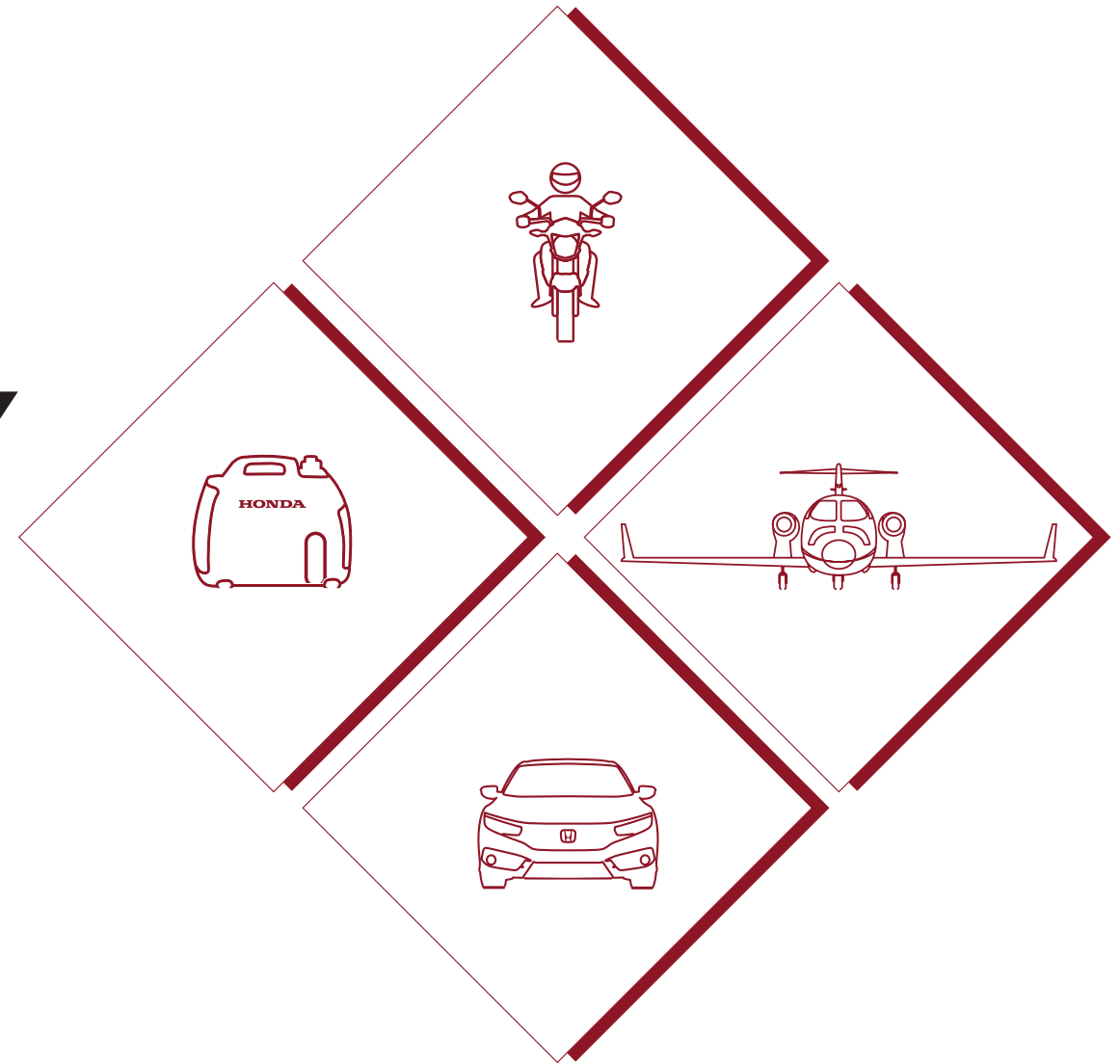


SUSTAINABILITY REPORT 2020





PRESENTATION

"A dream is never too big."

Soichiro Honda



Behind the Honda brand is the extraordinary story of a man and his dream. Son of a blacksmith and a weaver, Soichiro Honda was born in the fall of 1906, in the city of Hamamatsu, Japan. As a child, he spent long hours helping his father in the workshop where he repaired bicycles, a means of transport that became increasingly popular in the country at the beginning of the 20th century.

He was fascinated when he saw a motorized car for the first time and, from that point on, he started dreaming about building his own car. At the age of 15, he moved to Tokyo and started working in an auto repair shop. It was there that, combining industrial and artisanal techniques, he had the opportunity to build his dream car. Thus was born the "Curtiss" model, a tried and tested racing vehicle that, in 1924, won the Japan Motor Car Championship. At that time, Soichiro Honda was just 18 years old.

At the age of 21, he returned to his hometown and worked in a auto repair shop until he had enough money to open his own auto parts plant, where he began producing piston rings.

Soichiro Honda witnessed two major wars and also a conflict between China and Japan. After World War II, the country was

completely devastated and he lost everything he had built due to the bombings and also to an earthquake that shook the country even more.

One of the worst problems at that time was transportation. With fuel rationing and trains full, Soichiro Honda bought a batch of engines used for generators and adapted them into bicycles. That's how he started selling the first mopeds.

The motorcycles production was improved and increased, cars became part of the production line and, little by little, factories were being installed all over Japan and then in other countries and continents.

The company's reputation grew and today Honda Motor Company is one of the biggest names in the automotive industry, known and respected worldwide.

Soichiro Honda passed away in 1991, but his dream is still alive today. Inspired by the power of dreams, the company seeks through its products and services, to provide people with differentiated experiences. The brand's commitment is to provide joy and to improve people's lives through mobility.

Thanks to the belief and perseverance of its founder, Honda is a global company with 73 years of history and activities in South America for 50 years, where it produces,

imports and sells motorcycles, automobiles, quad bikes and power products. In 2015, Soichiro's dream took hold and the company also started to market the HondaJet executive jet, the most advanced in the market in its category.

Through Honda South America, the holding responsible for all the group's operations in the region, the company maintains production units in Brazil, Argentina and Peru, in addition to an import unit in Chile and more than 2,200 points of sale, which guarantees the brand's presence in the main cities of South America.

This report contains information and data about operations in South America in 2020. With it, Honda maintains the relationship of transparency that it establishes with its public, as well as reporting on the actions, projects and results achieved by its subsidiaries in the region. This is an important material regarding the materialization of Soichiro Honda's dream and the commitment of the company's operations to the global 2030 vision that Honda brand products can expand *the joy of mobility and potential of people's lives*.

Good reading!



MESSAGE FROM THE MANAGEMENT

> GRI 102-14 <

2020 was a particularly challenging year across the globe. The COVID-19 pandemic imposed new urgencies on the social, health and business areas. Adaptability was the keynote of all Honda operations in South America.

I take this opportunity to offer my sincere condolences to everyone who, unfortunately, had family and friends affected by the pandemic.

Our brand has always been guided by the value of human life and, for this reason, it promoted actions in favor of social distance in its manufacturing units, aiming to mitigate the possibility of infection by the coronavirus. Production was temporarily halted and only resumed with the application of a strict protocol, with more than 200 measures, to ensure the health and safety of our associates. The adoption of home office regime was also necessary for associates with roles that could be carried out at a distance.

The constant changes in the environment also required flexibility in dealing with business partners. In order to contribute to the support of our network of dealerships and suppliers' operations, which are fundamental for Honda's long-term sustainability, we adopt an agile management, continuously reviewing the most relevant aspects of the business plan and our operation.

And for the customer's experience with the brand to maintain the standard of reliability and excellence, we intensified the digitalization of their journey with us.

As I sign this message, the health crisis imposed by the coronavirus is still not over and its future

consequences on society and impacts on business are still uncertain. In this scenario, I reaffirm that Honda will continue to act with flexibility, prioritizing people's health and safety and the sustainability of the entire chain.

Since April 1, 2021, I have the pleasant mission of contributing to Honda's business in South America as the company's Chief Officer. My career at Honda Motor started in 1986 and since then I have been working mainly in the sales and product planning areas. I went through several countries mainly in Asia. I hope, now, to contribute to the strengthening of Honda in the South American market, based on all the knowledge acquired in my journey.

Undoubtedly, I arrive at a time of unprecedented challenges, but also of unique opportunities.

In 2021, Honda completes 50 years of operations in South America. The company opened its first administrative office in 1971, to start importing motorcycles to Brazil. Since then, it has opened new plants and business units, expanded its operations to other countries in the continent and delivered over 28 million products.

We will remain committed to delivering new value, new solutions and new experiences to people through our strengths, which include a wide range of mobility products: motorcycles, vehicles, power products and HondaJet.

My arrival happens in a moment of great transformations in the automotive industry. Honda is allocating its corporate resources aiming at leading the future

of mobility, making investments for a carbon-free society with zero accidents.

The Honda's efforts towards environmental sustainability and commitment to traffic safety in South America, which are in line with the company's global goals, will be explained over the next pages of this report.

In addition to Environment and Safety, two other key pillars of Honda's operations are: Quality, which can be seen in the commitment to delivering products and services that exceed the expectations of its customers; and People, an aspect that translates into its social initiatives and the respect for individuals set in the philosophy of the brand, as well as into Human Resources actions.

It is with this commitment that I begin my journey in South America: maintaining these achievements and contributing to Honda's efforts to be a company whose existence is desired by society, for maximizing the potential of people's lives.

Before wrapping up, I would like to thank all associates who make Honda the largest vehicle manufacturer in South America. Thank you very much for your dedication, effort and commitment. The Honda Philosophy is our most valuable asset. Especially in the current times, we need to understand it and put it into practice. By doing that, we will have the wisdom to make the best decisions and the collective strength to overcome challenges and setbacks.

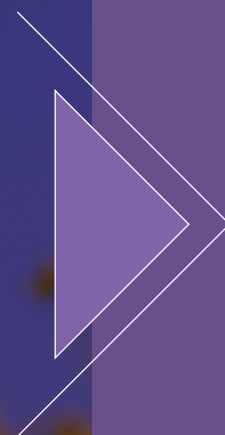


Thank you for your attention and have a pleasant reading!

Atsushi Fujimoto
**President of Honda
South America**



2030



SUSTAINABILITY STRATEGY

- The Honda Philosophy
- Business Guidance and Vision 2030
- Sustainability Strategy

The Honda Philosophy

> 102-16 <

One of the most inspiring tasks for Honda is to be able to multiply and pass on a philosophy whose premises are “Respect for the Individual” and sharing the “Three Joys”.

Experienced among associates and by all those involved in its value chain, this philosophy makes Honda a unique and in-novative company, whose existence is de-sired by society.

Common goals, values and principles that guide the actions of everyone involved in the business. This is the Honda Philosophy, which divides itself into three axes:

• Fundamental Beliefs

• The Honda Principle

• Honda’s Management Policy

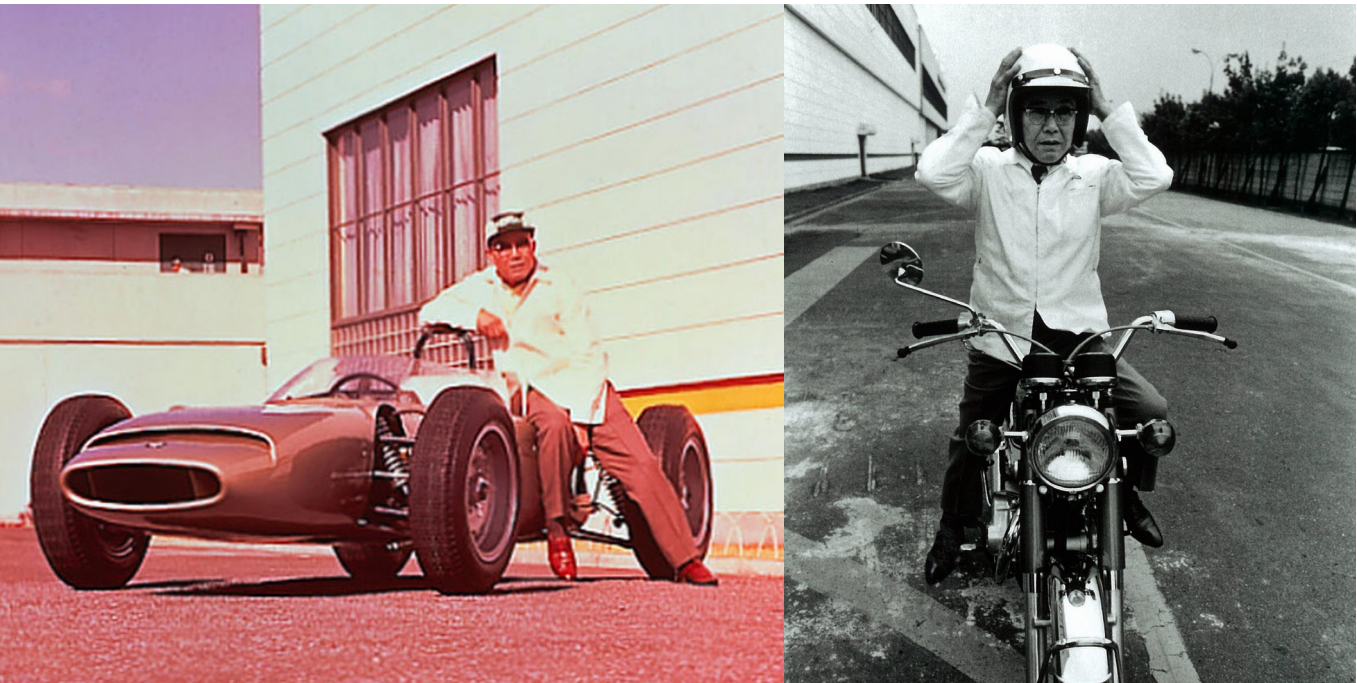
Fundamental beliefs

Respect for the individual

A principle that encourages and promotes sharing the joy, by means of respect for individual characteristics, a relationship of equality and trust, as well by making the best use of each person’s initiative.

The Three Joys

Honda’s wish is to build trusting relationships and share the joy with all the people it reaches through its activities and products.



This conviction is expressed through something the company refers to as The Three Joys:



THE JOY OF CREATING,
experienced by associates who dedicate their talents, skills and knowledge to create products and services that provide joy to customers.



THE JOY OF SELLING,
experienced by Honda’s associates and dealers when they gain the confidence of customers and offer high quality products and services that exceed their expectations.



THE JOY OF BUYING,
experienced by customers when purchasing a product or service of the brand. It is the customer joy that adds value to Honda’s activities and serves as a means to experience other joys.



“ The Honda Principle ”

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



Honda seeks to advance mobility.

Honda’s Management Policy

Includes five main topics to guide Honda associates in their daily responsibilities:

- ALWAYS keep your **dreams and a young spirit**
- VALUE theories, **the ideas and time**
- LOVE your work **and value Communication**
- CONSTANTLY maintain a **smooth workflow**
- Always keep the **survey values** and perseverance in MIND

Business Direction and 2030 Vision

***“To serve people worldwide
with the joy of expanding the
potential of their lives”***

Overcoming expectations is something constant in the way Honda conducts its business. Year after year, the company's evolution in South America and around the world, has been evidencing the need and opportunity to act focusing on the sustainable development of the regions where it operates and, with that, becoming a company whose existence is desired by society.

Only then, customers will be able to live the joy and unique experiences achieved with the solutions provided by the company.

To support this business guidance, Honda outlined the 2030 Vision, a path towards for being leader in the advancement of mobility in worldwide. This effort involves creating, expanding and securing joys.

The approach of Creating Joy can be understood as the perspective of Honda's universal passion of providing people with the joy of expanding their life's potential, creating value for mobility and their daily lives. Our purpose is to keep offering unique products and services that can people's lives better through technology.

With its guidance for Expanding the Joy, Honda is committed to develop various mobility solutions that meet the specific needs of different consumer profiles in the countries where it operates.

Finally, with a focus on Ensuring Joy for the next generations, the company promotes initiatives to support to the creation of a carbon-free society and with zero traffic accidents.

2030 VISION – Honda South America

GIVE EVERYONE THE JOY OF EXPANDING LIFE'S POSSIBILITIES

Leading the advancement of mobility and improving the lives of people throughout the world



CREATE JOYS

CREATE VALUE FOR MOBILITY AND DAILY LIFE

- Provide the joy of free mobility
- Provide the joy of an improved quality of life



EXPAND JOYS

RESPECT THE DIVERSITY OF INDIVIDUALS

- Offer world-class products and services that satisfy the specific needs of individuals and the society



ENSURE JOY FOR THE NEXT GENERATIONS

ACT FOR A CLEANER AND SAFER SOCIETY

- Lead the efforts towards a carbon-free society
- Lead the efforts towards a society with zero traffic accident

Sustainability Strategy

Honda aims at improving people’s lives through its mobility solutions. Most of all, it aims at doing so in such a way as to create unique values sustainable over time to different target groups, in order to ensure the company’s existence in the long term. Therefore, Honda strategic sustainability management is based on four priority commitments, which guide its decision-making processes and operations.



