bi-fuel vehicle on two wheels on the planet. In 2013, Honda inaugurated the new facilities of its Development and Technology Center (CDT),

located near the factory in Manaus, to strengthen research and the creation of new solutions for the South American market. The CDT functions as a multidisciplinary technological center. At the site, approximately 200 professionals are responsible for the design, development, and validation of the product and its production. The unit has a product evaluation infrastructure, such as a test track that emulates a wide variety of vehicle use conditions, and engine bench tests,

and laboratories for gas emissions, and durability.

Historically, Honda has implemented technological innovations in the motorcycle segment such as electronic fuel injection, exhaust systems with new catalytic converters, flex-fuel engines, injection maps aiming to reduce vehicle emission levels, and CBS brakes (Combined Brake System, which reduces braking distance) for motorcycles with smaller engines.

CRF 1000L Africa Twin – The legend has returned to the domestic market

The CRF 1000L Africa Twin model returned to the Brazilian market with several technological innovations and a striking design, specially conceived to give riders freedom of movement, with better aerodynamics and versatile riding. The motorcycle features an unprecedented 999 cc, parallel, two-cylinder engine, ABS brake system, and the HSTC torque control, which allows riders to select between four levels of control, in addition to a sliding clutch. These technologies contribute to a better riding experience, with more safety and comfort for highway or city use, and integrate on-road and off-road needs. Brazil is the only country producing the Africa Twin outside of Japan.



Product safety

PR2

Expanding technologies for safer mobility

Quality and safety go hand in hand in Honda brand products. These are principles that are part of the company's strategy and define its lines of action and technological development. In addition, they have become the company's market differentiators and reputation attributes, contributing to Honda being recognized as a brand of excellence. These are the sustainability pillars of a company that aims to be increasingly desired by society and the consumer choice factor, in a highly competitive segment.

For products sold in South America, aspects such as customer demands, third-party evaluations, legislation, and trends are considered. Based on this, a plan for applying safety items is prepared. The goal is to anticipate the introduction of new technologies and always be at the forefront of the local industry, abundantly offering these advantages across the product portfolio. This strategy is constantly reviewed and taken into account in the company's business plan.

To ensure the recognized safety attribute of the products, Honda systematically and continuously monitors all its performance indicators, an activity that is closely followed by the company's senior management. The process allows the company to act preventatively and anticipate the identification of improvements that may contribute to or damage the good reputation and competitiveness of the brand.

Respect for and commitment to customers

PR2

By monitoring the products already on the market, we are able to identify situations that may affect user safety. If this is the case, proactive measures are taken to correct deviations, such as recalls. This process strictly follows the company's global standards and is executed in accordance with the current legislation. All affected

components are replaced or repaired at no cost to customers, and dealers are reimbursed. The rate of return of vehicles involved in recall campaigns is impacted directly by the product's age, because the older the vehicle, the greater is the effort to find the current owner in order to carry out

the repair. In a pioneer manner, Honda has been intensifying actions in the media (TV, radio, newspapers, and social media), in addition to partnerships with insurers and automatic toll collection companies, Detran-SP, and others. This effort has ensured a considerable improvement in return rates.

Honda Recalls
(April 1, 2016 to March 31, 2017)

Automobiles

Model	Reason	Number of Vehicles	% Repaired
Fit, City, Civic e Accord	Replacement of the passenger airbag inflator	34,530	20.3%
Fit	Replacement of the fuel tank	842	50.8%
Fit, City, Civic, CRV e Accord	Replacement of the passenger airbag inflator	325,130	24.1%

Motorcycles

Model	Reason	Number of Vehicles	% Repaired
GL 1800 Gold Wing	Replacement of the airbag inflator	80	47.5%
GL 1800 Gold Wing	Replacement of the airbag inflator	324	43.8%

Consolidated return rate for all campaigns during the last fiscal year	Honda Automóveis do Brasil = 45.6%
	Moto Honda da Amazônia = 66.4%



Car quality and safety

PR2

Crash tests conducted by Latin NCAP for automobiles:

Honda cars received the best evaluations in the New Car Assessment Program for Latin America and the Caribbean (Latin NCAP). Through the initiative, consumers may obtain independent and transparent information about the safety levels of the models available in the market.



Automobiles

In addition to the constant pursuit of improved fuel efficiency, Honda also strives to reduce the emission of contaminants. All Honda cars sold in Brazil have obtained the A-classification from IBAMA, which means that emission values are below 60% of the legal thresholds.

Motorcycles

In the motorcycle segment, the new SH 150i scooter has, among its main highlights, a technology that ensures fuel efficiency through the Idling Stop system, which automatically shuts off the engine in situations where its use is not necessary. A success in Europe for 33 years, the model was launched in Brazil in 2017 following the worldwide trend of offering the maximum in efficiency, practicality, and agility at low costs for urban mobility.

Additionally, the company has four biofuel models on the Brazilian market, which together account for nearly 60% of the sales in the country - an important technological advancement in this segment that contributes for the reduction of greenhouse gases (GHGs), which is a global commitment assumed by Honda.



Power Products

In the Power Products sector, Honda began to market brush cutters in Brazil. The UMK435T UEPT, which is equipped with 4-stroke engine, giving it an advantage in a market dominated by the 2-stroke engines. With high performance, high torque at low rpm and reduced noise levels, the engine uses a rotary lubrication technology, which guarantees operation in any angle (360°). In addition, it can operate on ordinary gasoline, without the need for oil added to the fuel tank.

The result is an equipment that does not produce smoke from the exhaust, thereby reducing the impact on the environment.

Customer satisfaction

Products and services to improve people's lives

PR5

Respecting consumers and ensuring their full satisfaction with the company's products and services is part of Honda's belief and philosophy. Therefore, the company works to offer the highest quality products at fair prices, and to strengthen the relationship with customers in order to identify possible points for improvement in the sales and after-sales processes. Based on these objectives, in the past three years the company

developed and implemented the myHonda program, a unique and exclusive relationship strategy that combines CRM (Customer Relationship Management) with the Honda philosophy. This way, it is possible to rapidly and better understand the profile, behavior, and needs of customers, developing a personalized relationship that reinforces trust for more assertive and tailored services. Through myHonda, all customers who acquire any product or service at

the Honda dealerships are invited to express their experience by answering an online survey. The results are monitored in real time and help the company recognize strengths and identify opportunity for quick improvement in order to win back any dissatisfied customers.

In addition to satisfaction surveys, the platform manages leads, client services, marketing campaigns, social media, and the myHonda portal.



05

Supply Chain

Strengthening relationships for joint development

G4-12

Honda believes that choosing good suppliers is one of the key elements to maintain its standard of quality, recognized around the world. The company's relationship with its supply chain occurs through communication actions based on, above all, transparency, focusing on contract compliance, joint growth, and risk reduction.

Supplier management begins with the selection process carried out in accordance with the global guidelines defined by the head office in Japan. Quality specifications of the raw materials purchased by the company are included in these rules. There are also other criteria, such as environmental management in the supplier's production process, since

Honda's partner selection standard is defined by the acronym QCDMEFS (Quality, Cost, Delivery, Management, Environment, Financial, and Safety). When contracted, companies sign the General Procurement Agreement, which establishes the relationship rules for both parties, and during the term of the contract, monthly assessments are performed based on QCDMEFS criteria.

Honda supplier assessment

EN32, HR5, HR6



Risk management that assesses financial health of suppliers, and on-time delivery of the quantity requested.



QAV1* audit that assesses whether the supplier's quality management system complies with current standards.



A QAV2 audit that evaluates the process so that the required quality is achieved and complies with legal requirements.

* QAV – Quality Audit Visit.

The data collected in the risk management and auditing actions are evaluated monthly through the PDCA* tool, where a critical analysis of the results is carried out, designing action plans with improvements or corrections in cases of deviation. Regarding the cost indicators, achievement of the goals defined by the company is measured.

