

▶ ONE COMPANY

MANY FACES

ONE DIRECTION

TOGETHER ▶▶▶▶



**HONDA**

BUSINESS PRACTICES  
AND ETHICS POLICY

▶ Integrity

 QUALITY

Safety 

*Respect* ▶



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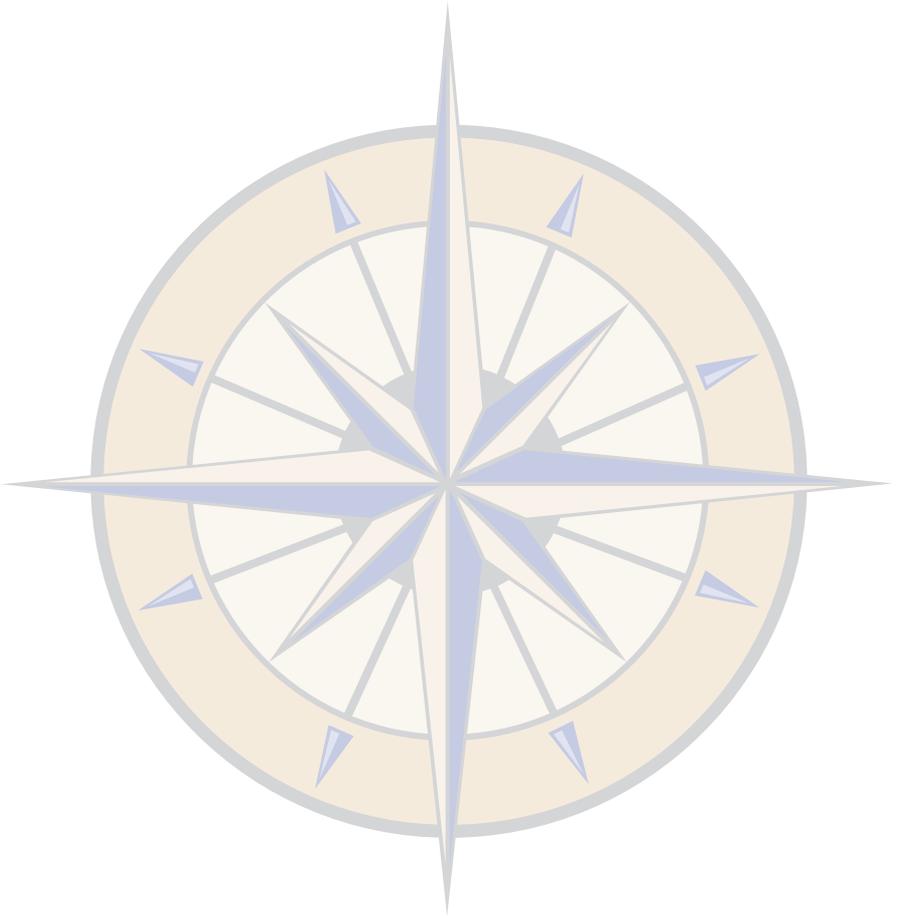
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# Introduction

One

Company,

Many

Faces,

One

Direction,

Together

## The Honda Philosophy

Honda Manufacturing of Alabama, LLC’s (“HMA”) success is rooted in Honda philosophy. Underlying the Honda Philosophy is a fundamental belief: Respect for the Individual. By respecting the uniqueness and capabilities of our associates, we are able to work together as a team to achieve our goals. Respect is not limited to how we expect others to treat us. Rather, respect is the guiding principle for how we are expected to treat others. Whether it is other associates, our customers, our suppliers or the communities in which we work and live, we must always strive to achieve high standards of conduct. It is by our words and our deeds that we truly show Respect for the Individual. HMA will always strive to conduct its business lawfully, honestly and with the utmost respect for the laws and standards of ethical business conduct. If we meet this standard on a consistent basis, then others will respect us as well.

## Purpose

This *Business Practices and Ethics Policy* is a guide to the ethical and legal responsibilities we share as HMA associates. It applies to all HMA associates worldwide. The *Policy* is not a comprehensive rulebook. Some of the responsibilities discussed in this *Policy* may also be discussed in other HMA materials, including, for example, the Associate Handbook, Human Resources policies, and applicable departmental policies.