For Honda, the **environmental preservation** and the conscientious use of natural resources are key aspects to achieve economic development with excellence and ensure continuity of the company’s activities.



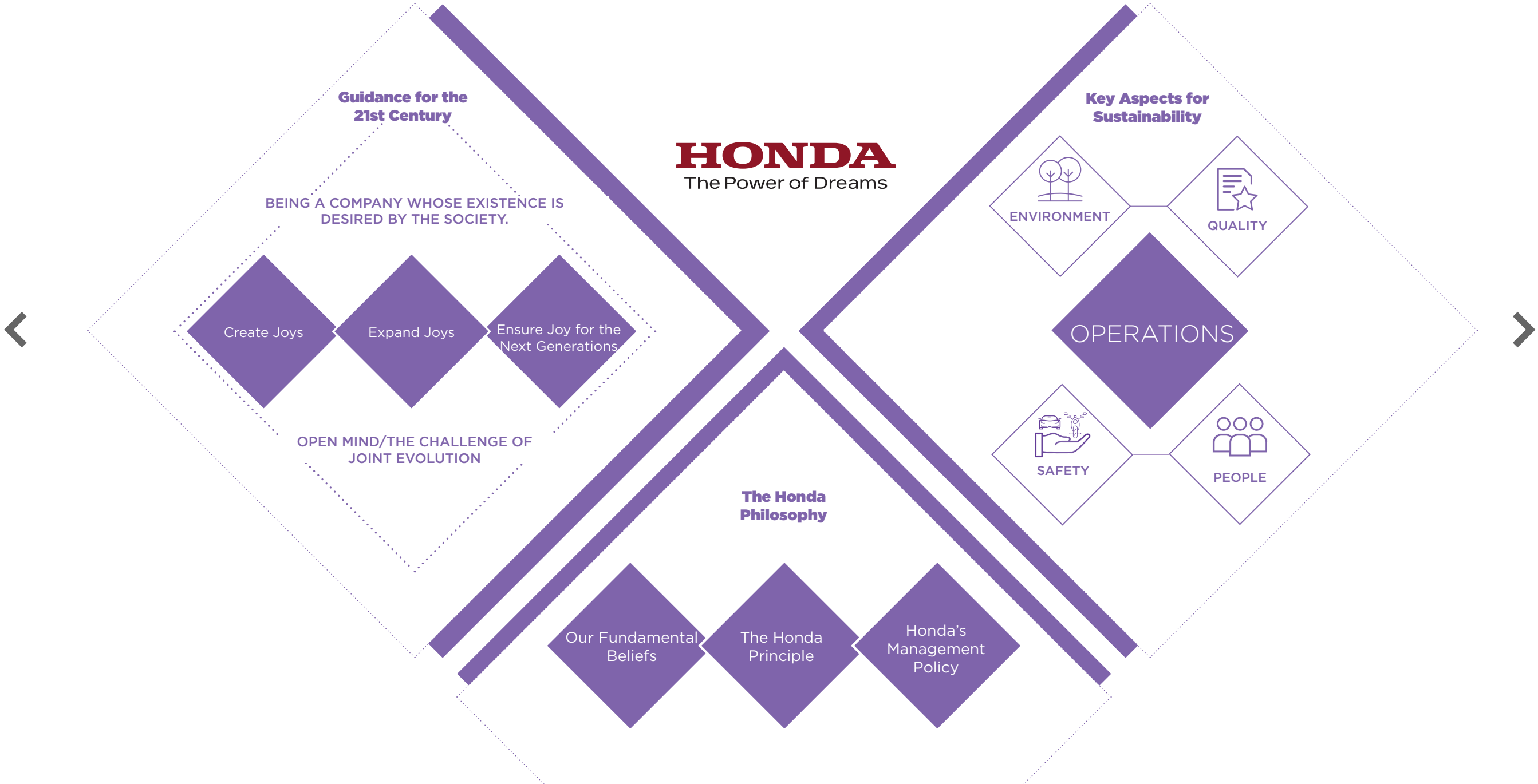
Investing in technology is essential for Honda to remain a key player in its operating segments. The sustainability of operations and the **unique features of the products are directly related to the quality** that is presented and recognized by target groups.

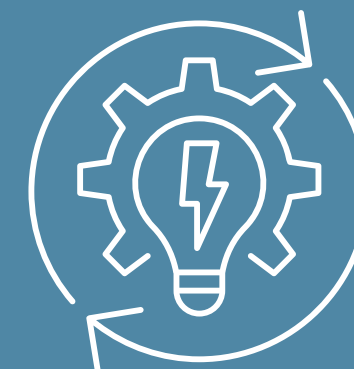
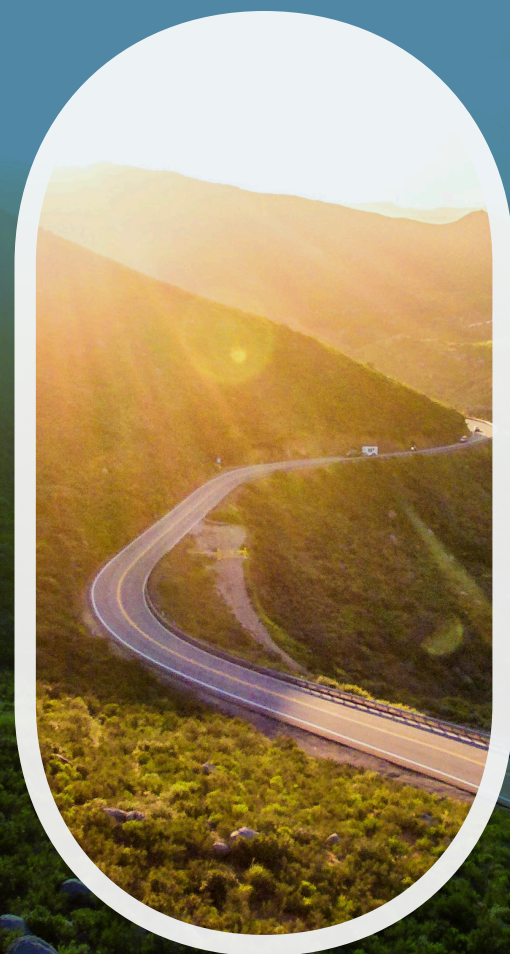


When it comes to mobility, Honda has an obligation to address safety matter, seeking to ensure the **investments required so that its products achieve the best possible performance** and meet the expectations of its customers. Joint awareness-raising initiatives are carried out with people who participate in the dynamics of traffic in some way.



A prominent aspect in the regions where it operates, valuing those who are part of the company’s daily routine is essential for a good performance of activities. From its associates to the communities, the combination of investment in **professional development and the well-being of society** is part of the company’s operating strategy.





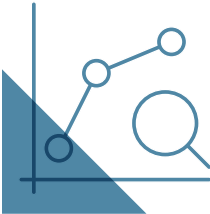
ABOUT THE REPORT

- Material Aspects

For the sixth consecutive year, Honda South America (HSA) presents the Sustainability Report, which includes the company’s highlights in the management of environmental, social and governance aspects of its regional subsidiaries in Brazil, Argentina, Peru and Chile, unless indicated otherwise, from January 1st to December 31st, 2020.

This report was prepared according to the GRI Standards: an essential decision to provide it with greater transparency and a rigor similar to that of financial documents. > GRI 102-1, 102-45, 102-50, 102-54<

As a robust process to identify and prioritize material aspects had been carried out by Honda South America in 2018, that materiality matrix was maintained for the 2020 report.



The 2020 report focuses on aspects considered of material nature by the company.

MATERIAL ASPECTS

> GRI 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 103-1 <

Socioeconomic Compliance
> 205-2, 419-1 <



Training and Education
> 404-1 <

Indirect Economic Impacts
> 203-1 <



Customer and Health and Safety
> 416-1 <

Occupational Safety and Health
> 403-9 <

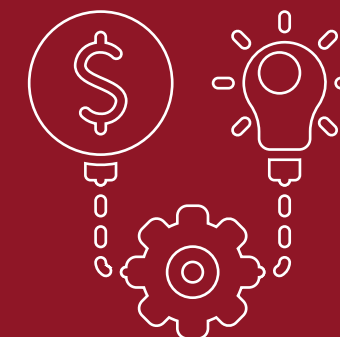


Emissions
> 305-1, 305-2, 305-4, 305-5, 305-7 <

Labor Relations
> 402-1 <



Energy
> 302-1, 302-3, 302-4 <



OVERVIEW

• Operation Model

• Operational Performance

- Motorcycles
- Automobiles
- Power Products
- Honda Financial Services
- HondaJet



The essence of providing products and services to improve people's lives remains alive in all markets where Honda operates. The brand's purpose is to contribute to the advancement of mobility, always placing people at the core of its strategies and using technology to assist them. Therefore, Honda follows an innovation path, meeting the different characteristics, needs and dreams of its customers.

This commitment has been leading Honda through the 72 years of its existence, during which it consolidated a global presence, with 430 subsidiaries and affiliates throughout the world, supported by 219,000 associates.

South America is one of the administrative blocks that form the company's global operations and a region where Honda has been present since 1971, importing and producing motorcycles, cars, ATVs and power products, in addition to the recent sales of an executive jet, the HondaJet.

Headquartered in the city of Sumaré, in the State of interior de São Paulo, Honda South America is responsible for all the group's operations in the region, with production units in Brazil, Argentina and Peru, in addition to an import unit in Chile and more than 2,200 points of sale, which guarantees the brand's presence in the main cities of South America. > GRI, 102-2, 102-3, 102-4, 102-6, 102-7 <



2,200 points of sale
in the major cities of
South America.

Honda South America

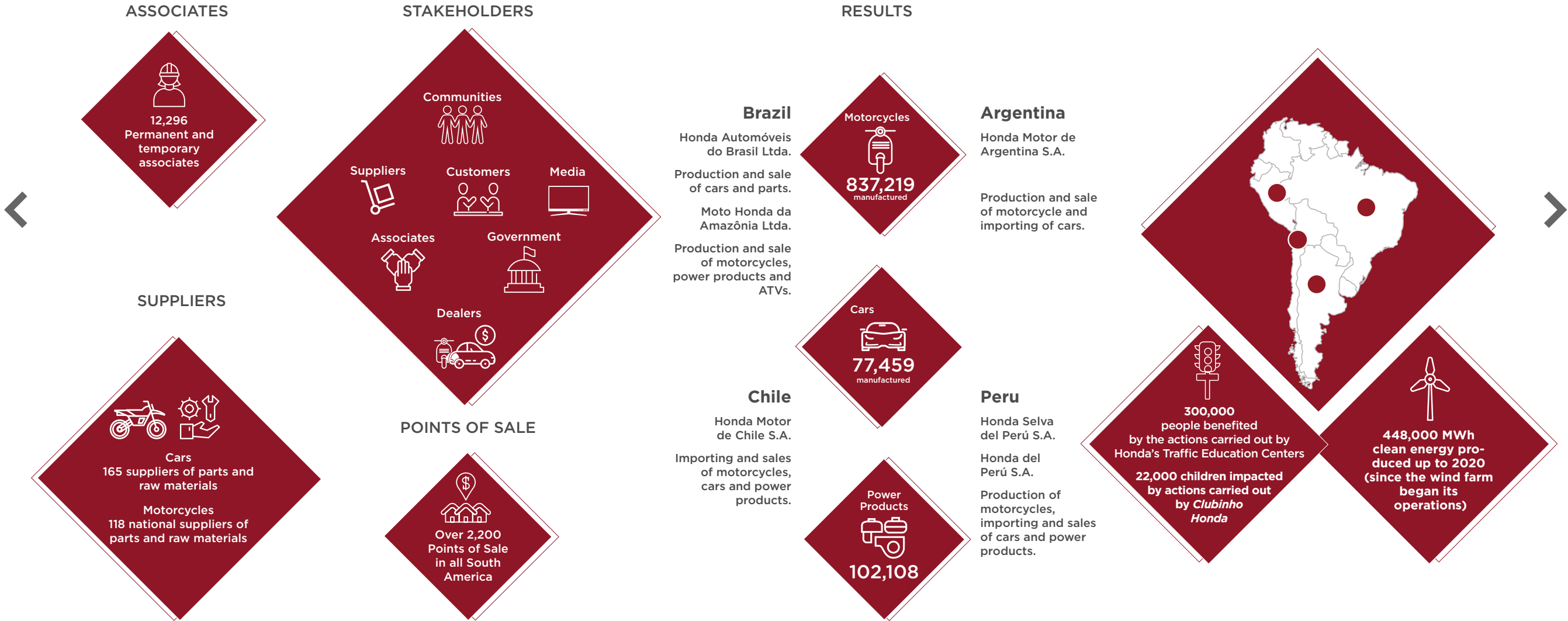


Business Unit		Segment*	Scope**	Jurisdiction
HDA	Moto Honda da Amazônia	2W/PP	SEDBA	Brazil
HAB	Honda Automóveis do Brasil	4W	SEDBA	Brazil
HSF	Honda Serviços Financeiros	Bank/Consortium/Insurance	SA	Brazil
HAR	Honda Motor de Argentina	2W/4W/PP	SEBA***	Argentina
HDP	Honda del Peru	2W/PP/4W	SEDBA***	Peru
HMDC	Honda Motor de Chile	2W/4W/PP	SA	Chile

* 2W: Motorcycles / 4W: Cars / PP: Power Products
Bank: Banco Honda S.A. / Consortium: Consórcio Honda Ltda. / Insurance: Corretora de Seguros Honda Ltda.
** S (Sales); E (Production Eng.); D (Develop./R&D); B (Buying); A (Admin./Administration)
*** Car and Power Product Sales; and Motorcycle Sales and Production

Honda South America's Operational Model

Honda's operational model considers the generation of results and the sharing of gains with all stakeholders, considering the sustainability of the entire operation.



Operational Performance

In 2020, the world faced a common challenge: a health crisis that is unprecedented in recent history. The COVID-19 pandemic brought new behavioral, ethical and socioeconomic requirements, impacting the lives of billions of people around the globe.

Global economy was shaken, causing intense changes in business and society. Within the South American context, concerns regarding high unemployment rates, the fiscal situation of countries and cost pressure, due to exchange rate variations and inflation, have guided the decisions of public and private sectors.

The period required flexibility and speed in decision making. From the start, Honda defined the safety of people as a priority and, as a consequence, a series of actions were implemented. At all times, the company acted to address the concerns with the associates' health and business sustainability.

Regarding the operating performance, the pandemic had a strong influence on Honda's results in South America.

At first, it was necessary to manage a possible disruption in global supply chains. Then, the company had to deal with a shutdown in the production of cars and motorcycles and restrictions on sales at

stores. As operations resumed, new sanitary protocols were adopted and, sales quickly switched to digital channels.

The structure previously established by the company with the adoption of myHonda, launched in 2016, proved to be even more essential. Impacted consumers are directed to the company's website, where they have easy access to the products, specifications, price lists and services available. After confirming their interest, they promptly receive a contact from the dealership of their choice to proceed with the shopping experience. Upon signing up on myHonda, consumers, current and potential customers have unique journeys with the brand, with access to exclusive content, offers and news (more information in the Quality chapter, [page 60](#)).

The After-Sales service portal also benefited from the intensification of the strategy of digitizing customer journey, obtaining increasing numbers, especially in the sales of genuine parts.

Production Unit	Shutdown period in 2020
Moto Honda da Amazônia (AM)	42 days
Honda Automóveis Sumaré (SP)	93 days
Honda Automóveis Itirapina (SP)	88 days
Honda da Argentina	46 days
Honda Selva del Peru S.A. (Iquitos)	94 days
Honda Selva del Peru S.A. (Tarapoto)	127 days



Footnote: The actions taken to contain the spread of the virus at Honda's units, preserving the health and safety of people, as well as the company's social contributions, will be addressed in the People chapter ([page 62](#)).

General

With an accumulated sales volume that has already reached more than 28 million units, among cars, motorcycles and power products, Honda South America is currently the largest vehicle manufacturer in Brazil. A result achieved thanks to a customer-oriented culture that favors innovation and continuous improvement in the pursuit of superior quality in all business dimensions.

Motorcycles

Consolidated as the largest motorcycle manufacturer in South America and sales leader in the segment in Brazil, Honda Motos accumulates more than 26 million units produced in the continent.

This volume represents a great contribution of the motorcycle to society. It is a vehicle desired by consumers, whether for daily mobility, leisure or work, contributing to the generation of revenue in several economic activities.

In the context experienced last year, the motorcycle proved to be even more important, given the growth in delivery services and a prioritization of individual means of transport, reducing the risk of contamination.