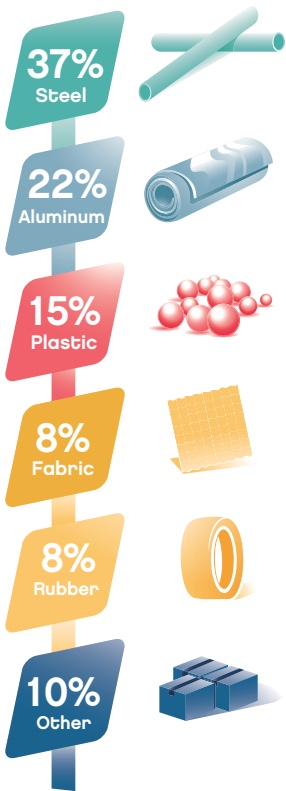
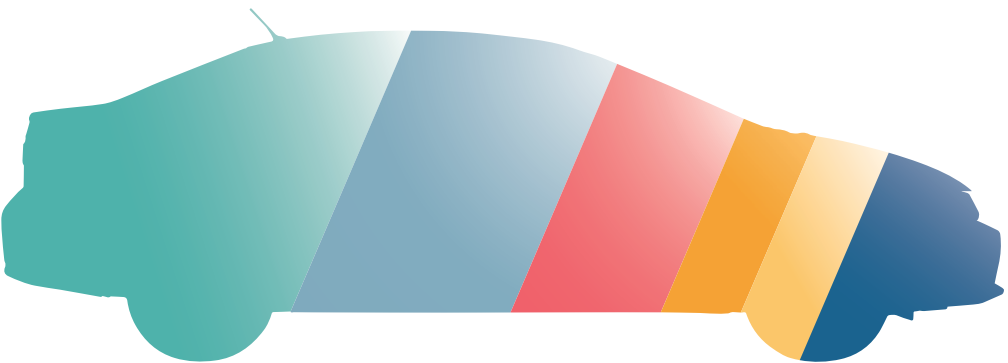
The ongoing effort to nationalize items and increase competitiveness reinforces the importance of strengthening partnerships and of the continuous process to improve the brand. That is why, every year, Moto Honda da Amazônia and Honda Automóveis do Brasil hold meetings with their main suppliers to recognize and reward those who have excelled in their

areas of operation – encouraging them to continue improving good results. At the beginning of 2017, Moto Honda da Amazônia and Honda Automóveis do Brasil awarded 18 and 33 partners, respectively. In order to achieve this result, criteria such as quality, delivery, service, costs, environmental preservation, performance in the parts division, and other criteria were taken into account.

Automobiles

G4-12, EN1, EN32

In 2016, the supply chain for automobiles had 150 active partners, 50% of which were hired based on environmental criteria. In that same period, 15 new companies joined this group, and environmental criteria also guided 50% of all contracting.

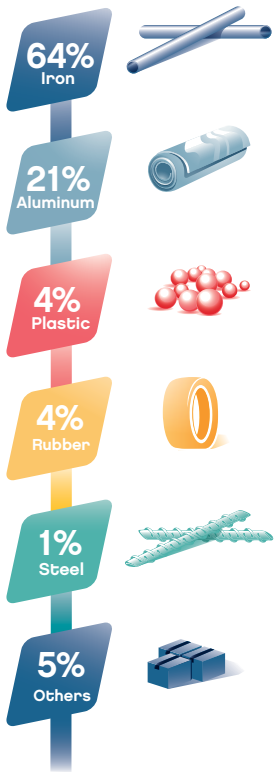
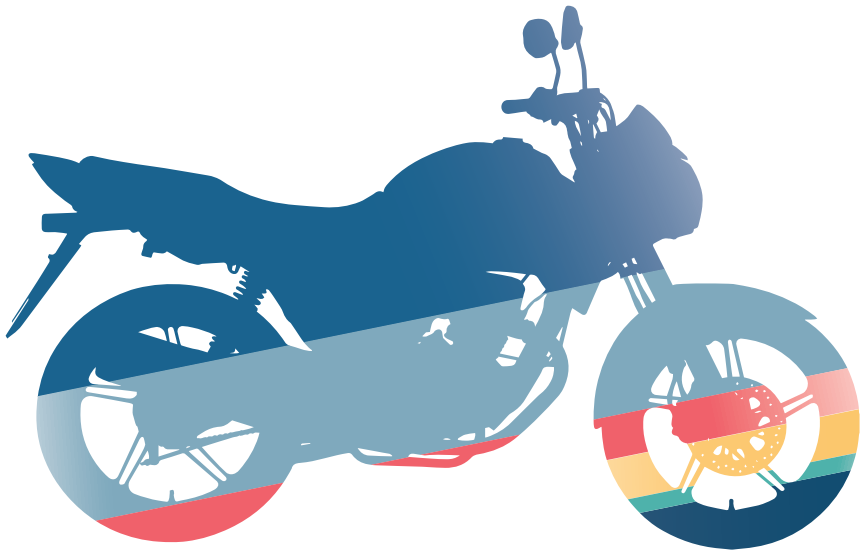


* PDCA - Plan, Do, Check and Act.

Motorcycles

G4-12, EN1, EN32

The total number of companies in the motorcycle unit’s supplier chain in 2016 was 108, of which four were contracted in the year. Among the companies, 50% were hired based on environmental criteria.



All Tantalum, Tungsten, Tin, and Gold foundries in the supply chain of both companies are included on the Conflict Free Smelter Initiative (CFSI) list, a certification that enables all parties of the supply chain to identify sources of minerals outside areas of social conflict.

06

Corporate
Governance**Management based on corporate ethics and transparent processes**

G4-34, G4-38

The corporate governance of Honda South America is structured by the ESG Department (Environment, Social Responsibility, and Corporate Governance). This Department is responsible for coordinating prevention and awareness-raising processes to achieve compliance and respect for laws

and regulations. The company divides the Corporate Governance area using three management tools, which act as pillars for its performance: governance, risk, and compliance. Each of them has clearly defined functions, its own teams, and when necessary, the assistance of specific consultants.



ESG department is responsible for coordinating the prevention and awareness-raising processes in compliance and respect for laws and regulations.

Pillars	
Governance	Standard of conduct and business ethics
Corporate Risks	Identification and assessment of risks to the business and definition of measures to mitigate, eliminate, or transfer risks.
Compliance	Compliance with legal requirements, regulations and internal policies, standards and procedures.

Governance assessment systems used by Honda

G4-34

The results of actions promoted by the company that focus on respecting the governance pillars are constantly evaluated through systems following international standards of governance:

- Corporate management system for processes: self-assessment performed by managers (100% managers and above) on systems and process operation.
- Specific management system for processes: internal SOX controls on relevant business processes and technologies (over 90 processes documented and reviewed annually), which are submitted to SOX Certification by independent auditing.
- System of norms and conduct: corporate policies and procedures, available on the intranet or company directories for access to the internal audience.
- Structure of the code of ethics, secrecy of information, and standard of formal conduct, all disseminated through training and management.

Corruption and fraud prevention

G4-56, SO5, SO8

The Philosophy and Code of Conduct are based on ethics, transparency, and responsibility in the conduct of the company's business - a commitment also assumed by all employees, who must base their actions and conduct on the company's guidelines. With this focus, Honda manages fraud prevention processes that

provide a safe business environment free of financial losses and prevent damage to the brand's reputation. The ESG Department has processes in place for verifying internal controls that involve specific actions toward fraud prevention, by identifying critical areas and SOX tests. In order to clearly define its position on business ethics, the company

established a Corporate Policy on Prevention of Corruption and regularly carries out training courses on this aspect. Knowledge of the content of this policy is evaluated annually through SOX processes and a self-assessment questionnaire submitted to managers.

Unfair competitive practices

G4-56, SO7

Combating unfair competitive practices is part of the company's Code of Conduct. All employees must follow guidelines for defending competition, preventing violations of the economic order in Honda operations, commercial practices,

and interacting with competitors and/or business partners, either directly or through trade associations, in accordance with the current laws in South American countries. To further strengthen the culture of combating unfair competitive

activities, Honda has published the Competition Defense Policy across all business units in South America. Its dissemination will take place through training and other activities, starting with the critical areas.