This scenario culminated in a greater demand for motorcycles in all countries in the region, contributing to a faster recovery than what had been predicted in the beginning of the new coronavirus crisis. At certain points, this factor caused an imbalance between the supply and demand for motorcycles in the market.

In 2020, motorcycle operations at the Manaus (BR), Campana (ARG) and Iquitos (PER) plants recorded a joint production of 837,219 units.

Sales reached a volume of 928,812 units, a drop of 13% compared to 2019, due to the impacts of the pandemic on business.

Argentina obtained a result of 65,507 units sold in 2020, which represents a 19.9% decrease compared to 2019.

In Peru had 45,131 units sold in 2020, a 15.8% drop compared to 2019.

Chile registered 7,442 units sold in 2020, a result 9% lower than the previous year.



Honda Motos in Brazil

Honda Motos was a pioneer in the development of the motorcycle segment in Brazil and currently maintains a leadership position, with a market share of 77.7%. Its ongoing investments and commitment to the country have contributed to the development of the entire sector.

Currently, the plant in Manaus (AM) is an industrial complex that goes far beyond the assembly of motorcycles. It is Honda's the most verticalized unit in motorcycle production in the world, as well as one of the largest in the Manaus Industrial Zone (PIM) and one of the most representative production centers in the Americas, where metal packaging, molds, structural tubes, tools and the various components that integrate the final product are manufactured, such as exhausts, wheels, handlebars, chassis and other parts.

As regards to the business result in 2020, the company registered 757,866 units produced, a drop of 16.7% compared to 2019, reflecting the temporary suspension of production activities due to the worsening of the pandemic in the country and in the state of Amazonas.

Due to factors such as the diversification of the product line, the large capillarity of the network, consortium share and even the profile of the motorcycle customers, the impact on sales was smaller than that seen in other sectors of the economy. Even so, sales recorded a performance 16.6% lower than in 2019, with a total of 711,494 motorcycles sold.

The company's purpose is to continue to lead the sector in a sustainable way. With this focus, Honda Motos will continue to strengthen its line-up, developing superior quality products, aiming at improving the cost structure and better manage its supply chain. To that we can add a wide and comprehensive network with varied services and excellence in the relationship with the brand.



Honda Motos values the work of delivery riders

In 2020, Honda Motos carried out a campaign that emphasized: “Brazil has not stopped, it is riding on two wheels”. Several contents were published in partnership with Estadão newspaper, including reports, videos and podcasts, with the purpose of recognizing and appreciating the work of delivery riders and their importance in the context of social isolation due to the COVID-19 pandemic.

VALUE CHAIN

Through its wide chain, Moto Honda's operation promotes investments, economic and social development, not only in the Amazon region, but throughout the country.

Nearly **seven thousand** associates

About **120 suppliers** of components and raw materials

Hundreds of service suppliers

More than **1100 points** of sales

The social contribution of the motorcycle business is expressive, not only due to the nearly 100,000 direct jobs spread throughout the chain, but mainly because of the value and wealth generated by the final product to individuals, families and entrepreneurs, in the country and cities across the country.





FOLHA
TOP
of
MIND

TOP OF MIND

Honda Motos won the “Folha Top of Mind 2020” award, which recognized the brands that consumers remembered the most over the last year. The company featured in the “Top Motorcycle” category for the eighth consecutive time. The award considers the opinion of more than six thousand people, in 197 Brazilian cities from all five regions in the country.

This result evidences Honda’s concern to exceed customer expectations with top quality products and services. Its diverse product line, which serves different consumer profiles with bikes ranging from the POP 110cc model to the GL Goldwing 1,800 cc, as well as the wide coverage of our dealership network, counting

on nearly 1,100 points of sale throughout Brazil, are key factors for Honda’s recognition.

In addition, the company invests in a communication and relationship strategy with the customers and fans of an increasingly digital brand, focused on conveying the right message, at the right time, to the right audience. myHonda, the brand’s CRM system, offers a wide range of exclusive services and content during the customer’s journey. On our social media platforms there are approximately 6 million followers who are passionate for motorcycle and the Wings of Liberty.

“Marcas Mais” Survey

Honda was chosen as the brand that engages and captivates consumers the most in the motorcycle segment in Brazil, according to the “*Estadão Marcas Mais*” survey, carried out by the O Estado de São Paulo newspaper, in partnership with the consulting firm Troiano Branding.

Honda was also a champion in the results per country region – which considers the North and Midwest, North East, South and Southeast regions – and in the State of São Paulo.

The study was carried out to identify companies that generated the greatest interest and positive perceptions from consumers, among a total of 31 categories. In the 2020 edition, 11,782 people from all over the country were heard.





Automobiles

Honda has been selling cars in South America for 29 years. The first vehicle imported by the brand was the Honda Accord in 1992, for sale in the domestic market.

In 1997, the plant in Sumaré (SP) was opened, which marked the start of the automotive production in the region.

As announced in 2019, Honda Motor de Argentina (HAR) ended its automobile (HR-V) production activities in 2020 to focus the production operations on the motorcycle segment. The initiative aimed at strengthening the structure of the automotive business, in view of the abrupt changes in the industry around the world and to strengthen inter-regional coordination and cooperation, globally optimizing the allocation and production capacity of automobiles.

With products supplied through Honda's global resources, HAR maintained automobile sales and after-sales services in the country.

Thus, this report considers the automobile production in Brazil from January to December, and in Argentina, from January to May 2020.

In 2020, Honda Automóveis operations in South America recorded a joint result of 95,662 vehicles sold and 77,459 cars produced. The market share was 3.19%.

Honda Automóveis do Brasil

Over the 24-year history of automobile manufacturing on Brazilian ground, Honda Automóveis made continuous investments with the purpose of increasing production capacity and improving the efficiency of its processes.

To strengthen the business competitiveness, in 2019, Honda opened a new car plant in Brazil, in the city of Itirapina, located in state of São Paulo.

The company has a production capacity of 120 thousand cars per year and locally manufactures Civic, Fit, City, HR-V and WR-V models. The product line sold in the country also includes the imported models Accord, CR-V and Civic Si.

From the beginning of its operations, Honda Automóveis do Brasil has sought to accelerate the process of developing, manufacturing and selling products that are increasingly in line with the expectations of Brazilian consumers.

When assessing the brand's performance in the past few years, we can see that the company kept its sales volume stable between 2012 and 2019, even in the face of the economic crises over this period. This demonstrates the robustness of a strategy with a primary focus on the quality of operations and on generating sustainable value for customers and business partners, such as its dealership network.

In 2020, with the shutdown of production activities due to the impacts of the pandemic, Hon-

da Automóveis recorded a 40% lower production volume compared to 2019, having manufactured 75,583 vehicles in Brazil in 2020.

Regarding sales, 84,129 cars were sold in Brazil, a 34.8% decrease when compared to the previous cycle. It is worth noting that even in this scenario, the brand maintained a market share above 4%. This result shows that the brand continues to be recognized by the end consumer for offering the

highest quality products and services.

The company will continue to implement the measures required for long-term sustainability of the automobile business, considering a scenario of slow and gradual sales recovery and the need to reduce costs so as to minimize the impacts of exchange rates and inflation.

Among the highlights of 2020, we can mention the update of the HR-V, WR-V and City models. In

addition, the company is expecting to introduce three hybrid models in the country by 2023, with Honda Accord being first of them.

Honda continues to invest in new products, services and technologies, to expand its presence and strengthen the brand's reputation in the long term, while maintaining the quality of the business.



Plant in Itirapina

Located approximately 200 km from the capital and 100 km from the Sumaré car plant, Honda's plant in Itirapina (SP) began its operations on February 27, 2019, with a Fit coming off the production line.

Optimized processes, more advanced technologies and sustainability gains, similar to Honda's most modern automobile plants in the world, are a reality at the Itirapina plant.

A result of the investment to strengthen the company's production structure, the new unit demonstrates the brand's long-term commitment to the country. The assembly line was designed to serve the production of several models and allow future technological changes.

With a nominal production capacity of 120 thousand units per year, in two shifts, the unit currently manufactures the Fit, WR-V and HR-V models.

With the integrated operation of the Sumaré and Itirapina plants, Honda Automóveis maintains a full production cycle in Brazil, from tooling, stamping, welding, injection and painting of plastic components, to body painting, engine production, including Casting and Machining, the assembly line and final inspection.

The search for better environmental performance can also be seen in the new production line, which has a modern water-based painting process. This method is less polluting and uses less paint, while ensuring the same quality in the finish, as well as sustainability gains.

> GRI 102-10 <



Honda's new factory in Itirapina-SP strengthens the company's car production structure in Brazil.



Honda Automóveis is among the most admired brands in the sector

In a survey conducted by Troiano Branding, the country's main brand management consulting firm, and published by Estado de São Paulo newspaper, Honda was the winner of the automobile segment in the Southeast region and the State of São Paulo. In the national survey of the most admired brands in the automotive industry, Honda Automóveis was ranked second.

Another study, Casual Brands, conducted by Exame magazine, with approximately one thousand readers of the publication, Honda Automóveis ranked first among the most admired brands in the automotive sector.

HONDA
Serviços Financeiros

Honda Serviços Financeiros (Honda Financial Services)

In 1981, aiming at facilitating the access to the brand's products, the Honda Consortium was created, a leading consortium manager in the national market and part of Honda's structure of Financial Services, which is also formed by Corretora de Seguros Honda and Banco Honda. This synergy with the plants is an important competitiveness factor and actively contributes to the sales of Honda products.

In the challenging context of 2020, HSF's contribution to the company's results was noticeable, with Consórcio Honda featuring as the main driver of the numbers of the brand's financial division.

Consórcio Honda (Consortium)

Consórcio Honda is a reference in consortia in the Brazilian market, with 40 years of history and approximately 1.5 million active customers. As a sales driver, this modality is very well received by Brazilian consumers due to its plans that are adapted to the customer's budget, even in financial instability periods.

2020 brought an unusual scenario to the market, as a result of the health crisis imposed

by COVID-19, as mentioned above. When analyzing the performance of Consórcio Honda in the last year, a different trajectory can be observed in the motorcycle market. Even in the initial months of the COVID-19 pandemic in the country, Consórcio Honda remained a relevant option for the purchase of motorcycles and recorded approximately 11.6% increase in the quotas sold for the brand's two-wheel segment in 2020, with 803,637 quotas sold last year, compared to 720,383 in 2019.

In addition to the recovery in the delivery activity and the trend towards prioritizing private vehicles amid the social isolation scenario, the increase in motorcycle licenses is directly related to the low inventories of specific models at the dealership network in certain regions. This last factor contributed to the appreciation of consortium sales as it is a scheduled purchase, in which the goods are not immediately obtained.

Regarding deliveries of Honda 0km motorcycles, a drop of 8.4% was recorded compared to 2019, due to periods of industrial shutdown. A total of 203,417 Honda 0km motorcycles delivered in 2020.

The Consortium modality for the car segment had 2,998 quotas sold in 2020, a drop of 35.9%

compared to 2019, also due to the impact of COVID-19 on the business.

Consórcio Honda currently has around 18,500 thousand active customers in the car segment and it continues to work on the modernization of its plans, to achieve a more consistent operation in this segment.

Banco Honda (Bank)

Banco Honda was created with the mission of becoming a great option for financing Honda products. Through the modality of Direct Credit to Consumer (CDC), it ensures conditions that are attractive for both individuals and the company to obtain a Honda vehicle in a quick, convenient and fair way.

In 2020, Banco Honda completed 20 years and was the brand's main financial agent for the automotive segment, with 22.8% of the company's total sales and 19,143 contracts, a decrease of 30% compared to 2019. These numbers were also affected by the pandemic scenario. It is important to note, however, that the market share of 46.6% was maintained.

In the motorcycle segment, Banco Honda had a decrease of approximately 24% in financings compared to 2019. 93,427 units were financed between January and December 2020, which represents 11.9% of the brand's 0km motorcycle sales.

Corretora de Seguros Honda (Insurance)

Seguros Honda started its operations in Brazil in 1987 with the purpose of offering a customized portfolio to meet the coverage needs of Honda products, at a competitive cost, in partnership with reliable insurance companies in the market.

In the motorcycle market, Seguros Honda had a 6.4% drop in the number of proposals in 2020, ending the year with 150,762 new businesses closed.

A series of actions were carried out as stimulus for the modality, including new campaigns with insurance companies, which offered Honda customers one year of free insurance on the CB 1000, Africa Twin, Gold Wing and SH 300 models.

The automobile segment had 13,756 proposals in 2020, a 6.9% reduction.

Power Products

The Power Product line comprises stationary engines, brush cutters, generators, motor pumps and lawn mowers, with applications in agriculture, civil construction and gardening. In addition, Honda Power Products are of great importance for mobility in riverside communities in Amazonas, providing access to remote areas by coupling stationary engines to small boats. This river transportation solution is used by several families who live far from the major urban centers of the state.

Last year, sales of Honda Power Products

in Brazil were stable compared to the previous period, with 31,784 units sold. That is a positive result if we consider the challenges of the period. It shows the sales potential of this segment.

Two models of stationary engines and three models of motor pumps are produced at the Moto Honda da Amazônia plant, in Manaus. In 2020, 14,614 units of Power Products were produced.



HondaJet

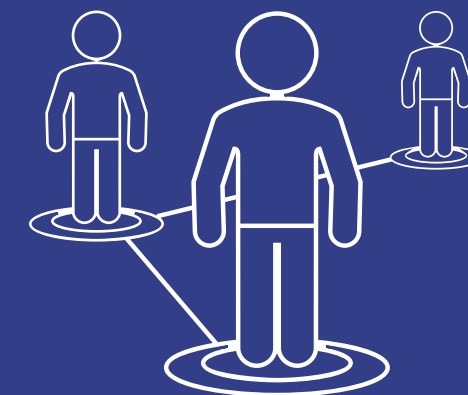
The world's most advanced executive jet, with exceptional advantages in performance, comfort, quality and efficiency, HondaJet incorporates many technological innovations in design, including the exclusive OTWEM - Over-The-Wing Engine Mount configuration which dramatically improves performance by reducing aerodynamic drag.

The OTWEM design also reduces cabin sound, minimizes ground-detected noise, and allows for the roomiest cabin in its class, the largest baggage capacity and a fully serviceable private aft lavatory.

The HondaJet is manufactured by Honda Aircraft Company, in the United States, and marketed in Brazil since 2015 by Líder Aviação (the local sales representative of the executive jet in the country).

In 2020, for the fourth consecutive time, the jet won the title of most delivered executive jet of its category in the world, with 31 aircraft sold.

Although the COVID-19 pandemic contributed to a decline in business jet deliveries compared to previous years, an increase was observed in the preference for safer and more sustainable modes of transportation. HondaJet deliveries quickly recovered to pre-covid levels in late 2020, showing that it continues to be the jet of choice of customers around the world, including new business jet owners, who have realized the benefits of traveling in a private aircraft.



CORPORATE GOVERNANCE

- Governance
- Corporate Risks
- Compliance

The adoption of ethical and transparent principles to manage businesses, the mapping of the risks inherent to the activities, and the implementation of preventive and mitigating measures. These are the guidelines of Honda's corporate governance model.

The company believes that ethics and respect for the sector's regulations and legislations are indispensable for business continuity. Therefore, these precepts are applied transversally across all departments, guiding business decisions and making activities safer and more sustainable.

In the management of corporate governance, risk, and compliance, Honda monitors and seeks to adopt the best market practices.

The responsibility for the management of Corporate Governance within Honda rests with the ESG Department, which is an acronym for Environment, Social Responsibility, and Corporate Governance. This department is responsible for coordinating all prevention and awareness-raising processes in compliance and respecting the laws and regulations of the regions where Honda operates in South America.

Honda South America's Corporate Governance Pillars



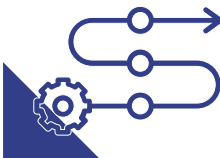
Governance

Code of business conduct.



Corporate Risks

Identification and assessment of potential 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

> GRI 102-18 <

Honda seeks to establish ethical relationships with the various stakeholders, supporting its decisions on rules which shall be observed and applied by all those who act on its behalf.

In order to ensure that the company enjoys a position of respect and credibility, the governance model takes into account administrative transparency, the inadmissibility of corrupt practices, a clear definition of responsibilities and standards of conduct in specific situations, and compliance with legal requirements.

By valuing its integrity and clarity in its positions and decisions, Honda ensures the generation and sharing of wealth consistent with its audiences over a long-term horizon.

In this sense, Committees are formed to address the main issues of Governance (Risks, Compliance, and Confidentiality and Privacy), which are directly linked to the Board of Directors in South America to provide support in the decision-making process.

Honda seeks to establish an ethical relationships with the various stakeholders.



Corporate Risks

> GRI 102-11 <

The continuity of Honda’s businesses depends on the mapping and constant monitoring of the risks inherent to the businesses, in their different levels.