Respect for national legislation and international standards

G4-56, EN29, PR9

Honda is committed to respecting the laws in all countries where it operates, as well as international standards. In addition to its Code of Conduct, the company has in place corporate policies aimed toward combating crimes such

as compulsory labor, money laundering, and as already mentioned, fraud, corruption, and unfair competitive practices.

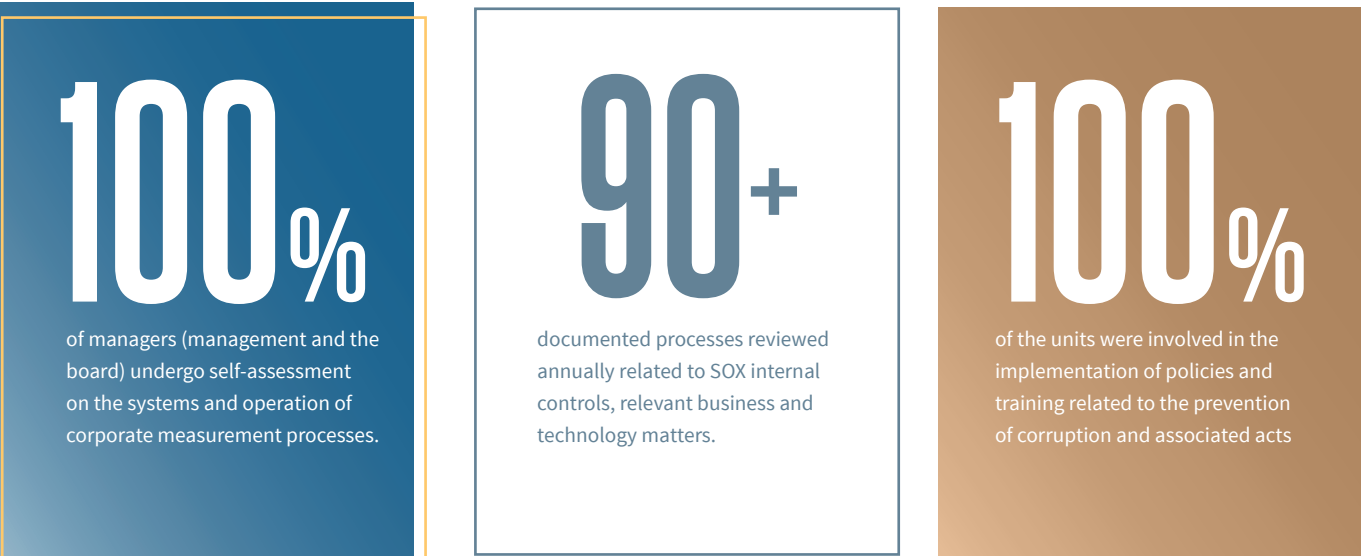
The ESG Department is also responsible for establishing effective

systems and operations that prevent acts of non-compliance with the law. Some areas have specific structures for compliance with and control of legislation, such as banking.

Ethics Channel and Committee

G4-56

The company established the Ethics Channel, a means of direct communication between employees and the company's management, which allows employees to, anonymously or otherwise, make reports, complaints, and suggestions based on the Code of Conduct. All claims are submitted for evaluation and actions by the Ethics Committee, with the purpose of guaranteeing the continuous improvement of standards of ethical behavior.



07

Impact on
SocietyContribution to the future
of the next generations

SO2

From Honda's way of being, thinking, and acting, came the motto Together for Tomorrow. Through this globally adopted motto, Honda demonstrates the importance of the relationships it maintains with all society. Its development was based on four pillars - Environment, Education, Community, and Traffic Safety - that help the company direct actions toward social, economic, and environmental development with a focus on helping build a better and fairer world for future generations.

Among the social programs developed by the company, we highlight initiatives carried out in different regions where Honda is located, such as those shown on the following page.



Vision

Honda values the sharing of joy with people around the world through socially responsible activities.

Global
Guidelines

Working to create a future society in which all people may pursue their dreams, Honda:

- Supports the education of young people for the future.
- Works to preserve the global environment.
- Promotes traffic safety through education and training.

Basic
Principles

With a global vision, the company contributes to the well-being of local communities around the world through products and technologies that benefit society. Thus, Honda intensifies its commitment to all communities in which it does business, cultivating a society in which dedicated and persevering individuals actively participate in socially responsible activities.

Social projects

Science Circuit

S01

The project disseminates the principles and opportunities of the world of science among the students of public schools in Manaus (AM). Through playful activities, students learn about respect for the environment and man's interaction with nature. In 17 years, the project has received nearly 60,000 students from municipal and state schools. The Circuit is sponsored by Moto Honda Amazônia and conducted by the National Institute of Amazonian Research (INPA) with support from the state government.

In 2016, during National Science and Technology Week, promoted by the Institute, project participants received more information about the Aquatic Mammals Laboratory (*Laboratório dos Mamíferos Aquáticos* - LMA), which works in partnership with the Friends of the Manatee Association (*Associação Amigos do Peixe-boi - Ampa*), on the *Ecoethos* project, a game that simulates situations in which people need to exercise creativity in favor of sustainability, and participated in the trail of knowledge, where they learned about local fauna and flora species.

60,000
students helped
by the science
circuit in 17 years
of the project

Honda and the Bachiana Philharmonic Orchestra

Honda has supported, since 2011, the project for music education and training of instrumentalists in underprivileged communities, an initiative that serves the community of Paraisópolis, in the southside of São Paulo, under the leadership of conductor João Carlos Martins and his orchestra. Every year, the project serves about 90 young people in socially vulnerable situations with classical music classes. Participants have the opportunity to learn to play instruments and develop as professionals in the art, if they wish. The purpose of the action is to change the lives of needy young adults through education and culture.

Building a more sustainable future

Over 8,000 students from Argentina's elementary school attended workshops held by a team of 94 Honda employees who volunteered to disseminate the values that make up the four social pillars of the brand. The last fiscal year marked the 4th edition of this initiative, which takes place in the cities of Pacheco and Campana, where Honda has operations.

Professionalization
for the future of the
community

S01, S02

Residents of the district of Areias in Recife (PE) face many social and economic difficulties, including the low level of access to education. When installing its Training Center 11 years ago in that region, Honda identified the need for actions that would encourage and prepare the young people of Areias to choose a profession. In 2007, the company started the Professional Training Course. Carried out at Honda's facilities, the course is divided into technical courses on mechanics of automobiles and motorcycles, and training modules on health, family relationships, computer lab, work, environment, traffic safety, and the importance of volunteer work.



70%
of participants
are employed

The process of selecting the young people who participate in the annual course begins with analyzing basic criteria such as age, schooling, and social vulnerability. Candidates must be between 18 and 20 years of age and be attending or finishing high school. The next stages involve a written test, group dynamics, and family visits. Between 2007 and 2016, a total of 194 people benefited. Of these, over 70% are employed and working at different jobs, including at Honda dealerships.

Traffic Safety

S01, S02

Honda believes it is not enough to offer products that combine quality and high technology. In order to provide a compelling consumer experience, it is necessary to guarantee the conditions for vehicles to be used safely, especially in cities where heavy traffic from cars, motorcycles, and other vehicles may impact the safety of users and third parties. Given this scenario, Honda actively promotes traffic safety activities on all continents, performing actions

according to the characteristics and traffic situations of each country. To this end, the company has three units - Indaiatuba (SP), Recife (PE), and Manaus (AM) - of the Honda Traffic Education Center (CETH) in Brazil, whose teams are responsible for disseminating, through practical and theoretical classes, concepts of traffic safety and safe motorcycle riding. The company is also present in South America through the CETH units in Argentina and Peru.

30,000
people participated
in the traffic safety
activities carried
out by Honda in
South America.