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

The goal is to manage sustainable growth based on market standards and the risks that have the potential to impact operations in the region and on a global scale. The assessment takes into account environmental, social, financial, occupational health and safety, and operational reliability requirements, as well as issues related to business partners.

In this regard, Honda’s Global Risk Management Policy, which covers the activities of Honda South America, aims to boost the company’s sustainable growth based on Honda’s philosophy and on all risks with the potential to impact operations on a global scale.

Honda has 9 policies and normative documents related to risk management.

Compliance

> GRI 103-2, 103-3/419, 419-1 <

The compliance of processes involving Honda’s Corporate Governance is guaranteed through systems that adopt international assessment standards.

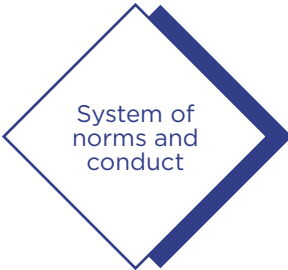
The systems currently in place at Honda are:



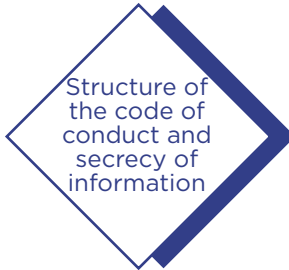
Self-assessment carried out by managers (100% managers and above) on the internal controls systems and operations.



Internal SOX controls on relevant business processes and information technologies (over 90 processes documented and reviewed annually), which are submitted for SOX Certification by independent auditing.



Corporate policies and procedures, available on the intranet or company directories for access to the internal audience.



All disseminated through training and management.

As a result of the measures adopted by Honda, no occurrences related to non-compliance with social and economic laws and regulations associated with the operations in Brazil were recorded.

Ethics Channel

> GRI 102-17 <

In order to support the measures adopted to ensure the compliance of all Honda activities, the company established an Ethics Channel, which enables direct communication between associates and the company's management. The aim is to receive suggestions, criticisms, complaints, reports, and personal queries related to the themes addressed in the Code of Conduct.

All claims received through the Ethics Channel are submitted for evaluation and actions by the Compliance Committee, whose mission is to guarantee the continuous improvement of ethical behavior standards.

At Honda, the compliance standards follow the best international practices.



Code of Conduct

To ensure and guide the compliance of Honda's operations, the company's Code of Conduct is guided by ethical values and provides clear guidelines for the required processes and the behavior expected from associates. In line with Honda's values, the Code defines different corporate policies for fighting illegal practices, such as labor in a situation analogous to slavery, money laundering and fraud, corruption, and unfair competitive practices.

In 2020, a campaign was conducted to disseminate the Code of Conduct for all units in South America, aiming to renew the acceptance of associates to the concepts established in the document and to clarify any doubts about the theme. The action consisted of republishing the digital version of the Code of Conduct in three languages - Portuguese, Japanese and Spanish - together with an online survey sent to associates.

The survey was sent to approxi-



mately 4,300 associates in South America and aimed to identify their main doubts regarding the Code of Conduct.

Approximately 8,000 associates who do not have access to a computer received the printed version of the Code of Conduct, including associates from all subsidiaries in South America.

Currently, the Code of Conduct is the most relevant guiding instrument for preventing and fighting risks.

To reinforce its importance, Honda offers online training on the subject, in which, by the end of 2020, 4,842 associates have participated in all of South America.

Corporate Policy on Prevention of Corruption

The Corporate Policy on Prevention of Corruption determines the Company's position on business ethics. Knowledge of the content of this policy is evaluated annually through SOX processes and a self-assessment questionnaire submitted to managers.

> GRI 103-2, 103-3/205 <

In addition to the Policy, training was given on the topic for 27 new managers in Brazil in 2020. The concepts of the

Policy were also addressed in Corporate Governance Workshops aimed at associates of Honda South America's Indirect Purchasing area.

An online training on prevention of corruption is available to Honda associates in Brazil who have computer access and approximately 3,500 associates took the course by the end of 2020. > GRI 205-2 <

Combating Anti-competitive Practices

For the fight against Unfair Competitive Practices, Honda follows the Competition Defense Policy, adopting measures to prevent violations of the economic order in Honda operations, commercial practices, and interacting with business partners and/or competitors, either directly or through trade associations.

The company also seeks to strengthen the culture of combating unfair competitive activities through the publication of the Policy across all business units in South America. Its dissemination takes place through training and other activities, starting with the critical areas.



In 2020, 4,842 associates took the online training on the Code of Conduct across all business units in South America.



PERFORMANCE REPORT

Environment

Safety

Quality

People

Environment

Minimize the environmental impacts of its operations, creating products that are more and more friendly to the environment and reviewing corporate activities. This is Honda's premise, and it is based on it that the company has guided its operations. In its vision for 2030, the creation of a carbon-free society is one of the central guidelines of the company's long-term sustainability strategy. With global expertise on the subject, all Honda branches around the world are committed to this guideline.

In addition, to reduce the impact of its operations, the company has been working with the Green Factory concept, which is applied in all its manufacturing units to manage waste, energy efficiency, rational use of water and reduction of atmospheric emissions.

Likewise, the concept is applied to logistical operations through Green Logistics, which aims to reduce the volume of packaging and maximize transport with floating warehouses.

It does not stop there. Honda also created the Green Office, whose objective is to engage associates in selective collection and in the rational use of resources. The concept is also applied to the entire chain, encouraging dealers and suppliers who, in the same way, are guided and evaluated by their environmental performance, extending the brand's commitment to the entire production chain.



Emissions

> GRI 103-2, 103-3/305 <

Honda has declared a global goal of achieving carbon neutrality in its products and corporate activities by 2050.

This commitment directs the definition of goals in productive, corporate activities and in the emission levels of products and services.

Improving the environmental performance of the brand's products is one of the key initiatives for achieving the vision of a carbon-free society. Worldwide, Honda has been investing to improve the environmental performance of combustion engines, as well as to develop and market new models with electrified thruster technologies, such as battery-powered (BEV), hybrid (HEV) and hydrogen-cell (FCV) electric vehicles.

Honda's policy is to adopt the right technology, in the right place, at the right time. In this way, the company decides to implement the most suitable type of motorization for each region considering the differences in public policies and regulations, in the energy matrix, in the available infrastructure and in the characteristics of the consumer market.

In Brazil, Honda continues to improve the environmental performance of its product line, both for motorcycles and cars. Currently, the

HR-V, CR-V, Civic and Civic Si models feature modern turbine engine technology – 1.5 turbo – capable of offering optimum performance and low emission levels.

In the electrification area, Honda reaffirmed its strategy of introducing three hybrid models in Brazil by 2023 and Honda Accord is the first marketed in Brazil. Honda’s hybrid technology – e:HEV – brings a unique system composed of two electric motors (one generator and one propulsion) and a combustion engine, providing three possible modes of driving: the only electric, the hybrid or the combustion. The system automatically chooses the option that offers the best relationship between performance and low consumption, depending on the driving conditions.

Another key Honda initiative in South America for achieving emission reduction targets is the diversification of its energy sources.

The Honda Energy wind farm is the main example of this commitment. Added to the efforts of the units of Honda Argentina and Moto Honda da Amazônia in acquiring part of their electric energy from the market of renewable sources, Honda South America currently has around 30% of its electric energy coming from clean sources.

Last year, Honda South America achieved a reduction of 415.55 tCO₂e in its operation, considering the consumption of electricity and fuels (diesel, gasoline, LPG, kerosene, natural gas and ethanol) from specific projects. > GRI 305-5 <



Honda e:TECHNOLOGY

Honda believes that technology needs to improve people’s lives. With this in mind, it develops mechanism and mobility solutions designed to be beneficial to everyone.

Thus, the company globally introduced the e:TECHNOLOGY nomenclature, which encompasses the brand’s high-efficiency electrification solutions. Honda e-TECHNOLOGY products aim to minimize energy consumption and make daily life more pleasant.





FLEX TECHNOLOGY IN MOTORCYCLES

The constant technical evolution of the motorcycle evidences the philosophy of respect for the environment, and a worthy example is the Flex-One technology. An unprecedented initiative in the sector worldwide, it has allowed motorcycles to use gasoline and/or ethanol in any proportion, while preserving reference operating characteristics and durability.

Honda was a pioneer in introducing this important technological innovation to the market, which had an excellent acceptance by Brazilians. The project, developed in Japan with the participation of Brazilian engineers, aimed to create an engine with the least possible impact on the environment.

The technology is present in nine models (Biz 125, CG 160 Titan, CG 160 Titan S, CG 160 Fan, CG 160 Cargo, NXR160 Bros, XRE 190, CB 250F Twister, and XRE 300), representing 61% of the volume of motorcycles produced annually.

Since 2009, when the technology was implemented, 6,694,339 million Flex One units have already left the production line at the factory in Manaus (AM).

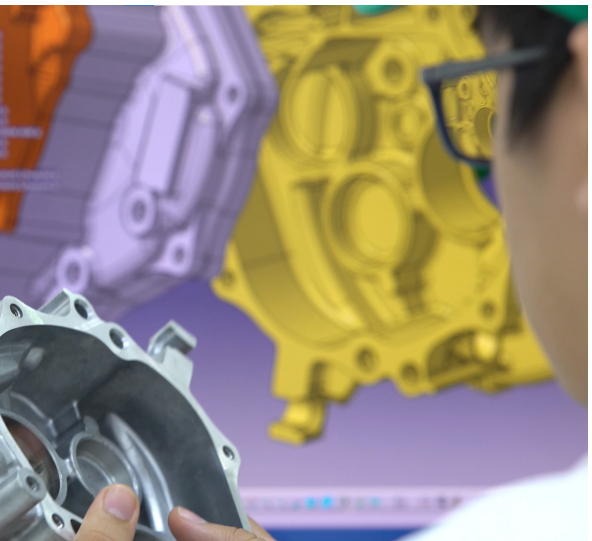
Year after year, the national motorcycle gained in strength, efficiency, economy, and became a product recognized worldwide for its very high quality.

At the beginning of the 2000s, the implementation of the Program for the Control of Air Pollution by Motorcycles and Similar Vehicles (Promot) established goals to reduce pollutant emissions, which resulted in progressive alignment with the strictest international standards.

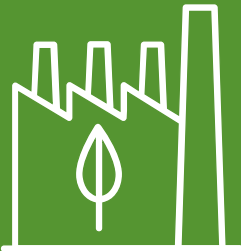
In these two decades that Promot has been in force, 0-km motorcycles sold in Brazil have managed to meet the program's goals, reducing the emission of nitrogen oxides (NOx) by more than 50%, carbon monoxide (CO) by 85% and total hydrocarbons (THC) by 90%. The fifth phase of the Promot, scheduled to come into force in January

2023, aims to match the Euro 5 standard, a definitive step towards the integration of the national motorcycle into global trade chains.

Effective mobility, that is, requiring less time to make urban journeys at peak hours, is another element that undeniably reduces harmful impacts on the environment. A small cubic capacity engine, with minimally contained emissions, is just one of the environmentally positive factors, to which secondary aspects must be added, such as less wear on tires and pavement, less consumption of fuel and lubricating oil, in addition to the tiny space occupied on public roads.



Evolution of emission indicators



Honda South America’s emissions-related indicators, as discussed below, showed a significant reduction in 2020 compared to 2019, not only due to the implementation of specific projects aimed at reducing the carbon emitted by Honda units in South America, but also due to the following factors:

- Periods of downtime in production units due to the impacts of Covid-19;
- Implementation of the home office regime for associates whose activities allow remote work;
- End of car production at the Honda plant in Argentina, in May 2020;
- Efficiency of the new Honda Automóveis factory in Itirapina (SP), which started its activities in 2019.

Direct and indirect greenhouse gas (GHG) emissions in tCO₂e

> GRI 305-1; 305-2 <

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

Honda South America Emissions	2019	2020
*Scope 1 (tCO ₂ e)	33,517.12	24,603.87
**Scope 2 (tCO ₂ e)	18,213.35	14,000.74
Total (tCO ₂ e)	51,730.46	38,604.61

* Scope 1: Direct GHG emissions from sources that are owned or controlled by the organization.

** Scope 2: Indirect GHG emissions from the acquisition of electricity that is consumed by the organization.

2019: Honda South America (HAB Sumaré, HAB Itirapina, HDA, HAR, HDP, HSP, HSA, HSF, HMDC)

2020: Honda South America (HAB Sumaré, HAB Itirapina, HDA, HAR, HDP, HSP, HSA, HSF, HMDC)

Intensity of greenhouse gas (GHG) emissions >

GRI 305-4 <

To calculate the intensity of greenhouse gas emissions, Scope 1 and 2 CO₂ emissions are added up and the result is divided by the number of units produced at Honda South America (including cars, motorcycles and ATVs).

GHG Emissions	2019	2020
Intensity rate	43.46 kg CO ₂ / unit	40.61 kg CO ₂ / unit

*Honda South America Results
2019: Honda South America (HAB Sumaré, HAB Itirapina, HDA, HAR, HSP)
2020: Honda South America (HAB Sumaré, HAB Itirapina, HDA, HAR, HSP)

NOx, SOx and other significant air emissions > GRI

305-7 <

Last year, 2,870.94 tons of VOC (Volatile Organic Compound) were emitted. To estimate this value emitted by Honda South America units, 65% of the total value of solvent-based products purchased in the referred period are being considered (paint, varnish, primer, catalyst, thinners etc.).

In 2020, due to the impacts of the Covid-19 pandemic on production activities, Honda units in South America produced a smaller volume of vehicles than initially planned for the year.

Due to this decrease in the volume produced, the amount of total VOC was also reduced, since it is calculated based on the painted area (m²) of the vehicles produced.



Honda Energy Wind Farm

Honda in Brazil has spared no efforts to meet the global goal of achieving carbon neutrality in its products and corporate activities by 2050. Honda Energy's wind farm is a great example of this. First in the national automotive sector and the Honda group in the world, the project was inaugurated in November 2014 and is located in the city of Xangri-Lá (RS).

The operation supplies all the electricity demand of the car manufacturing units, in the interior of São Paulo, in addition to serving the administrative office in São Paulo (SP).

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

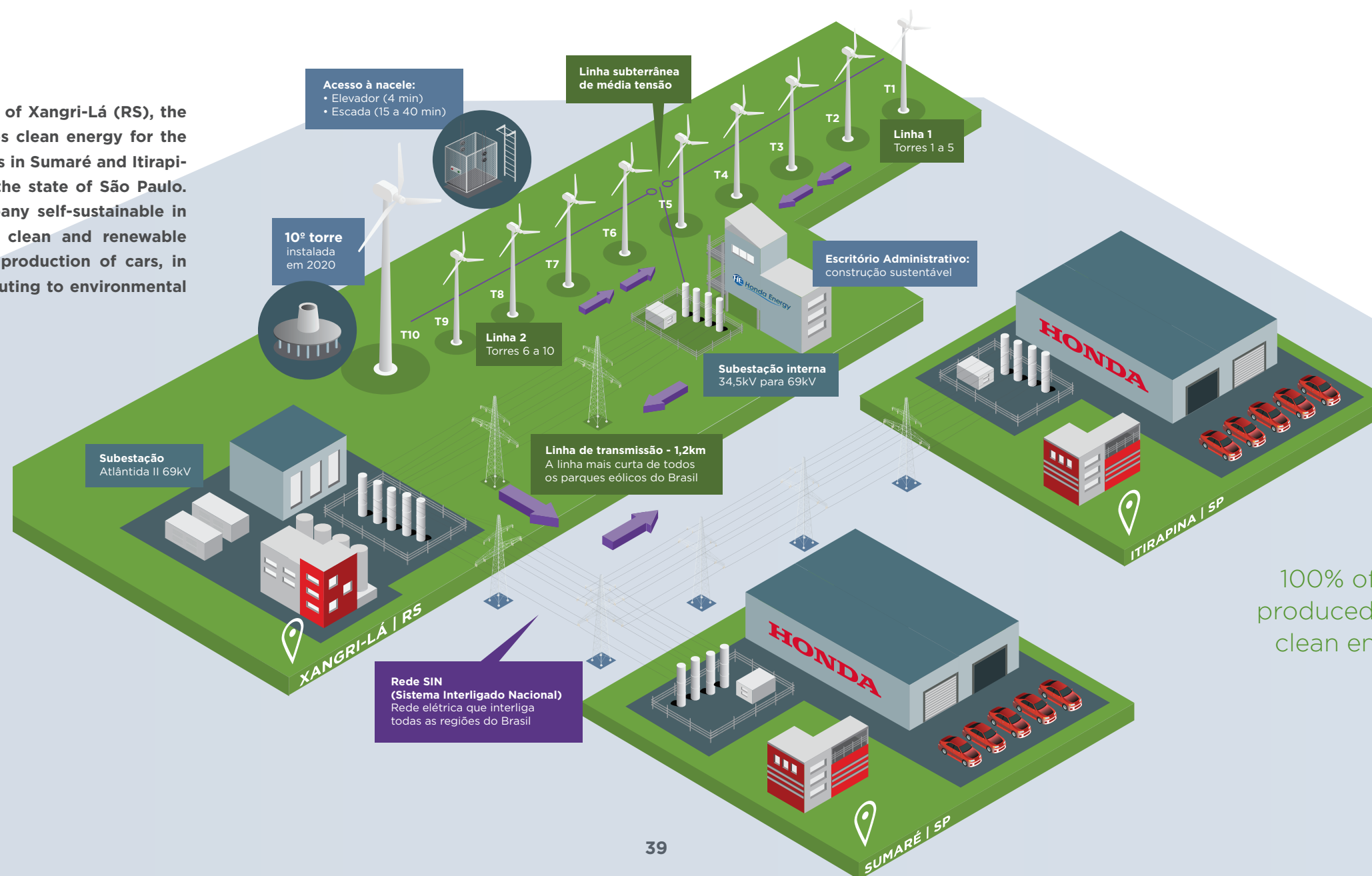
Regarding the new tower, its generating power is 3.8 megawatts, 23% higher than the model of other wind turbines, is 112 meters high and is among the largest currently installed in Brazil. The blades measure 66 meters and, when mounted, reach a diameter of 136 meters. This set is larger in relation to the others and, at its highest point, reaches 180 meters in height.

In 2020, the park reached the milestone of 82,340 MWh of generated energy. The project has 94 thousand MWh of maximum annual energy generation capacity.

In almost seven years since its inauguration, the project has generated more than 448 thousand MWh of clean electric energy produced, which allowed the sustainable production of more than 750,000 cars and avoided the emission of 32 thousand tons of CO₂.

Wind Farm

Located in the city of Xangri-Lá (RS), the wind farm produces clean energy for the manufacturing units in Sumaré and Itirapina, and offices in the state of São Paulo. It makes the company self-sustainable in the production of clean and renewable electricity for the production of cars, in addition to contributing to environmental preservation.



100% of cars
produced with
clean energy.



Honda's Agricultural Project, in Manaus (AM).



Private Natural Heritage Reserve, in Manaus (AM).



Rosewood tree from the Honda Agricultural Project in Manaus (AM).

Biodiversity

> GRI 304-1 <

Private Natural Heritage Reserve (RPPN)

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

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

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

About 140 tree forest species and several species of native animals are preserved thanks to this initiative.

Agricultural Project

80 km from Manaus, in the municipality of Rio Preto da Eva, Honda has a complete structure for testing the quality and durability of its motorcycles. Harmoniously, the company also maintains a horticulture and reforestation project for native species.

The Agricultural Project, inaugurated in 2003, aims to plant fruit trees, such as coconut, peach palm, acerola, lemon, papaya and banana, in addition to lettuce and hydroponic rocket, which supply the factory's restaurants and entities that care for needy children and elderly.

About 80% of the land, equivalent to 802.38 hectares, is maintained as a legal reserve, a rural property to be maintained with native vegetation, where endangered species, such as mahogany, rosewood, Ipê and andiroba, are cultivated.

Honda maintains, in Manaus, a Private Reserve equivalent to 17 soccer fields.

Operations eco-efficiency

> GRI 103-2, 103-3/302-1 <

Honda carries out frequent evaluations of its facilities, always having as priority the incidence of natural light and ecologically correct resources.

Environmental indicators are monitored and analyzed on a monthly basis by the factories' environmental planning and management areas and, in cases where consumptions that are very different from the established targets are identified, PDCA (Plan, Do, Check and Act) analyzes are carried out to identify the causes and establish preventive and corrective measures.

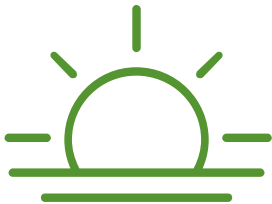
Most of the indicators below had a reduction in the last year, when compared to 2019, as a result of the periods of shutdown of the factories and the adoption of the home office system as ways of joining efforts in the fight against the Covid-19 pandemic in the country, as discussed above.

In 2020, Honda consumed 1,197,956.11 GJ of energy at Honda South America units.

> GRI 302-1 <



Honda South America Emissions	2019	2020
Total consumption of non-renewable fuels (GJ)	570,573.13	421,434.60
Total consumption of renewable fuels (GJ)	16,189.48	10,150.11
Electricity consumption (GJ)	962,836.05	766,371.39
Total energy consumption (GJ)	1,549,598.66	1,197,956.11



Honda prioritizes the incidence of natural light and ecologically correct resources in its facilities.

Energy Intensity Rate

The energy intensity rate recorded last year by Honda South America was 1.26 GJ/unit. For the calculation, consumption of electricity and fuels (diesel, gasoline, LPG, kerosene, natural gas and ethanol) are considered. > GRI 302-3 <

Honda South America has a goal of reducing 1% of its energy consumption per unit produced in relation to the previous period.

	2019	2020
Energy intensity rate	1.31 GJ/unit	1.26 GJ/unit

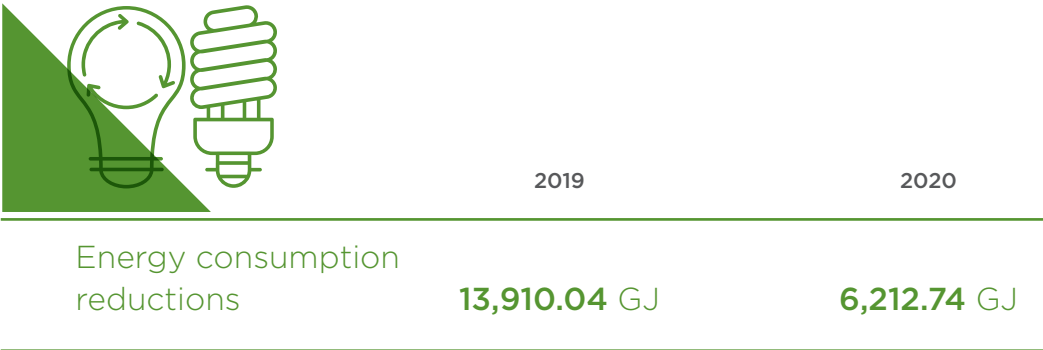
Scope:
2019: Honda South America (HAB Sumaré, HAB Itirapina, HDA, HAR, HSP).
2020: Honda South America (HAB Sumaré, HAB Itirapina, HDA, HAR, HSP).

Reduction in energy consumption

When considering the units specified below*, there was a contribution, from improvement projects, to the reduction in energy consumption. > GRI 302-4 <

Amidst the impacts of Covid-19 on business, with the adoption of shutdown periods at the plants and the consequent reduction in the volume produced, some projects to reduce energy consumption were rescheduled for the year 2021.

In addition, due to the process of transferring production from the Sumaré unit to Itirapina, both plants did not participate in specific projects to reduce energy consumption in 2020.



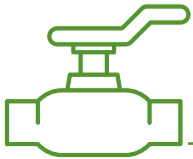
*2019: Honda South America (HDA, HAR, HSP).
2020: Honda South America (HDA, HAR, HSP).

Rational use of water

> GRI 103-2, 103-3, 303-1 <

To establish a balanced relationship with the environment and the use of natural resources, Honda maintains industry best practices and follows all regulations applicable to its activities. Regarding the use of water, the Brazilian, Argentine and Peruvian units seek to optimize the use of this resource and implement the best solutions for effluent treatment.

In 2020, there was a significant reduction in water consumption at Honda South America units, mainly in the administrative areas, as a result of the shutdown period imposed by the Covid-19 pandemic, in addition to the introduction of the home office regime, albeit partially.



TOTAL VOLUME OF WATER WITHDRAWN (M³)

Source	2019	2020
Surface water	129,278.00	81,333.95
Underground water	1,047,797.91	724,676.75
Rain water	-	-
Effluents from another organization	-	-
Supply by public or private water services	9,059.33	8,836.02

2019: HAB Sumaré, HAB Itirapina, HDA, HAR, HDP, HSP, HSF, HMDC
2020: HAB Sumaré, HAB Itirapina, HDA, HAR, HDP, HSP, HSF, HMDC

Initiatives by Honda Motos, in Manaus, for water resources management

Honda's actions for the preservation of springs and conscientious use of water

In its motorcycle factory, Honda reuses rainwater in bathrooms, generating an average savings of 800,000 liters/month, which is equivalent, on average, to the daily consumption of 230 people.

The company's washbasins have self-closing faucets and water flow reducers, which contribute to a reduction of around 70% in consumption. In addition, the water from the compressed air generation process is collected in a cistern and reused in the refrigeration of production processes, generating savings of around 700,000 liters per year.

Effluent Treatment

Honda's Effluent Treatment Plant in Manaus is considered one of the most modern in South America, among the Honda units.

Effluent Treatment Plant (ETE)

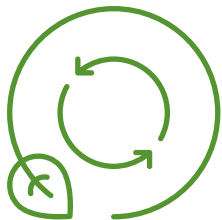
Considered one of the most modern in South America, among Honda units, Honda Motos' Effluent Treatment Station (ETE) has a treatment capacity of 75 million liters per month, which is equivalent, on average, to the consumption of a city with a population of up to 30,000 inhabitants.

After using water in production, cafeteria and sanitary processes, it undergoes a rigorous biochemical purification process before being returned to the environment.

In this treatment process, the chemical elements in the water are separated, going to the biological treatment tank and join the activated sludge, which is the result of the treatment for the destruction of organic pollutants.

Then, the water that went through the disinfection process is directed to the stabilization pond. Part of the final treated effluent is reused in the irrigation of gardens, in the industrial processes of cleaning parts and cleaning the station; and the other part is returned to nature, contributing to the preservation of the stream ecosystem.





Management
based on the
3Rs: Reduce,
Reuse and
Recycle.

Waste management and recycling

> GRI 103-2, 103-3, 306; 306-2 <

Honda applies the concept of the 3Rs in all its operations: Reduce, Reuse and Recycle.

In this way, the company manages the waste arising from its activities and focuses efforts on improving production processes with the development of new technologies aimed at reducing, reusing and recycling.

Due to the situation experienced by most companies in 2020, several projects planned to reduce waste were postponed to 2021.

In addition, the end of vehicle assembly activities at the Honda plant in Argentina, the reduction in production volume resulting from the Covid-19 pandemic, the shutdown of factories and the establishment of remote work contributed to less waste generation than in previous years.



Hazardous waste	2019 Weight (t)	2020 Weight (t)
Recycling	795.32	677.23
Recovery	0	0
Incineration	1,813.81	1,910.84
Landfill	0	0
Others (specify) - incorporation	0	0
Others (specify) - co-processing	923.92	733.95
Non-hazardous waste	2019 Weight (t)	2020 Weight (t)
Reuse	0	0
Recycling	48,281.56	35,123.75
Compost	434.42	160.19
Incineration	1,136.84	1,659.05
Landfill	686.19	610.26
Others (specify) - co-processing	2,706.90	1,970.88
Others (specify) - ultrafiltration	0	0
TOTAL VOLUME	53,245.33	42,846.16

Composting

Leftover food is not garbage. It is possible to transform what was left on the plate into fertilizer through the composting process.

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

This is another Honda initiative in favor of sustainability. In 2020, around 120 tons of fertilizer were produced, which were used internally in the company's green areas.



Honda
Automóveis
Internal
Composting
Center in
Sumaré (SP).

Cabotage

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

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

In 2020, Moto Honda used cabotage to transport 94,839 motorcycles, resulting in a reduction of 1,185 ton in CO₂ emissions.

In supply logistics, in 2020, 1,637 containers of parts and components were sent to the Manaus plant, resulting in a reduction of more than 753 TonCO₂.



Cabotage in Manaus (AM).



In 2020, the Honda Automóveis factory, in Sumaré, through its Internal Composting Center, produced about 120 tons of fertilizer in 2020.

Safety

Traffic safety is an key commitment for Honda and an indispensable condition for mobility.

The brand's performance focuses in two main dimensions. First, the company develops advanced and innovative technologies, improving the characteristics of its products, so that they are increasingly safer for customers.

The second pillar includes educational and awareness-raising actions aimed at strengthening the safe behavior of the main traffic agents.



Product safety Motorcycles

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

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

ABS is an electronic system that prevents the wheel from locking in sudden braking and on low-grip surfaces. Honda has been increasing the use of this technology in its product line.

In addition to the brake system, Honda invests in the development of advanced technologies, such as traction and stability controls, electronic suspension, sliding and assisted clutch, electronic accelerator, anti-jump system and traction control, as well as connectivity and even an airbag, which are implemented according to the strategy of each product.

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



An important milestone was of the implementation of CBS (Combined Brake System) and ABS (Anti-Lock Brake System) brake technologies in 100% of the motorcycles produced in the country.



What is New in 2020 for Safety on Two Wheels:

650 Family:

Honda introduced to the market in July 2020 the new CB 650R and CBR 650R, which feature a supplementary safety device: it is the Emergency Stop Signal (ESS), which recognizes emergency braking at speeds above 56 km/h and, through sensors in the ABS module, automatically activates the warning light.

In addition, the clutch is now a slip-type clutch, which prevents sudden loss of grip on the rear wheel in the event of extreme downshifts, common in sport riding. The clutch actuation uses assistance, which reduced the effort required to actuate the lever by 12%.

The traction control system HSTC - *Honda Selectable Torque Control* -, is responsible for containing any loss of grip of the rear tire in situations of strong acceleration. This device provides peace of mind for riding on low grip surfaces.

500X Family:

Honda Motos also brought to the market the 2020 version of the CB 500X, which gained a 19-inch front wheel, a choice that expands the model's ability to face bad terrain with greater safety and aplomb. The aerodynamics of the CB 500X 2020 has been refined, and favors the fluidity of the air around the fairing and windshield, now higher, improving protection for the pilot at high speeds.

From the same family, the naked CB 500F has a new

conical handlebar in the 2020 version, which provides a more adequate riding position, facilitating control.

In both, the two-level seat has been redesigned, is narrower and rounded in the part dedicated to the driver, thus making it easier for their feet to rest on the ground. The new, flatter and taller handlebars contribute to better control while the increased steering radius facilitates maneuvering at low speeds. The windshield is fixed to a tubular metal bar that facilitates the assembly of navigation systems above the instrument panel.



Automobiles

In the car segment, Honda has been introducing in Brazil the Honda SENSING, a package of advanced safety and driver assistance technologies, which has been present in the Honda Accord, since 2018, as standard equipment.

Honda SENSING brings technologies such as ACC (Adaptive Cruise Control) with LSF (Low Speed Follow) - adaptive cruise control with speed adjustment; CMBS (Collision Mitigation Braking System) with FCW (Front Collision Warning) - braking system for collision mitigation; LKAS (Lane Keeping Assist System) - lane assistance system; and RDM (Road Departure Mitigation System) with LDW (Lane Departure Warning) - system for lane avoidance mitigation.

Honda recently introduced the 2021 Accord in Brazil, which will be marketed on national soil in the hybrid engine, as of the second half of 2021. Accord's Honda SENSING has been improved. The model now features Low Speed Braking Control technology, which activates the brake in low-speed maneuvers, if it detects the possibility of a collision. In addition, the Lane-Stay Assist and Adaptive Cruise Control make operation even more precise and intuitive.

The Accord 2021's advanced active and passive safety systems also include the VSA (stability assist) with traction control, ABS brakes with Electronic Brake Booster, tire pressure

monitoring (TPMS), advanced front airbags, curtain airbags, side and knee airbags for the driver and front passenger, and the first Honda was marketed in the country with eight airbags.

Another innovation in safety is the adoption of the rear seat use alert, which issues a warning to the driver, indicating that something may have been forgotten in the back seat, if the doors were opened before starting the journey.

Furthermore, in 2020, Honda Automóveis announced a series of improvements in Safety to its line-up. Among them is the adoption of the twilight sensor, which allows the automatic turning on of the headlights, and the electrical adjustment of the height of the light beam in all models produced in Brazil.

Check out other security systems present on Honda models:

WR-V: The 2021 line marks the introduction of safety improvements, with the adoption of

In 2020, Honda Automóveis announced a series of improvements in Safety to its line-up.

stability and traction controls (VSA), hill start assistant (HSA) and emergency braking alert (ESS) in all versions, as standard equipment. In addition, all WR-V versions feature front airbags, ABS brakes with electronic brake distribution (EBD), and the unique ACE™ (Advanced Compatibility Engineering) progressive deformation structure and door protection bars, ensuring maximum protection in possible collision situations. The EX version also offers side airbags, while the EXL offers six airbags, with the addition of curtain-type sides;

Fit: In all versions, the Honda Fit has a VSA (*Vehicle Stability Assist*) and HSA (*Hill Start Assist*) system, which prevents the car from going down for a moment when you take your foot off the brake on hills, among other technologies;

City: The sedan brings the body with ACE technology. This structure is designed to evenly distribute the energy of an impact, reducing the force transferred to the cabin





and protecting the occupants. It also more evenly disperses the force transferred to other vehicles involved in the collision;

HR-V: The Touring and EXL versions received new LED fog lights, with a horizontal design. The EXL version also received full LED headlamps, previously available only at Touring, a photochromic internal rearview mirror and a rain sensor. The EX version received two more airbags (curtain), totaling six inflatable protective bags. The LX also gets the arrow repeaters in the external mirrors and four new airbags (two side and two curtain). With this, all versions of the HR-V 2021 now have six airbags (two front, two side and two curtain), further enhancing the safety of the model.