Harmony in Traffic

Always focused on disseminating safe driving concepts, Honda maintains the portal *Harmonia do Trânsito* (Harmony in Traffic), a channel where everyone can access free content with traffic tips for drivers, motorcyclists, cyclists, and pedestrians through workbooks, videos, exercises, and 3D animation. In addition, it is possible to download manuals on basic and advanced safe on- and off-road and ATVs driving techniques.



+ INFO

To learn more about the content available, go to:
honda.com.br/harmonianotransito



Friendly Motorcyclist

S01

Honda believes in the harmonious coexistence among all participants in traffic: pedestrians, motorcyclists, drivers, and cyclists. That is why, in Brazil, the company joined two of its most important pillars - Community and Traffic Safety - to create the new Friendly Motorcyclist

(*Motociclista Legal*) program. Available at the three Honda Traffic Education Center (CETH) units in the country, the project invites all those participating in free driver training courses to contribute by donating non-perishable food. At the end of the course, donations are taken to a charity

and delivered by a motorcycle rider trained in a CETH. The entity is chosen by the students in partnership with Honda and may be based in any city or state in the country. Through this initiative, the company collected over four tons of food by the end of March, 2017.

Clubinho Honda

S01

Traffic education begins in childhood. To contribute to this endeavor, Honda created the "Clubinho Honda – Trânsito Amigo" project in 1992. The initiative aims to teach the importance of good coexistence in traffic among pedestrians, cyclists, drivers, and motorcyclists, in a light and fun way. The program has a digital version where parents, teachers, and children can find manuals, comics, movies, and games. In all materials, the superhero and the Clubinho Honda team simulate real-world traffic situations by teaching

important lessons about safety. To learn more, visit:
www.honda.com.br/clubinhohonda

In 2012, the Honda Traffic Education Center (CETH) in Indaiatuba (SP) inaugurated the Kid's Town Clubinho Honda in its facilities.

The space, open to children from public and private schools in the municipality, reproduces a city with the intention of transmitting traffic education concepts. There, the small students have practical classes using electric toy motorcycles. The initiative is also shared with

communities in other regions in Brazil and is supported by the Honda dealership network, which periodically promotes educational activities, distributing comic books and books with games to children across the country.

In the last fiscal year, Clubinho Honda carried out 63 educational actions for children, totaling 1,256 children served in Brazil. Also in this period, the CETH units in Manaus (AM) and Recife (PE) inaugurated spaces dedicated to children.

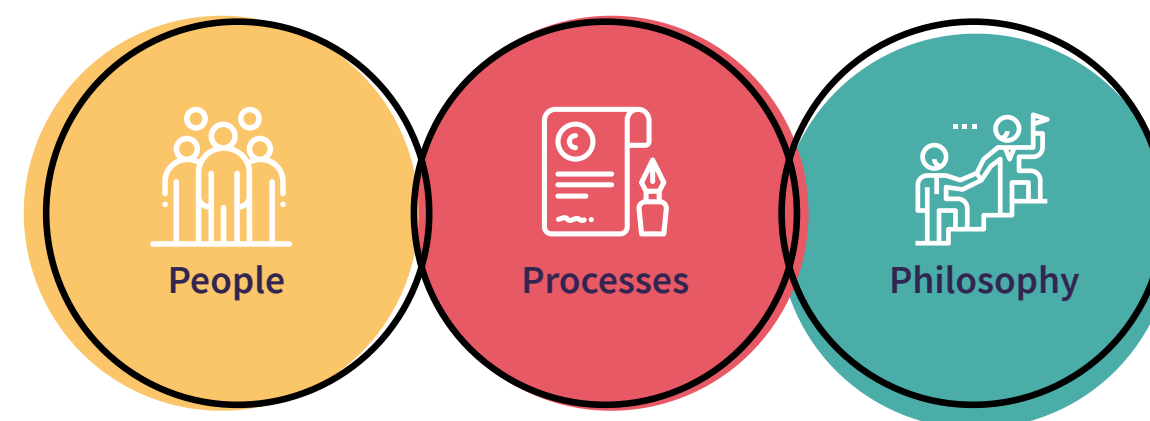


08

Labor
Practices**Respecting and appreciating individual ideas**

HR3

One of the pillars of Honda's successful business is looking toward those who are responsible for it every day, the employees. The company develops its activities based on the 3Ps, which means People, Processes, and Philosophy. The 3Ps form the pillar of the management model at Honda. The company is led by its employees, whose work philosophy is based on development, initiative, and teamwork.

Pillars of the Honda management model

Honda's relationship with its employees is based on encouraging dreams and maintaining a youthful spirit. These characteristics allow the company to innovate and always remain relevant. It is worth mentioning that the company's corporate culture encourages the free expression of the teams on their potential and interests in acquiring new skills for their development.

LA1, LA10

Examples of programs focused on the development of Honda employees:

- **GAP (Global Assignment Program)** - a strategic international development program focused on empowering professionals to act in a globalized environment and lead strategic changes at Honda. In the last fiscal year, 16 Honda employees took part in GAP in development periods ranging from one month to two years in Japan, the United States, and other countries.
- **NHC (New Honda Circle)** - a global program that promotes sharing experiences and

contributes ideas to optimize resources and improve the internal processes and quality in the work environment. Every year, NHC gathers groups formed in all company units in South America and worldwide. In 2016, a total of 1,796 groups registered, and four of which were shortlisted among the best and took part in the Global Convention in China.

- **New Paths** - The company's commitment to its employees goes beyond the period in which they are active. Among the actions promoted by the

company, the Novos Caminhos (New Paths) Program stands out, dedicated to employees aged 55 and over. Structured by training in finance and careers, the initiative takes place over a five-year period and prepares employees to remain healthy and active after retirement, according to their wishes. Also within the Program, the Human Resources area assists with the bureaucratic and financial issues of retirement regarding both public pension and PreviHonda, which facilitates the financial planning of future retirees.

Honda also seeks to develop leadership in order to improve people management by emphasizing open communication practices. To this end, the company works strongly to retain talent by internally training executives, valuing the work of those who are already part of the team. A good example of the development of internal talent is the president of Honda Brazil, who built his career within the company and is now one of the members of the global board, and is CEO for South America.

EDP (Executive Development Program)

Developed in partnership with the ISE Business School, the training course offers a diversified range of activities that guarantee full qualification of participants. Executives from different areas of the business interact with each other from a perspective that includes the macro-environment view of the automotive industry and delves into the financial analysis of the organization.



Equality

At Honda, we value an open working environment, with autonomy and equality among all. Therefore, no employee, not even directors and members of the presidency, have separate offices. To further strengthen these values of equality that are part of the company's philosophy, all employees based in manufacturing units use white uniforms, including the administrative area and senior management, which also highlights the attributes of organization, cleanliness, and quality, highly valued by Honda at all plants worldwide.



Collective association

G4-11, HR4

Honda's relationship with its employees is based on principles of trust and respect. Thus, the company's communication with trade unions representing its teams is conducted in a transparent and proactive manner. The company's values guarantee the right to free trade union association and open door policies to promote constant dialogue.

“

100% of Honda South America's employees are covered by trade union bargaining agreements.

”

09

Occupational Health And Safety

Wellness and quality of life in the work environment

LA6, LA8, PR1

Work relations between Honda and its employees is guided by the concern for well-being and quality of life. For this, the company makes constant investments in actions that focus on the safety and health of workers, and all measures respect the sector's applicable legislation and regulations.

Managing the Health and Safety area is fundamental for the growth of the company, and therefore, also supports the company's strategic plan. Adopting these assumptions, the automobile and motorcycle plants carry out training activities intended to qualify and recycle the emergency brigade and in safety in the operation.