In addition, all HR-V versions are equipped with VSA, HSA and ESS. The HR-V Touring also offers the Honda LaneWatch system, a technology consisting of a camera installed in the

right rearview mirror, which widens the driver's angle of vision, eliminating blind spots and projecting this enlarged image in the multimedia system. This makes lane changes safer and maneuvering more convenient.

The HR-V Touring also has specific calibration for the suspension set, a larger diameter front stabilizer bar and the Agile Handling Assist (AHA) technology, which improves the SUV's dynamic stability in curves, applying the concept of torque vectorization. This maintains the SUV's characteristic driveability and comfort, with a superior touch of dynamics.

Civic: In the 2021 line, the EXL version brings as main novelties the adoption of Full LED headlamps, as well as the LED fog lamp – the same ones adopted in the Touring version.

As with all Honda models, safety is also a priority on the Civic. All versions come with front, side, and curtain airbags;

VSA; HSA; AHA; emergency brake light; ABS brakes with electronic brake distribution (EBD); daytime running lights (DRL), LED taillights, and tire pressure loss indication system (TPMS).

Developed to provide high safety in different scenarios, it brings wide frontal visibility, precise, stable and predictable steering, and high handling and braking performance. This is thanks to the advanced body structure – including the new generation of *Advanced Compatibility Engineering* (ACE), which provides a high degree of occupant protection.

The Civic also uses advanced technology for front, side and curtain airbags, including a front airbag with a spiral seam for better firing performance; Smart Vent technology for passenger and driver airbags and passenger airbag that reduces the risk of injury if the occupant is out of position. These systems work with the advanced body structure and internal components designed to protect passengers in a collision. • > GRI 103-2, 416 <





Honda starts sales of Legend luxury sedan with new Honda SENSING Elite technology

Committed to making a society free from traffic accidents, based on its slogan “Safety for all”, Honda recently introduced the Legend luxury sedan equipped with the new Honda SENSING Elite system, which represents a new level in the area of advanced safety technologies.

Honda SENSING Elite is a version of Honda SENSING, the advanced safety and driver assistance technology package currently available for Honda vehicles worldwide. The name “Elite” represents the premium technologies included in this latest release.

One of the highly differentiated technologies is the “Traffic Jam Pilot” function, qualified for Level 3 autonomous driving (autonomous driving conditioned in a limited area), for which Honda received, in 2020, type designation from the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT)*1. Traffic Jam Pilot technology allows the autonomous steering system to steer the vehicle, instead of the driver, under certain conditions, such as when the vehicle is on an expressway with congested traffic*2.

Notes

* 1 The type designation was announced on November 22, 2020. See the press release: <https://global.honda/newsroom/news/2020/420111leng.html>

** 2 There is a limit to the capabilities (e.g., recognition capability and controllability) of individual Honda SENSING Elite functions. Please do not overestimate the capabilities of each Honda SENSING Elite function and drive safely while paying constant attention to your surroundings. Please remain able to respond to the transfer request issued by the system and resume driving immediately after the transfer request.

Safe traffic

Honda Traffic Education Center - (CETH)

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

In Brazil, there are three units of the Honda Traffic Educational Center (CETH), located in Indaiatuba (SP), Recife (PE) and Manaus (AM), which offer practical and theoretical classes aimed at disseminating concepts of traffic safety and safe motorcycle riding. The project is also carried out at CETH units located in Argentina and Peru.

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

At CETHs, theoretical training is carried out in a room and provides motorcyclists with important information about riding in the most varied traffic situations. In the second moment, the students put into practice, in the lanes of the units, what they learned in the classroom.

To multiply training, the company also has three Mobile Piloting Units, which act as support for itinerant initiatives carried out throughout the country.

In 2020, given the scenario of social isolation imposed by the Covid-19 pandemic, Honda Traffic Educational Centers now offer courses and lectures online, further improving electronic platforms and accelerating the process of digitizing knowledge applied in the classroom. More than 300 thousand people were impacted by CETH's digital activities throughout Brazil.

In addition, CETH participated in a special action in the National Traffic Week, held in September 2020, named Ambassador in Command, in which content on safe riding was offered to followers of Honda Motos pages on social networks. More than 3 million people were impacted by the initiative, which featured journalist Leandro Mello, alongside guests and Honda riders.



“Clubinho Honda”

The Traffic Educational Centers also offer educational activities for children. This is the “Clubinho Honda – Trânsito Amigo” project, existing since 1992 to promote playful activities that invite children from 4 to 7 years old to learn about traffic safety, in a light and fun way.

The CETHs also have the Cidade Mirim do “Clubinho Honda” on their premises. The space, open to children from public and private schools, reproduces a city with the intention of transmitting traffic education concepts. On site, a mini-city is simulated, with elements, such as pedestrian crossings, traffic lights, signposts and mini electric vehicles so that children can learn the main traffic rules.

In 2020, also due to the need for social isolation, “Clubinho Honda” directed its efforts towards digital platforms, promoting online activities on safe traffic for children. In total, 22,000 children participated in the “Clubinho Honda Digital” actions last year.

Recall

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

Based on this, the company makes its recall campaigns throughout the country, free of charge and with the support of its network of dealerships.

The company seeks to call on customers for repair with transparency and agility.

Mega Takata airbag recall

The recall of airbags by Takata is the biggest in the history of the automotive industry in Brazil. Since July 2010, Honda has been calling on its customers to repair the defective Takata airbag inflator and, by the end of this report, it carried out 16 campaigns to recall Takata airbag inflators in cars and 2 campaigns for the GoldWing motorcycle. > GRI 103-3/416, 416-1 <

Cars Called in 2020 (Model/ Reason/ Number of Vehicles/ % Repaired)			
Model	Reason	Amount	% Repaired
Civic, Accord, CR-V, Odyssey 1996-2000	Driver's Airbag Inflator Failure	37,094	24.4%
Civic / Accord / HR-V 2018 - 2020	Fuel pump failure	2,730	66.5%

All calls can be seen on the link:
<https://www.honda.com.br/recall>

As of the closing of this report, there are 906,267 vehicles in need of recall out of a total of 1,611,187 Takata airbag inflators to be replaced. Of these, 1,154,302 Takata airbag inflators have already been repaired, reaching a service rate of 71.6%.

As of the closing of this report, Honda has a record of 46 confirmed cases of abnormal rupture of the Takata airbag inflator, 17 of which with injury, 1 fatality and 28 without injury.

Brand initiatives to alert consumers

Honda has adopted a series of pioneering measures to expand communication with all owners whose vehicles have some pending recall and make them aware of the urgency of repair.

It is important to remember that, in Brazil, the intention of changing vehicles by consumers occurs, on average, every three years. Therefore, it is common that over time, cars change owners, but, not always, new owners return to dealerships to carry out revisions and/or occasional periodic repairs, making it difficult to update the data in Honda's records.

Aware of the seriousness of the recall of Takata's airbag inflators, Honda is leading a series of pioneering initiatives to raise the campaign's service rate, going beyond what is required by current legislation.

Some examples include:

- National broadcasting of exclusive video on open TV to alert customers;
- Acting in conjunction with the specialized program AutoEsporte, on TV Globo, in a report that alerts to the importance of carrying out the recall;
- Digital media campaigns;

- Active call center;
- Agreement with the DETRANs of São Paulo and Paraná, in addition to partnerships with insurance companies and automatic toll collection companies, among others, to locate the owners of affected vehicles;
- Partnership with DENATRAN to send letters to customers, reminding them of the need to carry out the recall;
- Delivery of leaflets at toll booths and mall parking lots;
- Disclosure of communication parts in trunk trucks;
- National disclosure of the testimonial video of customer Tiago Ferreira, who also experienced an abnormal deployment of the Takata airbag inflator. Tiago tells how the episode became serious after an injury caused by metallic fragments that were thrown against him when the airbag was deployed. The video is available on Honda's website, at www.honda.com.br/recall;
- Translation and diffusion of the testimonial video of American customer Stephanie Erdman, who also experienced an abnormal deployment of the Takata airbag inflator. The material is available on Honda's website at www.honda.com.br/recall.

In 2020, Honda entered into a partnership with the High Torque, a channel specialized in automotive mechanics with more than 1 million subscribers on YouTube, to supply relevant information about the need for airbag repair. Through an explanatory video, influencer Alexandre Dias Generoso, "ADG", explained to his followers how the airbag equipment works, what failure occurs in defective Takata inflators and the procedure to replace the component. The video had more than 65 thousand views and can be watched at: www.youtube.com/watch?v=RfleL7I89iA

Quality

First, customer satisfaction

Providing the highest quality products at the right price to exceed customer expectations is a fundamental principle that grounds Honda’s operations worldwide. This commitment is expressed through the words of our founder, Soichiro Honda, who reinforced that “100% product quality is not acceptable. We have to aim for 120%.”

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

Our focus on customer satisfaction through the unique quality of our products and services is one of the main competitive advantages that support the value of the brand in the long term.

Product quality recognized by the customer

Customer satisfaction with the products sold in Brazil is a key indicator to assess the quality and performance of the company.

Honda continually invests in surveys that allow it to identify the degree of customer satisfaction with its products and services, guiding initiatives for continuous improvement and the development of new solutions. At the same time, Honda is attentive to surveys, evaluations and awards conducted by third parties which allow it to recognize its strengths and points for improvement.

100% product quality is not acceptable. We have to aim for 120%.

Survey “The Selected Ones”

The “The Selected Ones” gathers the opinion of thousands of consumers of the best-selling automobiles in Brazil, who rank several attributes of the model and the brand, based on their expectations and actual experience with the product. The result is a satisfaction index in which 100 indicates that customers’ expectations were fully met.

Honda’s Civic sedan was chosen as the four-time champion in the medium sedan category in 2020, with scores exceeding 100 in 13 of the 23 items of the survey. Other Honda models included in the study also ranked among the best in the segment.

It is worth noting that, in 20 years of the survey, Civic is the model that has reached the top of the publication’s general ranking the most, winning five awards, ahead of second place Honda Fit, a four-time winner, making Honda the most awarded brand in the survey



HONDA focuses on customer satisfaction.



“Best Resale Value” Prize

The “Best Resale Value” prize, promoted by the Autoinforme portal, is a certification for cars and motorcycles that least lose resale value.

It is a study that certifies the quality of Honda’s products and demonstrates the customer perceived value of its models .

In the 2020 assessment, the Honda Fit was ranked as the least devaluable vehicle in the MPV category, with a depreciation rate of 9.4% only.

Among motorcycles, Honda CG 160 received maximum certification in the study as the motorcycle with the best resale value in Brazil, with a devaluation of 4.6% in one year only.

In addition to being the overall champion, Honda Motos was also the brand that obtained the most titles per category, with five awards in total. The brand also won in the following categories: Crossover, with the CB 500X; Scooter, with the BIZ 110i/125i; Scooter up to 200 cc, with the PCX 150; and Sport over 800cc with the CBR 1000 RR Fireblade. The study has been conducted since 2000 and the certification has been granted since 2014.

“Motorcycle of the Year”

Sponsored by Duas Rodas magazine, the “Motorcycle of the Year” award chooses the best motorcycles in the Engine, Brakes, Suspension, Agility, Comfort, Design and Cost-Benefit categories, through a voting with journalists specialized in the two-wheeler segment. The motorcycle chosen with the highest score among all the participants is considered the “Motorcycle of the Year”. In the 2020 edition of the award, Honda Motos won in the Scooter category, with the X-ADV, and in Touring, with the GL 1800 Goldwing.

Motorcycling

The 22nd edition of the “Golden Motorcycle” award, promoted by Motociclismo magazine, received nearly 10 thousand votes from readers in different regions of Brazil, who shared their preferences with the magazine’s team and chose the best motorcycles from 13 different categories, as well as elected the best brands in terms of image.

Honda Motos was the winner of two image awards, in the Best Business and Advertising categories. As to its products, Honda won the CUB category, with the Biz 125; Adventure, with the CRF1000L Africa Twin; and Touring, with the GL 1800 Gold Wing.



Quality management system

Honda has a global quality management system, the G-HQS, implemented in April 2005, with a set of essential standards that support quality assurance and improvement activities in all operations within the Honda group.

The system aims at ensuring quality not only in production activities, but also in other areas of the company. Through the G-HQS, Honda clearly defines roles and responsibilities, standards and indicators for the development areas, manufacturing, services, procurement and engineering, so as to continuously improve its process and product quality.

The G-HQS systematizes the knowledge acquired independently by Honda in the manufacturing of quality products and the prevention of potential problems.

In addition to its own system, Honda is also in compliance with ISO certification standards. Currently, four Honda facilities in South America have the ISO 9001 certification (Moto Honda da Amazônia, Honda Automóveis Sumaré and Itirapina, and Honda da Argentina).

Honda Quality Cycle

I - Design and Development

Quality assurance is implemented from the initial stage of product design, using the brand's experience in design and manufacturing to create designs that facilitate production.

III - Production

In addition to designing drawings that facilitate product manufacturing and implementing manufacturing controls that limit process variability, the quality assurance conducts rigorous inspections of parts and vehicles, and ensures that no product damage occurs during transportation.

V - Quality Data Collection

Based on the information collected from customers and markets around the world, a quality improvement analysis (market quality improvement system) is carried out.

II - Production Preparation

Quality assurance extends to production processes through manufacturing controls that limit process variability.

IV - Sales and Services

Any quality problems in the market are detected by the after-sales team and handled by the dealerships, based on surveys and information gathered from customers.

The resources and technical competence for research and development in Brazil, added to the global knowledge in the areas of innovation, technology, energy management, robotics, and artificial intelligence, ensure Honda leads the developments in mobility.

Research & Development

To Honda, the investment in research and development is crucial to the innovation process. To this end, the Research and Development Center, located at the Automobile plant in Sumaré (SP), works strongly on initiatives to increase the nationalization rate of components, using technologies that are less harmful to the environment and adapted to the specific demands of the countries in the region. . With state-of-the-art laboratories and technical equipment, the Center is currently one of Honda's main development centers outside Japan and the USA.

Following this same strategy, the Development and Technology Center (CDT), located at the plant in Manaus (AM), works as a multidisciplinary technology hub, whose mission is to strengthen research and create solutions to meet the needs of the South American market. The plant has a product evaluation infrastructure, as well as a testing ground that simulates the most

varied conditions of motorcycle use, and engine, gas emissions, and durability testing labs.

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

The research and development area is also essential to guarantee the quality of products, by creating drawings and projects that limit the variability of the manufacturing process. Honda engineers have access to a broad base of accumulated knowledge about procedures and techniques that help to avoid quality problems when used in drawings, in the joint development with suppliers, and in production.



Motorcycle Development and Technology Center (CDT) in Manaus (AM)



Automobile Research and Development Center, in Sumaré (SP)



Honda has its own methodology for selecting and managing partners.

Supplier Management

> GRI 102-9 <

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

Therefore, to be part of the company's team of suppliers, all companies go through a selection process conducted in accordance with the global guidelines set by the headquarters in Japan.

Honda's standard for partner selection and management is defined by the QCDMEFS (Quality, Cost, Delivery, Management, Environment, Financial, and Safety) methodology. With a focus on these areas, indicators and processes are established for the development and monitoring of suppliers, such as specifications for quality, efficiency, service, environmental management, human resources management, among others.

New Honda Circle Suppliers - NHC-S Ambiental

Honda annually applies the New Honda Circle Suppliers - NHC-S Ambiental program, intended to encourage its suppliers to eliminate energy waste. The partners are thus encouraged to improve the energy efficiency of their machines and equipment, reducing energy consumption and, consequently, CO₂ emissions.

In 2020, Honda Automóveis do Brasil managed to get 17 suppliers to take part which, together, stopped emitting 28,617 tons of CO₂ into the atmosphere by means of continuous improvement actions.

Due to the COVID-19 pandemic, Moto Honda da Amazônia extended the NHCS at the Manaus (AM) plant until 2021, in order to structure the program virtually.



Number of parts and raw material suppliers



Ensuring the quality of components and materials purchased from suppliers is essential to provide customers with differentiated products. Honda frequently visits its suppliers' facilities to conduct quality audits based on the "Three Realities Principle", which emphasizes "going to the site", "knowing the real situation", and

"being realistic". These audit activities are conducted both in the production preparation stage and during mass production. Based on these audits, Honda works continuously, together with suppliers, to identify and implement improvement projects.