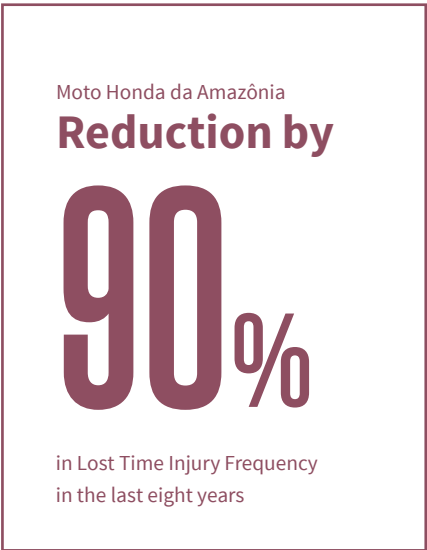
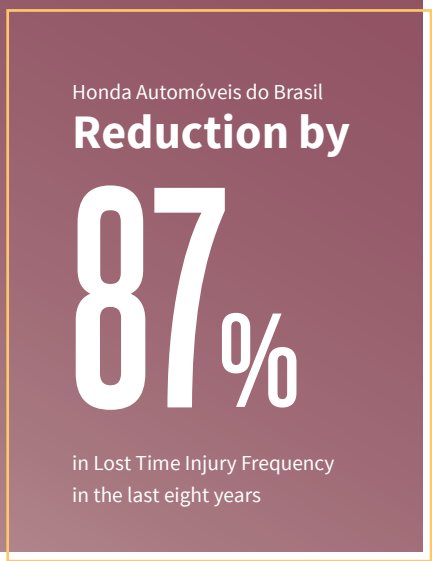
This commitment with accident prevention is responsibility of all. In addition, senior management plays an important role in this process, supporting initiatives and providing resources for the design and implementation of prevention programs.

The efficiency of these programs is measured by specific indexes, checked monthly, and compared with the results of other manufacturers and Honda's global units.

There is no production without safety

The words of the founder of the company, Soichiro Honda, clearly demonstrate the company's concern and responsibility towards its employees. Thus, in order to ensure that all processes are free from accidents and incidents, the company uses methodologies and tools to analyze the work environment, identifying potential risks and adopting preventive measures to achieve the "zero accidents" goal in all production units.

The Company's historical results regarding the accident rates clearly demonstrate the involvement and engagement of all in risk management and prevention measures. In Brazil, these results have been positive with a reduction in the number of accident in the last eight years.



Safety Highlights

Zero Accidents Program

The creation of the Zero Accident Program, which encompasses more than 20 specific actions to prevent workplace accidents, is among the highlights for Honda Automóveis do Brasil in the last fiscal period. Among the specific actions toward preventing accidents in the workplace are the Bottom Up project, where each employee may suggest improvements through an exclusive communication channel, and the cross safety assessments, which involve the inspection by different managers in the factory to indicate potential risks, the monthly meetings to evaluate indicators, and plans for mitigating future accidents. In these initiatives, the company relies on 100% participation of employees, from the shop floor to senior management.

Safety Academy

Among the main challenges for Honda Moto da Amazônia last year was the implementation of the Safety Academy, which consists of a training space for risk perception through the use of simulators. The main objective of the initiative is to raise awareness of employees about conducting their activities with the utmost caution and rigor, thus ensuring their health and well-being.

Health Highlights

Keeping the best attitude

Regarding the health of its employees, one of Honda's main measures is associated with ergonomics. Therefore, in addition to complying with regulatory standards, Honda reinforces prevention and treatment measures in this area and maintains an Internal Ergonomics Commission, whose team operates using the Ergonomic Work Analysis (AET).

Quality, specialized service

The Honda motorcycle plant in Manaus (AM) has a modern Specialties Clinic to assist its employees. The facilities have an infrastructure where employees are assisted in case of emergencies, and has different medical specializations for routine care, such as cardiology, gynecology, physiotherapy, and others. A highlight is physiotherapy, with capacity to serve close to 130 patients per day. There are seven physiotherapists who treat pathologies such as tendonitis, sports injuries, and neurological problems, in addition to performing pre and post-operative treatments.

RPG - Reeducação Postural Global

Reeducação Postural Global (a revolutionary physiotherapy methodology developed by Philippe Souchard) acts to promote health and prevent diseases. It is a personalized service that treats the body as a whole, reorganizing its segments through exercises that stretch and promote muscle tone. The benefits include improvements in spinal and respiratory pathologies, among others. Through RPG, employees can improve their day-to-day and obtain quality of life in their moments with their families.

Prevention Campaigns

We work on prevention through guidance and raising awareness of our employees, in addition to annual immunization programs for target groups.

Topics of the Campaigns:

- Campaign to fight dengue fever: Guidance on care for households and families.
- Guidance campaigns to fight the flu, including flu shots for target groups.
- Save sugarcane fields: Awareness raising and distribution of condoms.
- Pink October Campaign Guidance and awareness raising and specific prevention exams in the Specialties Infirmary.
- Blue November Campaign: Guidance and awareness raising.

10

Environmental Performance

Climate strategy

EC2

Honda includes, as part of its business strategy, responses to climate change, energy issues, and the efficient use of resources to set goals that minimize the environmental impacts generated by its operations, products, and services. Thus, it works with concepts that guarantee environmentally responsible actions across its production chain.

Honda Environmental and Safety Vision

Realize the joy and freedom of mobility and a sustainable society in which people can enjoy life.

With a vision of the future that projects a society with minimal environmental impact to ensure the balance of our planet, in 2011, the company globally announced its goal to cut corporate CO₂ emissions in half by 2050, compared with the baseline levels recorded in year 2000.

In line with this strategy, the main highlight in Brazil is the wind farm

of Honda Energia do Brasil, the first in the national automotive sector and of the Honda group in the world. Located in the city of Xangri-Lá, in the state of Rio Grande do Sul, the complex with nine wind turbines received an investment of over BRL 107 million and supplies all the energy needed by the Sumaré plant in the state of São Paulo inland, where the automobile factory, the Automobile Research & Development Center, and Honda's headquarters are located. The structure also serves

the company's administrative office in São Paulo (SP), as well as the logistics center of LSL Transportes, a partner company, located in Paulínia, responsible for material handling operations and supplying assembly lines.

In the last fiscal year, the park generated 73,391 MWh, which was 2.9% higher than in the previous year.

Since its inauguration in 2014, a total of 199,000 MW of electricity have been generated, preventing the company from releasing over 16,000 tons of CO₂. The project is also the only one in the sector to obtain the Renewable Energy Certificate granted by ABEEólica (Brazilian Wind Energy Association) and ABRAGEL (Brazilian Association of Clean Energy Generation). In addition, by being responsible for the generation of renewable energy used in production, the park places Honda Automóveis do Brasil as the only company in the sector with the right to use the "Renewable Energy Seal" in all its automobiles.

Honda Energia Wind Farm

- Investment of around BRL 107 million.
- Since 2014, a total of 207,000 MWh of electricity have been produced.
- In the last fiscal year, 73,391 MWh were produced, 2.9% higher than the previous period.
- Since the park began operations, Honda has avoided releasing over 16,000 tons of CO₂.

Aligned with reducing greenhouse gas emissions, the motorcycle plant in Manaus (AM) replaced the use of LPG (Liquefied Petroleum Gas) with natural gas in its internal processes. This action allows the company to avoid the emission of over 2,095 tons of CO₂ per year, in addition to other air contaminants resulting from the burning of fossil gases.

Reducing CO₂ emissions

EN15, EN16, EN17

GHG emissions from Brazilian plants are calculated according to the methodology of the Brazilian GHG Protocol Program and with external assurance. The methodology of the program establishes, so far, the use of the National Grid emission factor to calculate indirect emissions through the use of electricity. For this reason,

emission reductions associated with the Xangri-Lá (RS) wind farm are not reflected in the emissions inventory of Honda Automóveis do Brasil (HAB).

Since 2011, Honda Automóveis do Brasil has recorded and disclosed its Inventory of Greenhouse Gas Emissions, having received the gold seal for disclosing data

relating to the three scopes. Moto Honda da Amazônia (HDA) has been part of the program since 2013, and for the third consecutive year, it has received the Gold Seal for its inventory.

The factories in Argentina and Peru calculate emissions using their own methodology.



In 2016, Honda do Brasil’s plants reduce their emissions of greenhouse gases by 3,000 tons of CO₂ compared with the previous year.

Honda’s global goal

-  Honda has set the goal of reducing its CO₂ emissions by 50% before 2050 for its plants worldwide.
-  The base used was the emissions recorded in the year 2000.

Ecoefficiency

EN3, EN5, EN6

Investments in ecoefficiency allow Honda to meet its commitments towards the reduction of environmental impacts. To this end, one of the actions carried out by the company is to reduce consumption of electricity in its facilities.

For this, the equipment is inspected frequently, products are chosen based on efficiency benchmarks, prioritizing the use of natural light. In

this regard, we highlight the building characteristics of Honda South America's (HSA) administrative headquarters, located in the city of Sumaré (SP). The entire structure was designed with environmentally friendly features such as light fixtures with aluminum reflectors tailored to expand brightness, and environments surrounded with large windows, maximizing solar lighting. The windows also optimize natural ventilation - the

air conditioning is only activated when necessary and during business hours.

The unit's climate control system is intelligent, with self-regulated temperature. Although it is centralized, the technology independently controls the temperature of each environment, allowing empty environments to be turned off, providing a comfortable temperature while consuming less electricity.

Other initiatives

The search for energy efficiency and better environmental performance is part of the daily life in all Honda units. Throughout the year, several projects were developed and put into practice to reduce the consumption of electricity at company's facilities. Among them are:

- **Contention of battery fluids:** before 2016, the battery storage room at the Distribution Center in Jaboatão dos Guararapes (PE) did not have a containment system for possible leakages. To avoid any harm to the environment, Honda implemented a protection system that prevents these fluids from reaching the soil.
- **Remelting of scrapped engine blocks:** Honda Automóveis do Brasil developed a device to carry out the remelting process internally, instead of using an external supplier, thereby reducing CO₂ emissions from the logistics processes.

Maximizing coastal shipping in logistics for distribution of motorcycles

EN23, EN25

In the last fiscal year, Honda expanded the use of coastal shipping in motorcycle distribution logistics from the Manaus plant to the Distribution Support Points (PADs), reducing CO₂ emissions. The XRE 190 and PCX 150 models are now sent to the PADs in Camaçari, Fortaleza, and Campinas in coastal shipping vessels. With this expansion, the unit avoided the emission of 71 tons of CO₂ in 2016.

Waste management and recycling

EN23, EN25

Honda is committed to constantly improving its waste management system. The company strives to learn about and improve the life cycle of all materials involved in the production process, developing technologies that allow for the reduction, reuse, and recycling of waste (3Rs), as well as efforts to eliminate risks related to final disposal.

Aligned with this strategy and based on minimizing negative impacts on the environment, in 2016 Moto Honda da Amazônia developed a project to internally recycle metallic

scrap, reusing them in motorcycle production. The initiative prevented the disposal of 52 tons of scrap steel per year.

This effort by Moto Honda da Amazônia was recognized as one of the best global cases of the company in the Honda Green Conference 2016, an event in Japan that honors the environmental initiatives developed by the company's teams worldwide.

Another highlight regarding the reuse of waste comes from Honda Automóveis do Brasil, through the

recycling paint sludge and solvents arising from the vehicle painting process. The project, implemented in 2009, has allowed for recycling of 540 tons of paint sludge and 816 tons of solvents, through a partnership with an external company that reuses this waste to produce a second line of paint. Some structures of the automobile plant, such as the Water Treatment Station, the Effluent Treatment Station, and the Waste Center, have their walls and floors painted with this recycled paint, thereby making it possible to apply the concept of reuse.

Reverse Logistics of Drums

In partnership with a company that recycles paint and solvent sludge, in 2016 the automobile plant implemented reverse logistics for drums that store these materials. Drums are now unmarked, that is, tags, labels, and other identification are removed, sanitized, and returned using the same transport for reuse. This action avoids the purchase of new containers for this purpose and the subsequent generation of waste.

Composting of organic waste

Since 2015, the Parts Distribution Center of Jaboatão dos Guararapes (PE) has carried out an internal composting process for all organic waste generated on the site. With this initiative, the unit avoided sending about 2.5 tons of waste per year to the landfill. In addition to treating the waste internally in a much more sustainable way, the compost creates a fertilizer, which is used in gardening at the unit.

Rational use of water

EN8, EN9, EN10, EN22

Honda believes in harmonious coexistence between the company and the environment and operates its units in accordance with local regulations and best practices in the segment. Thus, the company seeks to ensure that its activities do not compromise natural resources and works steadily to ensure minimal environmental impacts resulting from its activities. More than simply avoiding negative impacts, Honda seeks to have a positive impact on the environment.

Honda's units in Brazil, Argentina and Peru have physical, chemical, and biological Effluent Treatment

Stations (ETEs). At the Manaus plant, part of the final effluents treated is used for irrigating gardens, reducing the amount of drinking water withdrawn from nature for this purpose and ensuring the sustainable reuse of this resource. Inaugurated in 2001, the Effluent Treatment Station of the Honda plant in Manaus is considered the most modern in South America, and, together with the ETE at Honda Automóveis de Sumaré, treats about 1,300 m³ of effluents per day. The ETE Honda Selva del Peru, a motorcycle and trike plant located in the city of Iquitos, was inaugurated in July 2016.

In addition to adequately handling this resource, Honda has several initiatives to reduce its consumption. At the Manaus unit, a project completed in 2016 allows the company to avoid consuming 7,920 liters of water per year just by reusing the discarded water from the cooling system of the machining unit. In addition, in the powder coating process, the water consumption used during pretreatment was reduced by 70% through the installation of a drainage system that removes the oil accumulated on the surface of the tank, maintaining the quality of the water for a longer period of time.





Preserving biodiversity

EN11, EN13

In order to contribute to the preservation of biodiversity in the Amazon region, Honda carries out a series of specific actions. Among them is maintaining the Private Natural Heritage Reserve (RPPN), in the city of Manaus (AM), which has over 16 hectares on the banks of the Igarapé do Mindu. Because it is home to a great biodiversity of species of the Amazonian flora and wildlife, the Reserve is considered an urban fragment of secondary forest and shelters species like herons from the region and the saaim monkey of the Amazon.

Another initiative of the company in the region is the Agricultural Project, in the municipality of Rio Preto da Eva, near Manaus (AM). The project aims to plant fruit trees and endangered species such as mahogany, rosewood, copaiba, and andiroba. There are three types of rosewood, from southern Mexico to the Atlantic Rainforest. However, the one from the Amazon is the one with the highest concentration of Linalool oil, a substance used in the production of imported perfumes. Hence, it has been exploited incessantly for decades.

Since 2003, Honda has invested about BRL 2 million in improvements and in the production of over 20,000 seedlings of fruit trees, such as coconut, peach palm, acerola, lime, papaya, and banana. The project also cultivates hydroponic lettuce, and all these foods supply the factory restaurants and entities caring for needy children and the elderly. About 80% of the area, equivalent to 802.38 hectares, is maintained as a legal reserve.