Quality in the production process

Honda's production processes are developed using modern manufacturing technologies, which provide parts and components with high quality standards.

In addition, rigorous intermediate inspections are carried out, using high standards, to raise the quality of the products even further, always focusing on the customer.



Honda Way

The Honda Way program is an example of an initiative to strengthen the production principles by developing techniques that limit the variability in the production process and bring more quality and safety to the product. Developed by the Production Quality Control department at Honda Automóveis, the program seeks to ensure top quality in production.

The department runs an extensive program with its suppliers, which are invited to

get to know Honda's production process in greater depth and, specifically, how the supplied part or component is used in the production line.

This enables each supplier to understand the importance of strictly meeting the specifications provided by Honda. The program also strengthens the relationship, providing a more harmonious communication flow between the parties.



Market Quality Center

Honda established an area, the Market Quality Center (MQC), to manage all information about the quality of the product offered to the market. The MQC aims to improve the prevention of issues, as well as quickly detect and solve occurrences. The area gathers information regarding quality from dealers throughout Brazil and through the service department of customer relations centers. This information is shared with the research and development, production, and supplier management areas for technical evaluations that allow the identification of causes and implementation of countermeasures.

Customer relationship

Honda seeks to provide the customer with pos-

itive experiences over time and at all points of contact with the brand. Thus, a relationship is created that enables the customer to recognize the brand's value, qualities, and differentials.

In this mission, one of the major pillars of Honda in Brazil is its wide network of dealerships, consisting of 212 points of sale and services in cars and 1,100 in motorcycles. The dealership network is a key partner that shares the same customer-oriented culture, providing personalized service from the first contact, product testing, sales negotiation, service provision, and implementation of communication and relationship strategies.

The management of dealerships is closely monitored by Honda's advisory teams through technical visits, remote consulting, and satisfaction surveys on the service, products, and services provided. In 2020, over 147,000 customers were heard and were able to give their opinions, contributing to the company's continuous improvement processes. The training of associates in the dealership network is another essential factor to ensure positive customer experiences. In 2020, Honda provided more than 126,000 hours of technical and behavioral training, remote and face-to-face, to the network's associates involved with services and parts.

In 2020, over 147,000 customers were heard and were able to give their opinions, contributing to the company's continuous improvement processes.



BEST QUALITY PROGRAM

Best Quality is an initiative by Honda South America aimed at recognizing the technicians, consultants, and service and parts managers of its network of motorcycle and car dealerships.

Through various evaluation methods, the best professionals advance through the stages of the program in each category – technician, auto body and paint repairer, service consultant, parts consultant, and manager – until reaching the last stage, which recognizes the most outstanding professionals in each category. In 2020, due to the sanitary protocols implemented to contain the spread of COVID-19, the Best Quality program was exclusively online.

Since its launch in 2007, more than 109,000 associates of the dealership network across South America have participated in the program, which shows the brand's commitment to ensuring the high quality of its after-sales.

Digital Relationship

Thanks to a strong communication strategy through digital means and its own CRM platform, entitled "myHonda", the company and its entire dealership network maintain relationships with customers, over time, across the country, on the most diverse demands.

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

By being part of myHonda, customers and fans of the brand have access to contents of interest, opportunities and special conditions, and information about products and services. This way, Honda ensures excellence in customer service also in the digital environment, a tool which proved to be even more important in the context of social isolation measures adopted in the fight against the spread of COVID-19.

Honda guarantees excellent customer service also in the digital environment.



After-sales portal

Aiming to extend the brand's excellence to the digital environment, bringing more information to users in an easy and transparent manner, since 2019, Honda's customers have at their disposal new tools and functionalities on the after-sales site, such as consultation and scheduling of overhauls and the recommended frequency for replacing parts and components (www.honda.com.br/pos-venda/automoveis).

Customers can also view the values of overhauls and parts, as well as schedule services, all from the comfort of their own home.

Social Media

In order to maintain another important communication channel with the public, Honda is also present on social media, offering services and varied content about its products and services. The pages also raise topics that constitute the brand's pillars, such as traffic safety, environment, motor sports, among others. Honda has more than 12 million followers in Brazil across all its official channels.



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



www.instagram.com/hondaautosbr
www.instagram.com/hondamotosbr
www.instagram.com/consorciohonda



www.linkedin.com/company/honda-brasil



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

People

Honda believes in the Power of Dreams as a driving force to face challenges and undertake great achievements. The company thus seeks to maintain an innovative work environment, capable of creating unique values for society and customers, where each associate can enjoy the true Joy of Creation.

The Human Resources policy is supported by the fundamental belief of respect for the individual, which must be understood through three pillars: valuing the initiative of each associate to carry out their ideas and aspirations, equality so that people are treated fairly and with equal opportunities, and fundamental trust for the establishment of lasting relationships and for the formation of work teams.



Occupational Safety and Health

> GRI 103-2, 103-3/403, 403-2 <

“There’s no production without safety.” This quote by founder Soichiro Honda still applies today and can be seen on posters throughout the units and heard in the company’s hallways.

When it comes to the preservation of the health and safety of associates and third parties, Honda not only complies with the current legislation and the regulation of the sectors in which it operates, but also makes continuous investments in actions aimed at increasing the safety and promoting the worker’s health.

The Health and Safety area management supports the company’s strategic plan. In addition, all professionals at Honda are committed to accident prevention, and the top management has an important role in this process, supporting initiatives and providing resources for the development and implementation of preventive programs.



Actions for the fight against the COVID-19 pandemic

Honda is a people-centered company, which is why it has adopted a series of measures to fight the COVID-19 pandemic since March 2020.

The company is constantly reviewing countermeasures in response to the challenges posed by the COVID-19 pandemic, prioritizing people’s health and safety, compliance with government guidelines, and business sustainability.

With regard to people’s health and safety, Honda has adopted a strict sanitary protocol, which was established based on the best practices adopted globally by the brand. There are more than 200 sanitary measures, which take into account the associates’ entire routine, from the moment they leave their home, on the shuttle bus, and during the working day.



The actions include, among others:

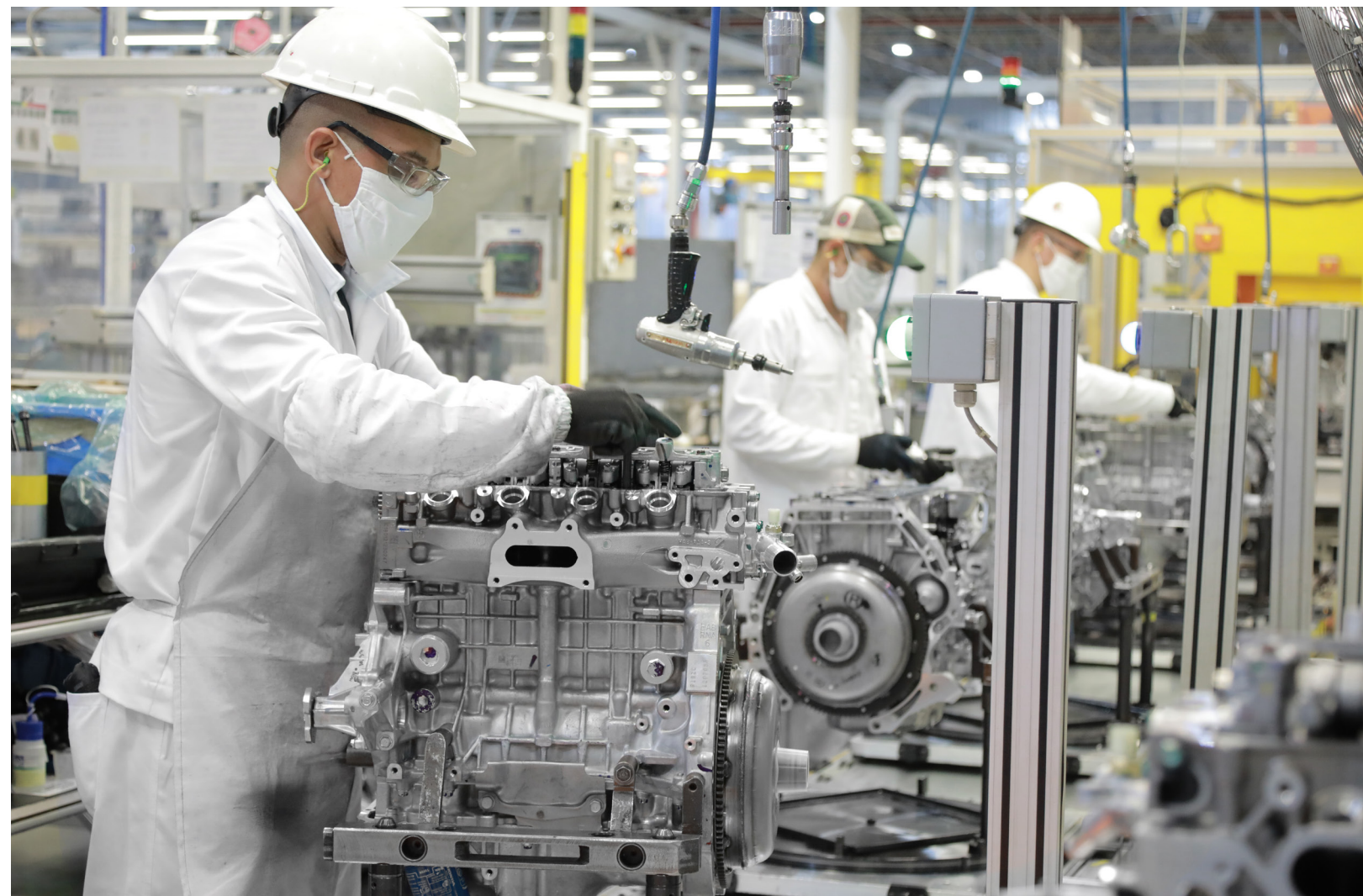
- Expansion of the medical team and creation of a specific hotline for associates and their families, with the aim of speeding up the clarification of doubts and guidance;
- Full or partial adoption of a working from home regime for administrative associates and those whose activities allow remote work;
- Health evaluation with temperature measurement at the access to the units;
- Different and interspersed schedules to avoid crowds;
- Reorganization of spaces, limitation of the number of people, and adoption of minimum distancing requirements in places such as shuttle buses, production lines, cafeterias, and meeting rooms;
- New hygiene, cleaning, and sanitization requirements;
- Adoption of full-time wearing of masks;
- Suspension of production activities at certain times, in order to contribute to reducing the spread of the virus (see table on [page 18](#));
- Reinforcement of sanitary guidelines for the staff, in order to raise awareness among associates about care and prevention methods, as well as support the adaptation to new procedures.

Accident- and incident-free environment





In order to anticipate possible risks and impacts that may arise in its operations, the company uses methodologies and tools to map all existing activities. There are preventive procedures and solutions in place for each situation mapped, which include raising the awareness of workers about the importance of thinking and acting always considering everyone's safety first. Honda's goal is to achieve "zero accidents" across all production units.

General Data





Honda South America ended 2020 with 11,733 permanent and 563 temporary associates. Every one of them was able to share this work environment, guided by respect for the human being, and which encourages professional fulfillment and development in the long term, in addition to receiving compensation in line with the best market practices. With this philosophy, Honda manages its human capital and creates a corporate culture that provides a sustainable competitive advantage in the long term. > [GRI 102-8, 103-2, 103-3/402](#) <



Number of associates by contract type

	2019		2020	
				
Temporary	413	194	351	212
Permanent	10,583	1,439	10,297	1436

Number of associates by employment type

	2019		2020	
				
Full-time	10,685	1,405	10,383	1398
Part-time	324	239	273	260

Number of associates by region

	2019		2020	
	Temporary	Permanent	Temporary	Permanent
Brazil (North)	308	6,060	317	6,372
Brazil (Southeast)	135	4,573	96	4,448
Argentina	0	1,089	0	1,034
Chile	0	83	4	79
Peru	165	76	190	89

Climate Survey

The main indicator that reflects the quality of human resources management in the company is the evolution of the annual Climate Survey conducted with all associates in South America. The 2020 result marked the best historical level of the index, with 86% favorability rate, which reflects the overall average of responses of satisfied associates. In the previous year, 2019, the index was at 84%.

All items of the survey showed improvement, which are: Safety and Well-Being; Work Environment; Relationship with Immediate Supervisor; Development and Recognition of Effort; Pride in Being a Honda Associate; and Job Satisfaction.

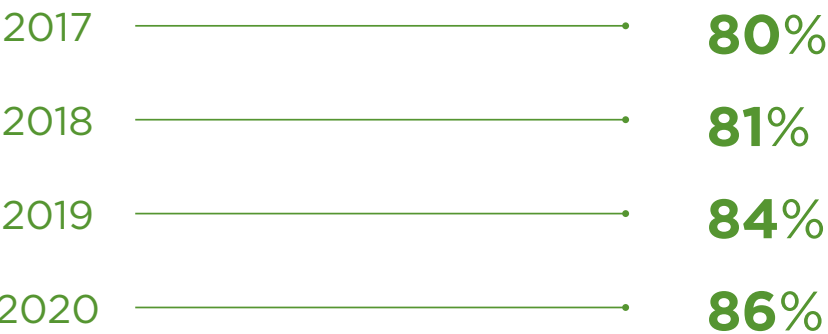
The survey results are evaluated by the human resources area to prepare a corporate action plan and by the managers to define actions focused on the reality of the different areas.











SURVEY YEAR



**OVERALL SATISFACTION
RESULT**



Average hours of training - Honda Brazil

Training				
	2019		2020	
Gender				
Average number of hours of training received by the organization's associates during the reporting period	15	19	4.5	5.4
Associate category				
Directors	15	0	0	0
Managers and General Managers	15	55	2.3	7.3
Associates - Administrative	23	20	5.2	7.5
Associates - Production	19	25	4.4	4

In 2020, due to the impacts of the COVID-19 pandemic, the classroom training schedule planned for the period was significantly reduced in order to ensure compliance with safety protocols.

The company sought to expand the online qualification and training offers, focusing on meeting the basic training areas, ensuring compliance with the pillars of safety, quality, and

work processes.

Honda continues to work to expand and strengthen the offer of online courses to its associates, with improvement courses for the specific technical training of the areas, support for professional qualification, assurance of continuous improvement of processes, as well as meeting the needs for stronger leadership.



Careers Page

Platform dedicated to recruiting and selecting talents, which, in addition to showing the available positions, brings content that reinforces the precepts of the company's Philosophy, which is the basis for the actions and decisions of all the group's associates. It also provides information about the different segments in which Honda operates in the country and the main activities developed in the five major areas of activity (Commercial, Production, Research and Development, Purchasing, and Administrative).



www.honda.com.br/carreira-na-honda/

Leadership School

With a focus on internally developing the company's leaders, Honda's managers are prepared to inspire, coordinate and leverage the talents of their teams. Based on the company's philosophy, a training schedule ensures full training of associates with management positions, through activities and tools, such as strategic projects in multidisciplinary groups (Cross-Functional Team), Professional Coaching, Individual Development Plan (PDI), and 360° Assessment.



Internship Program

Since the beginning of its operations, Honda has promoted the access of college students to its Internship Program. This is the main gateway for young professionals who seek an inspiring work environment that values aspects such as initiative, equality, trust, and communication.

With a total duration of 24 months, divided into three stages, the program reflects a methodology focused on the learning and practical experience in the final area of operation.

In addition to participating in projects and activities in the defined area, students develop an important improvement proposal. Throughout their development, interns are monitored by area managers and by the Human Resources department.

In 2020, Honda carried out the selection of its Internship Program in compliance with all health and safety protocols required to fight the COVID-19 pandemic. Seventeen internship positions were offered to work in the commercial, administrative, and financial areas of the company's units in São Paulo (SP) and Sumaré (SP).

Trainee Program

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

The program targets recent graduates (up to two years) with command of the English language, from courses such as Business Administration, Computer Science, Engineering, Technology, Statistics, Physics, Marketing, Mathematics, and Information Systems, among others.

The trainees spend the first three months in job rotation through the main areas of the company and the following nine months in activities in their own areas. They will also develop projects to improve the areas they work in, in addition to receiving a specific training and mentoring program with managers.

Honda opened the selection process for its Trainee program in January 2021, offering 17 positions for the company's units in São Paulo (SP), Sumaré (SP), and Manaus (AM). The positions were intended for work in the Information Technology, Commercial, Credit, Customer Management, Insurance, and Risk areas. The selection process complied with all health and safety protocols required to fight the COVID-19 pandemic.

GAP

Through the Global Assignment Program (GAP), associates participate in international development programs for acquiring technical and management skills, as well as to expand the professional network and knowledge on best practices. With that, the company empowers its teams to act in a globalized environment and lead changes in the business. Due to COVID-19, the program was temporarily suspended last year and will be resumed as soon as possible. 127 associates have participated in the program over the past eight years.