GRI Content Index



G4-32

Indicator	Comments / Note	Page
Strategy and Analysis		
G4-1		5
G4-2		5
Organizational Profile		
G4-3		9
G4-4		5, 13, 16, 25
G4-5		13
G4-6		13
G4-7		13
G4-8		5, 13, 16
G4-9		13, 16
G4-10		16

Total number of employees by employment contract and gender		
	Male	Female
Temporary	353	98
FTE	10,183	1,329

Total number of FTE employees, by type of employment and gender		
	Male	Female
Full-time	10,233	1,322
Part-time	303	105

Total workforce (FTE) by own employees and contractors, and by gender		
	Male	Female
Own	10,536	1,427
Contractors	1,290	162

Total workforce by region and gender		
	Male	Female
Brazil - North	5,414	493
Brazil - Southeast	3,744	736
Argentina	1,154	102
Chile	65	12
Peru	159	84

Indicator	Comments / Note	Page
G4-11		51
G4-12		35, 36, 37
G4-13		18
G4-14		15
G4-15		23

G4-16	Brazil: ABRACICLO - Presidency: (Brazilian Association of Manufacturers of Motorcycles, Mopeds, Scooters, Bicycles, and the like) SIMEFRE - Vice Presidency: (Materials and Railway, Highway, and Two-Wheeler Industry Union) ANFAVEA/SINFAVEA - Vice Presidency: (National Association of Automobile Vehicle Manufacturers / National Union of the Tractor, Truck, Automobile, and Similar Vehicle Industry) AEA - Board: (Brazilian Automotive Engineering Association) FIEAM - Board: (Federation of Industries for the State of Amazonas) CIEAM - Board: (Industry Center for the State of Amazonas) AFICAM - Board: (Association of Component Manufacturers for the Amazon Region) Japanese-Brazilian Chamber of Commerce for the States of Amazonas and São Paulo	23
	Argentina: ADEFA: (Asociación de Fabricantes de Automotores) CAFAM: (Cámara de Fabricantes de Motovehículos)	
	Chile: ANIM: (Asociación Nacional de Importadores de Motocicletas)	

Identified Material Aspects and Boundaries	
G4-17	9
G4-18	10
G4-19	10
G4-20	10
G4-21	10
G4-22	10
G4-23	10

Indicator	Comments / Note	Page
Stakeholder Engagement		
G4-24		10
G4-25		10
G4-26		10
G4-27		10

Report Profile		
G4-28		9
G4-29		9
G4-30		9
G4-31		9
G4-32	This report was prepared in accordance with the "Core" option of compliance with the GRI G4 Guidelines.	9.63
G4-33	There was no external assurance	

Governance		
G4-34		39, 40
G4-38		39
G4-39	The Chairman of the Board of Directors does not hold the position as executive director	

Ethics and Integrity		
G4-56		40, 41

ECONOMIC ASPECT		
Economic Performance		
G4-EC1		16
G4-EC2		57

Procurement Practices		
G4-EC9	Ratio between procurement spending with local suppliers (only for items procured in Brazil)	
	- Total procurement spending with suppliers: BRL 5.4 billion in 2016.	
	- Total procurement spending with local suppliers: BRL 2.8 billion in 2016.	
	- Percentage of local procurement spending by significant operating units 52%.	

Indicator	Comments / Note	Page
ENVIRONMENTAL ASPECT		

Materials

G4-EN1		36, 37
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G4-EN2	Some materials used in the motorcycle plant in Manaus (AM), such as aluminum and shell molding sand, allow using a certain amount of recycled material in their composition, provided this is done in a controlled manner in order not to exceed the specified limits of their composition, thus ensuring the mechanical properties necessary to meet the requirements of the products. In the case of the shell molding sand used at the foundry in the process to produce shell molds - after the molds are used, they are recycled by a company and returned for reuse in the mold production process. Production of aluminum parts: A total of 712,581 kg of recycled parts were used	
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Energy

G4-EN3		59
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Energy Consumption at the Plants (GJ)

Source	BRAZIL		ARGENTINA		PERU
	Honda Automóveis do Brasil	Moto Honda Amazônia	Honda Motor Argentina (Cars)	Honda Motor Argentina (Motorcycles)	Honda Selva del Peru
Renewable Source	10,425	0	0	0	0
Non-renewable Source	128,092	266,479	40,353	30,480	2,975
Indirect energy for the use of electricity	209,271	461,846	30,080	26,175	2,615
Total (GJ)	347,788	728,325	70,432	56,655	5,590

Energy Consumption by the Offices (GJ)

Fonte	BRASIL	PERU	CHILE
Renewable Source	1,993	0	0
Non-renewable Source	1,847	1,006	1,783
Indirect energy for the use of electricity	10,228	574	248
Total (GJ)	14,068	1,580	2,031

Note: The office in Argentina (HAR) was closed in 93ki as part of Honda’s One Floor strategy, where decentralized offices are now located next to the manufacturing plants, thereby ensuring greater employee interface and optimization of the use of resources, such as the Effluent Treatment Plants.

Indicator	Comments / Note	Page
G4-EN5		59
G4-EN6		59

Improved fuel consumption in the main models produced.

- Numbers for consumption disclosed by the government’s labeling program (CONPET) pursuant to the standards adopted by the program.
- We considered the year 2013 as a reference, since it was the first year after the beginning of the INOVAR program.
- Measurement of fuel consumption in accordance with standard NBR 7024

Model	Fit EX 1.5 16VAT (2013)	Fit EX 1.5 16V CVT (as of 2015)
Consumption	Ethanol city 6.8Km/l; Ethanol road 8.2Km/l; Gasoline city 10.5Km/l; Gasoline road 12.2Km/l	Ethanol city 8.3Km/l; Ethanol road 9.9Km/l; Gasoline city 12.3Km/l; Gasoline road 14.1Km/l
Improvement	18.87%	

G4-EN7	Model	City EX 1.5 16V AT (2013)	City EX 1.5 16V CVT (as of 2015)	31
	Consumption	Ethanol city 7.5Km/l; Ethanol road 8.3Km/l; Gasoline city 11.2Km/l; Gasoline road 14.0Km/l	Ethanol city 8.5Km/l; Ethanol road 10.3Km/l; Gasoline city 12.3Km/l; Gasoline road 14.5Km/l	
	Improvement	12.70%		
	Model	Civic LXR 2.0 16V AT (2013)	Civic EXL2.0 16V CVT (as of 2016)	
	Consumption	Ethanol city 6.5Km/l; Ethanol road 9.2Km/l; Gasoline city 9.4Km/l; Gasoline road 12.8Km/l	Ethanol city 7.2Km/l; Ethanol road 8.9Km/l; Gasoline city 10.5Km/l; Gasoline city 10.5Km/l;	
	Improvement	4.59%		

Water

G4-EN8		61
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Water withdrawn and acquired by the Plants

Source	BRAZIL		ARGENTINA		PERU
	Honda Automóveis do Brasil	Moto Honda Amazônia	Honda Motor Argentina (Cars)	Honda Motor Argentina (Motorcycles)	Honda Selva del Peru
Municipal network (m³)	126,071	0	0	0	-
Underground sources (m³)	84,096	550,146	35,952	53,020	12,747
Reclaimed water (m³)	0	1,205	0	0	0
Total (m³)	210,167	551,351	47,936	70,693	12,058

Water withdrawn and acquired by the Offices			
Source	BRAZIL	PERU	CHILE
Municipal network (m³)	7,090	951	574
Note: The office in Argentina (HAR) was closed in 93ki as part of Honda’s One Floor strategy, where decentralized offices are now located next to the manufacturing plants, thereby ensuring greater employee interface and optimization of the use of resources, such as the Effluent Treatment Plants.			

Indicator	Comments / Note	Page
G4-EN9		61
G4-EN10		61
Biodiversity		
G4-EN11		62
G4-EN13		62
Emissions		
G4-EN15		58
G4-EN16	See below	58
G4-EN17		58

GHG emissions by the Plants			
BRAZIL	Honda Automóveis do Brazil	Moto Honda Amazônia	Total
Direct emissions from renewable sources	877	899	1,777
Direct emissions from non-renewable sources	9,604	35,476	45,081
Indirect emissions from the use of electricity	4,765	121,483	126,249
Total tCO ₂ e	15,247	157,859	173,106

Methodology: GHG Protocol
Calendar year (January 1 to December 31, 2016)

GHG Emissions by the Plants			
ARGENTINA	Honda Motor Argentina (Automobiles)	Honda Motor Argentina (Motorcycles)	Total
Direct emissions from renewable sources	0	0	0
Direct emissions from non-renewable sources	2,350	1,735	4,085
Indirect emissions from the use of electricity	4,378	3,810	8,188
Total tCO ₂ e	6,728	5,545	12,273

Own Methodology: Fiscal Year

GHG Emissions by the Plants	
PERU	Honda Selva del Peru
Direct emissions from renewable sources	0
Direct emissions from non-renewable sources	196
Indirect emissions from the use of electricity	468
Total tCO ₂	664

Own Methodology: Fiscal Year

GHG Emissions by the Offices			
	BRAZIL*	PERU**	CHILE**
Direct emissions from renewable sources	163.22	0	0
Direct emissions from non-renewable sources	138.13	68.90	122.73
Indirect emissions from the use of electricity	184.17	37.63	25.74
Total tCO ₂	485.52	106,53	148.46

*Methodology: GHG Protocol, Fiscal Year and TCO₂e
** Own Methodology, calendar year and TCO₂

Indicator	Comments / Note	Page
G4-EN18		
G4-EN19		31
G4-EN20		
G4-EN21	See below	

NO _x , SO _x and other significant air emissions					
Fonte	BRAZIL		ARGENTINA		PERU
	Honda Automóveis do Brazil	Moto Honda Amazônia	Honda Motor Argentina (Automobiles)	Honda Motor Argentina (Motorcycles)	Honda Selva del Peru
Total Emissions (ton)	491	589	81	N/D	N/D

* Only Volatile Organic Compounds

Indicator	Comments / Note	Page
G4-EN22		61

Total water discharge, by quality and destination				
Plant	Destination	Volume of Effluents (m³)	Monthly average BOD (mg/l)	Monthly average COD (mg/l)
Honda Automóveis do Brasil	Surface water	119,355	9	169
Moto Honda Amazônia	Other	411,442	4	13.3
Honda Motor Argentina (Automóveis e Motocicletas)	Surface water	100,254	60	150
Honda Selva del Peru	Other	5,801	26	70
NOTE. Residual waters at Honda Motor Argentina (Automobiles and Motorcycles) are treated in a single effluent treatment station, consequently these indicators are not broken down.				

Indicator	Comments / Note	Page
G4-EN23		60

Solid waste generated and disposed of - Plants Classification: Nonhazardous					
Disposal	Honda Automóveis do Brasil	Moto Honda da Amazônia	Honda Motor Argentina (Automobiles)	Honda Motor Argentina (Motorcycles)	Honda Selva del Peru
Recycling (ton)	18,445	31,522	2,066	816	418
Landfill (ton)	218	0	0	0	373
Incineration (ton)	0	960	0	-	-
Co-processing (ton)	31	1,021	0	-	-
Composting (ton)	383	0	154	247	-
Total - Non-hazardous	19,077	33,503	2,220	1,063	791

Solid waste generated and disposed of - Plants Classification: Hazardous					
Disposal	Honda Automóveis do Brasil	Moto Honda da Amazônia	Honda Motor Argentina (Automobiles)	Honda Motor Argentina (Motorcycles)	Honda Selva del Peru
Recycling (ton)	303	929	-	-	0
Incineration (ton)	-	2,935	-	434	-
Co-processing (ton)	-	1,200	7	-	-
Total - Hazardous	303	5,064	7	434	0

Solid waste generated and disposed of - Offices			
Disposal	BRAZIL	PERU	CHILE
Recycling (ton)	6	2	3
Landfill (ton)	44	0	2
TOTAL	50	2	6

Indicator	Comments / Note	Page
G4-EN25		60
Products and Services		
G4-EN27		31
G4-EN28		31
Compliance		
G4-EN29		41
Supplier Environmental Assessment		
G4-EN32		35, 36, 37

Total number of active suppliers and percentage of contracting based on the criteria indicated, for each segment of the business		
	Automóveis	Motocicletas
Total number of active suppliers in 93ki (number)	150	108
Percentage of suppliers hired based on environmental criteria (%)	50%	54%
New suppliers hired in 93ki (number)	15	4

Indicator	Comments / Note	Page
SOCIAL ASPECT		
Labor practices and decent work		
Employment		
G4-LA1		50

Total number of new hires						
Under 30		30 to 50		Over 50		
	Male	Female	Male	Female	Male	Female
Brazil	45	38	32	12	0	0
Argentina	167	10	31	7	1	0
Chile	10	1	5	1	0	0
Peru	36	6	7	2	7	0

Employee turnover rate (%)						
Under 30		30 to 50		Over 50		
	Male	Female	Male	Female	Male	Female
Brazil	7%	12%	9%	9%	2%	1%
Argentina	3%	0%	2%	0%	0%	0%
Chile	18%	6%	29%	24%	24%	0%
Peru	54%	8%	20%	5%	9%	3%

Indicator	Comments / Note			Page
Occupational Health and Safety				
G4-LA6				53
G4-LA8				53
Training and Education				
Average number of training hours per employee				
<i>Only Moto Honda da Amazônia</i>				
G4-LA9	Brazil	Male	Female	
	Directors	4	0	
	Managers and General Managers	13.65	0	
	Employees - Administration	14.12	12.92	
	Employees - Plant	9.18	10.47	
G4-LA10				50
Percentage of total number of employees receiving regular performance and career development assessment				
<i>Only Moto Honda da Amazônia</i>				
G4-LA11	Brazil	Male	Female	
	Directors	-	-	
	Managers and General Managers	2% (38)	-	
	Employees - Administration	83% (1,780)	14% (304)	
	Employees - Plant	96% (3,248)	4% (151)	
The numbers of factory employees cover the period from January to December 2016. The numbers of Managers, General Managers and Administrative Employees refer to 93ki (period from March 2016 to April 2017).				

Indicator	Comments / Note		Page
HUMAN RIGHTS			
Non-discrimination			
G4-HR3			49
Freedom of Association and Collective Bargaining			
G4-HR4			51
Child Labor			
G4-HR5			35
Forced or compulsory labor			
G4-HR6			35
SOCIETY			
Local Communities			
G4-SO1			44, 45, 46, 47
G4-SO2			43, 45, 46
Anti-corruption			
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		
	Total number of operations assessed for risks related to corruption.	8 business units	
	Percentage of operations assessed for risks related to corruption	100% of business units	
G4-SO4			

Members of the governance body who were informed about anti-corruption policies and procedures adopted by the organization and trained in the fight against corruption.		
Executive Board	Total	%
Brazil – North	0	0%
Brazil – Southeast	3	33%
Argentina	3	100%
Chile	0	0%
Peru	0	0%

Members of the governance body who were informed about anti-corruption policies and procedures adopted by the organization and trained in the fight against corruption.		
Managers and General Managers	Total	%
Brazil – North	41	100%
Brazil – Southeast	90	94%
Argentina	19	80%
Chile	7	100%
Peru	6	100%

Employees who were informed about anti-corruption policies and procedures adopted by the organization and trained in the fight against corruption.		
Employees - Administration	Total	%
Brazil – North	480	73%
Brazil – Southeast	1,126	50%
Argentina	0	0%
Chile	61	84%
Peru	115	100%

Employees who were informed about anti-corruption policies and procedures adopted by the organization and trained in the fight against corruption.		
Employees - Plant	Total	%
Brazil – North	1,121	22%
Brazil – Southeast	710	25%
Argentina	0	0%
Chile	0	0%
Peru	111	100%

Indicator	Comments / Note	Page
G4-SO5		40
Anti-competitive Behavior		
G4-SO7		40
Compliance		
G4-SO8		40

Indicator	Comments / Note	Page
PRODUCT RESPONSIBILITY		
Customer Health and Safety		
G4-PR1		53
Product Safety		
G4-PR2		28, 30
	Cases of non-compliance with regulations that resulted in fines or penalties	No occurrence *
	Cases of non-compliance with regulations that resulted in warning	No occurrence *
	Cases of non-compliance with voluntary codes	No occurrence *
	* Only Moto Honda da Amazônia	

Indicator	Comments / Note	Page
Product and Service Labeling		
G4-PR5		33
Compliance		
G4-PR9		41

Credits and Corporate Information

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HONDA
The Power of Dreams