NHC

The Honda Philosophy is annually celebrated through the NHC (New Honda Circle) development program. In the NHC, associates from all areas and units are invited to form working groups dedicated to identifying opportunities, developing and implementing innovation projects and improvements in processes and in the work environment as a whole.

The projects must be developed according to the program's methodology and are an opportunity for associates to learn about quality tools, exchange knowledge and obtain visibility and recognition, since the leading groups participate in national and international conventions, sharing their experiences and creations.

With that, Honda values human capital, encouraging ideas and recognizing individual dedication towards joint learning. Due to the scenario imposed by COVID-19, in 2020, NHC activities were suspended in all units, except in HAR (Honda Argentina), where, due to the local specificities, activities were adapted following all safety protocols.

Financial Education for All

To assist its associates with their financial planning, in 2019, Honda started the program "Financial Education for All". Without any restrictions regarding age or position, the initiative offers lectures and workshops for financial balance, with investment tips for beginners, as well as those who already have knowledge in the area and wish to expand it. In 2020, associates were encouraged to check out our virtual actions and newsletters.

A healthy team

Safety and well-being go hand in hand. With that in mind, Honda has several measures in place to preserve the health of its associates, such as ergonomic studies of work, specialized medical care in case of emergencies and prevention campaigns for raising awareness, such as the Pink October, focused on fighting breast cancer, Blue November, to draw attention to prostate dysfunctions, among others.

And by health, we also mean emotional well-being. The specialty clinic in Manaus offers medical and psychological support, providing care not only for the body, but also for the mind of associates, and supporting well-being.

Local Communities

> GRI 103-2, 103-3/203, 203-1 <

Honda's vision of sharing joy with people would not be complete without its work with local communities.

Based on this concept, Together for Tomorrow was born, a motto globally adopted by the company which demonstrates the importance of the relations Honda maintains with all society. Its development was based on four pillars - Environment, Education, Community and Traffic Safety - which help the company direct actions toward social, economic and environmental development with a focus on helping to build a better and fairer world for future generations.

Several social actions are currently carried out in the six regions of global operations, with the purpose of sharing the joy with people from all over the world and becoming a company desired by society.

Honda also strives to support initiatives that reflect local circumstances in its corporate activities abroad.

These activities are also in line with the contents and objectives of international discussions, such as the SDGs (Sustainable Development Goals).

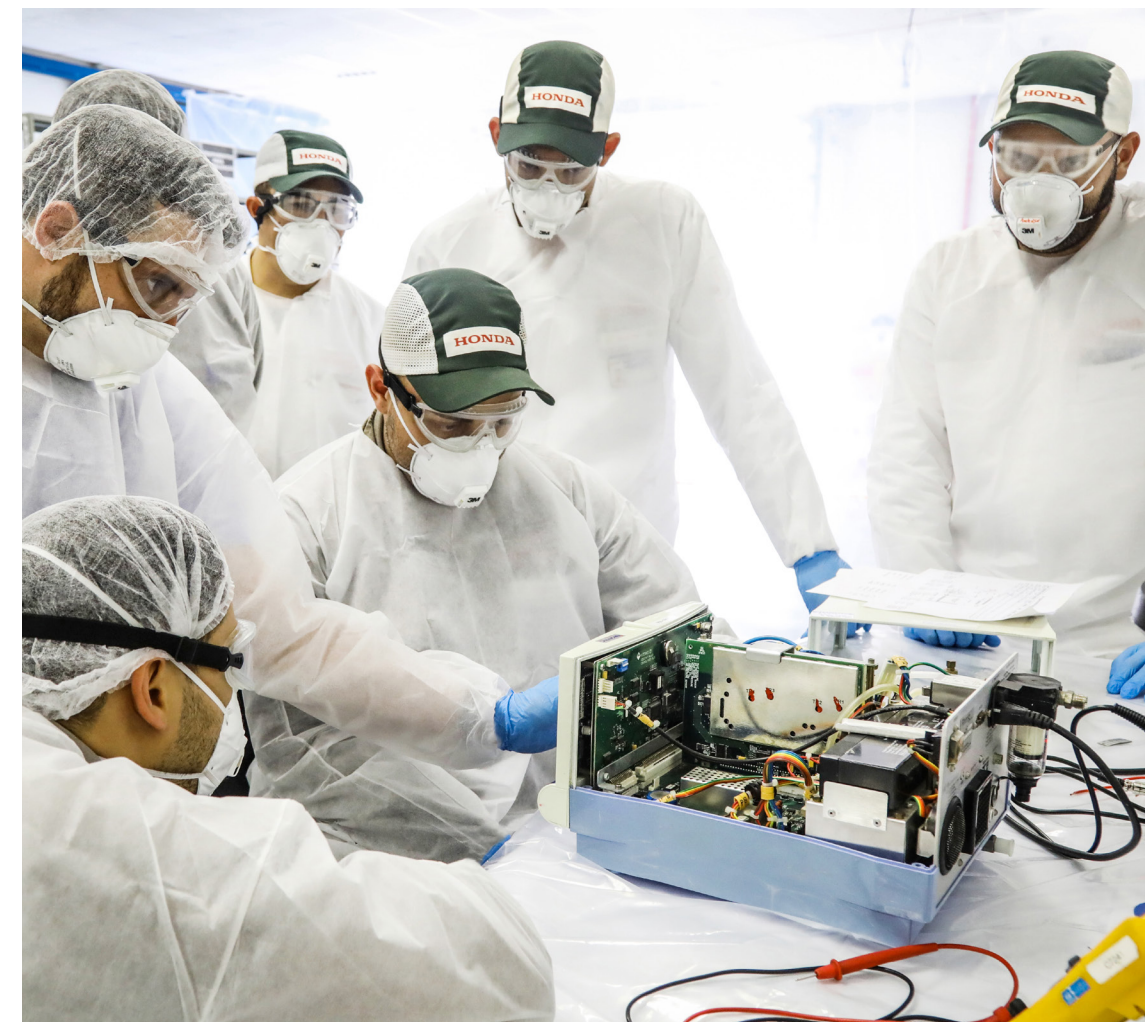
In 2017, seeking to improve the direction and focus of action of social projects and actions in

the region, Honda South America prepared its Policy for Social Actions and Sponsorship, adapting the Global Policy guidelines to the regional reality.

From January to December 2020, 28 social actions and projects were carried out, representing an investment of approximately 2.2 million dollars. Of that amount, 10% (about US\$ 212,500) were investments made via the Cultural Incentive Law - the Rouanet Law.



Delivery of ventilators to the hospital network.



Team working on repairing ventilators.

**Social contributions
by Honda in the context of the
COVID-19 pandemic**

The COVID-19 pandemic also required flexibility to maintain face-to-face social contributions actions following the safety protocols proposed by the Ministry of Health.

Many projects could be adapted to a remote format, such as the activities developed by Honda's Traffic Education Center (CETH) - *Clubinho Honda* and *Harmonia no Trânsito* (more information on [page 51](#)).

In line with the global mobilization to fight the effects of the COVID-19 pandemic, Honda's plants in South America joined efforts to support communities. Several donations in partnership with Solidarity Funds were made in the cities of Manaus (AM), Sumaré (SP) and Itirapina (SP), in Brazil; Buenos Aires, in Argentina; and Lima, in Peru. 18 actions were carried out by Honda in South America in total.

In Brazil, Honda Automóveis participated in a task force to repair artificial ventilators, along with the Ministry of Economy and SENAI. The action included collecting, sanitizing, identifying and repairing defects of equipment that was later provided the hospital network surrounding the factories in Sumaré-SP and Itirapina-SP. Honda Motos also supported the ventilator maintenance initiative, serving the Amazon population. Over 100 ventilators were repaired in total.



Honda Brasil also carried out the following actions to fight the pandemic:

Donations

Donation
of motorcycles
and **backpack
sprayers**.

Over
**100 thousand
Face Shields;**

10 motor pumps
for the Civil Defense of the
State of **Amazonas;**

Medicines
and cleaning products;

Deliveries

Meals to the field hospital
Milton Novaes,
in Manaus-AM

About
2,200 basic food baskets
for **needy people**



Donation of meals to the tCOVID-19 Field Hospital, in Manaus (AM)



Task force fighting the pandemic.

Incentive to education

> GRI 203-1 <

Recognizing the importance of education in individual training, Honda has offered the Professional Training Course for residents of Recife (PE) since 2007. The initiative is carried out at the premises of its Training Center, located in the city.

Along 870 hours of training, students participate in theoretical and technical classes in automobile and motorcycle mechanics, with topics like metrology, electricity, overhauls, periodic inspections and others. The classes also include modules with guidance on sales, negotiation techniques, health, family relationships, information technology, the environment, traffic safety and the importance of volunteer work.

The selection process for young people who participate in the annual course begins with an analysis of basic criteria such as age, education and social vulnerability. Applicants should be between 18 and 20 years old and attend high school. The next steps involve a written test, group dynamics and visits to families.

Since its first edition, 272 young people have benefited from the project and around 80% of them are employed in different roles, some of them starting their professional careers at Honda dealerships. Due to the COVID-19 pandemic in the country, the Professional Training Course was canceled in 2020 and will be re-scheduled for a more appropriate moment, as soon as possible.



GRI CONTENT INDEX

GRI Standards Content Index

> 102-55 <

GRI Standard	Disclosure	Page and/or URL	Omission
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Dis- closures 2016	102-1 - Name of the organization	page 13	
	102-2 - Activities, brands, products, and services	page 15	
	102-3 - Location of headquarters	page 15	
	102-4 - Location of operations	page 15	
	102-5 - Ownership and legal form	Limited liability company	
	102-6 - Markets served	page 15	
	102-7 - Scale of the organization	page 15	
	102-8 - Information on associates and other workers	page 63	
	102-9 - Supply chain	page 57	
	102-10 - Significant changes to the organization and its supply chain	page 18	
	102-11 - Precautionary principle or approach	page 28	

GRI Standard	Disclosure	Page and/or URL	Omission
GRI 102: General Disclosures 2016	102-12 -External initiatives	Honda South America is not signatory of voluntary commitments.	
	102-13 - Membership of associations	ABEEólica - Brazilian Wind Energy Association ABRACICLO - Brazilian Association of Manufacturers of Motorcycles, Mopeds, Scooters, Bicycles and Similar Vehicles SIMEFRE - Materials and Railway, Highway and Two-Wheeler Industry Union ANFAVEA/SINFAVEA - National Association of Automobile Vehicle Manufacturers / National Union of the Tractor, Truck, Automobile, and Similar Vehicle Industry AEA - Brazilian Automotive Engineering Association FIEAM - Federation of Industries for the State of Amazonas CIEAM - Industry Center for the State of Amazonas AFICAM - Association of Component Manufacturers for the Amazon Region Japanese-Brazilian Chamber of Commerce for the States of Amazonas and São Paulo ABIAPE - Brazilian Association of the Investors in Self-Production of Energy FIESP-CIESP- Federation of Industries of the State of São Paulo - Center of Industries of the State of São Paulo AMCHAM - American Chamber of Commerce	
	102-14 - Statement from senior decision-maker	page 5	
	102-16 - Values, principles, standards, and norms of behavior	page 7	
	102-17 - Mechanisms for advice and concerns about ethics	page 30	
	102-18 - Governance structure	page 28	
	102-40 - List of stakeholder groups	page 13	
	102-41 - Collective bargaining agreements	"100% of associates hired under the CLT regime are covered by collective labor agreements and conventions"	

GRI Standard	Disclosure	Page and/or URL	Omission
GRI 102: General Dis- closures 2016	102-42 - Identifying and selecting stakeholders	page 13	
	102-43 - Approach to stakeholder engagement	page 13	
	102-44 - Key topics and concerns raised	page 13	
	102-45 - Entities included in the consolidated financial statements	page 13	
	102-46 - Defining report content and topic boundaries	page 13	
	102-47 - List of material topics	page 13	
	102-48 - Restatements of information	There were no restatements of the information disclosed in previous reports	
	102-49 -Changes in reporting	There were no significant changes in topics considered material nor in their limits	
	102-50 -Reporting period	page 13	
	102-51 - Date of most recent report	2019	
	102-52 - Reporting cycle	Annual reporting	
	102-53 - Contact point for questions regarding the report	“For suggestions regarding the content of the Report, please contact us on the phones: Motorcycles and Power Products: 0800 055 22 21 Automobiles: 0800 017 12 13 Banco Honda: (11) 2172 7080 Consórcio Honda: (11) 2172 7007”	
	102-54 - Claims of reporting in accordance with the GRI Standards	page 13	

GRI Standard	Disclosure	Page and/or URL	Omission
GRI 102: General Dis- closures 2016	102-55 - GRI content index	page 72	
	102-56 - External assurance	The Sustainability Report is not externally verified	

Material Topics

Indirect Economic Impacts

GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	
	The management approach and its components	Pages 69, 70 and 71	
	103-3 - Evaluation of the management approach	Pages 69, 70 and 71	
GRI 203: Indirect Eco- nomic Impacts 2016	Infrastructure investments and services supported	Pages 69, 70 and 71	

Anti-corruption

GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	
	The management approach and its components	page 31	
	103-3 - Evaluation of the management approach	page 31	
GRI 205: Anti-corrup- tion 2016	205-2 - Communication and training about anti-corruption policies and procedures	page 32	

GRI Standard	Disclosure	Page and/or URL	Omission
Energy			
GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	
	The management approach and its components	page 41	
	103-3 - Evaluation of the management approach	page 41	
GRI 302: Energy 2016	302-1 - Energy consumption within the organization	page 41	
	302-3 - Energy intensity	page 41	
	302-4 - Reduction of energy consumption	page 42	
Water			
GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	
	The management approach and its components	Pages 42 and 43	
	103-3 - Evaluation of the management approach	Pages 42 and 43	
GRI 303: Water 2016	303-1 - Water withdrawal by source	Page 42	
Emissions			
GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	

GRI Standard	Disclosure	Page and/or URL	Omission
GRI 103: Management Approach	The management approach and its components	page 34	
	103-3 - Evaluation of the management approach	page 34	
GRI 305: Emissions 2016	305-1 - Direct (Scope 1) GHG emissions	page 37	
	305-2 - Energy indirect (Scope 2) GHG emissions	page 37	
	305-4 - Greenhouse Gas (GHG) emissions intensity	page 38	
	305-7 - Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	page 38	
Effluents and waste			
GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	
	The management approach and its components	page 44	
	103-3 - Evaluation of the management approach	page 44	
GRI 306: Effluents and waste 2016	306-2 - Waste by type and disposal method	page 44	
Labor Relations			
GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	
	The management approach and its components	page 61	

GRI Standard	Disclosure	Page and/or URL	Omission
GRI 103: Management Approach	103-3 - Evaluation of the management approach	page 61	
GRI 402: Labor Relations 2016	402-1 - Minimum notice periods regarding operational changes	“Associates are informed at least 30 days in advance in case of internal recruitments that involve changing their domicile”	
Occupational Safety and Health			
GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	
	The management approach and its components	page 62	
	103-3 - Evaluation of the management approach	page 62	
GRI 403: Occupational Health and Safety 2016	403-2 -Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	page 62	
Training and Education			
GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	
	The management approach and its components	page 65	
	103-3 - Evaluation of the management approach	page 65	
GRI 404: Training and Education 2016	404-1 - Average hours of training per year per associate	page 65	

GRI Standard	Disclosure	Page and/or URL	Omission
Customer Health and Safety			
GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	
	The management approach and its components	page 46 to 52	
	103-3 - Evaluation of the management approach	page 46 to 52	
GRI 416: Customer Health and Safety 2016	416-1 - Assessment of the health and safety impacts of product and service categories	page 46 to 52	
Socioeconomic Compliance			
GRI 103: Management Approach	103-1 - Explanation of the material topic and its Boundary	page 13	
	The management approach and its components	page 30	
	103-3 - Evaluation of the management approach	page 30	
GRI 419: Socioeconomic Compliance	419-1 - Non-compliance with laws and regulations in the social and economic area	page 30	



Credits and Corporate Information

Honda South America Ltda.

Estr. Municipal Valêncio Calegari, 777 (Av. Interna 6)
Bairro: Nova Veneza
Sumaré (SP)
CEP: 13181-903

General Coordination for the Development of the Sustainability Report

Public Relations Department of Honda South America
Environment, Social and Governance (ESG) Department of Honda South America

Editorial Coordination

Pedro Rezende, Tassia Rodrigues and Aline Cerri

Coordination for the Collection of GRI Disclosures and Texts

Pedro Rezende, Tassia Rodrigues and Aline Cerri

Graphic Design, Layout and Infographics

Magenta•Lab and Amanda Justiniano (Infographic)

Photographs

Honda's Archives, Freepik and The Noun project, Unsplash, Pexels, Stock-Adobe