## Responsibilities

No policy, handbook or any other piece of paper can guarantee good, ethical behavior. Only each one of us can. It is your fundamental responsibility to do the right things the right way:

- Act in accordance with the law, this *Policy* and other HMA policies.
- Show the respect for your fellow associates, customers, suppliers and community members that you would like shown to you.
- Let HMA management know if you are aware of conduct that violates this *Policy*. Retaliation against anyone for making a report will not be tolerated.

HMA is a large company with thousands of associates and customers. Our reputation is built one customer at a time, one person at a time, one action at a time. In the end, the reputation and success of our company depends on you.

## Managers and Supervisory Associates Have Additional Responsibilities

While all HMA associates are to treat each other with respect, managers and supervisory associates have additional responsibilities. If you supervise others or lead a team, it is your responsibility to assure compliance in your area of responsibility. You are expected to com-

municate HMA's high ethical standards to all those reporting to you, both through formal and informal communications, and by being a role model. HMA leaders are responsible for looking for signals that HMA standards are being compromised, and for promptly reporting any violation of our *Business Practices and Ethics Policy*.

## Walking the Talk

The words in this *Policy* are empty promises if they are not lived up to by each of us and enforced throughout the company. Prevention is the best way to minimize problems associated with unethical or illegal conduct. That's why HMA provides training and monitors this area to make sure we're in compliance. HMA also may evaluate an associate's compliance as part of the annual performance appraisal process.

Yet sometimes people do make mistakes, and HMA is committed to promptly investigating allegations of unethical or illegal conduct.



If allegations are made that involve you, you may be involved in an investigation. If you are involved in an investigation or audit, you are expected to cooperate fully and tell the truth. If you are found to have violated this *Policy*, you are subject to discipline, up to and including separation from the company.



# You and Your Fellow Associates

Working

Together

with Respect

for All

## Respect for the Individual

The diversity of our workforce is a source of strength for HMA. But diversity is only a source of strength if each of us recognizes and respects the individual differences in one another, and if we treat each other fairly.

One important way HMA demonstrates respect is by providing equal employment opportunities for all. We make employment decisions without regard to race, color, gender, age, religion, national origin, ancestry, citizenship, disability, sexual orientation or military status.

## Non-Harassment

Harassment has no place at HMA. It doesn't matter if you are an associate, a supplier, a contractor or an affiliate, harassment violates our belief in *Respect for the Individual*. Harassment can take many forms, all of

them unacceptable, including:

- Jokes, insults, threats and other unwelcome actions concerning a person's race, color, gender, age, religion, national origin, ancestry, citizenship, disability, sexual orientation or military status.
- Unwelcome sexual advances, requests for sexual favors, and other unwelcome verbal or physical conduct of a sexual nature.
- Verbal or physical conduct that disrupts another's work performance or creates an intimidating or hostile work environment.



**Respect for  
the individual  
is a fundamental  
belief of Honda.**

If you observe or are the subject of harassment, you have a responsibility to yourself, your fellow associates and to HMA to report it immediately. HMA will take prompt action to address the situation.

## Safe and Healthy Work Environment

HMA is committed to providing a safe and healthy work environment. Each of us has an obligation to every other associate to ensure safe conditions throughout each day. This means you need to participate in safety training, follow safety

standards and policies, and make safety a priority in everything you do.

Reporting to work under the influence of alcohol or illegal drugs is strictly prohibited. It is dangerous to you and an obvious threat to a safe workplace. Violence or the threat of violence, including bringing a weapon to your work site, is also prohibited. To keep HMA safe for all associates, contractors and visitors, you are responsible for promptly reporting any safety concerns, including accidents, injuries and unsafe conditions.

## Compensation

HMA is committed to paying associates for all hours worked. If you perform work for HMA, you will be paid for it. Record all the time you work accurately and honestly. You may not perform work for HMA without the authorization of your Manager. If you perform work for HMA without authorization, you will be paid, but you may be subject to corrective action for working without authorization. Managers are responsible for ensuring that associates receive appropriate compensation for all time spent working for HMA.

## Employment Laws

We will comply with all applicable employment laws wherever our associates are located. This includes immigration laws, the Americans with Disabilities Act, the Family Medical Leave Act and Equal Employment Opportunity laws and regulations.

## Question:

**A** couple of things that we do in my area bother me because they don't seem too safe. The problem is that I don't want to bring them up because I'm pretty new here, and don't want to be a troublemaker.

Answer: Discuss your concerns with your Team Manager, Department Manager, or the Safety Department. There may be very good reasons for the practices. On the other hand, sometimes new eyes see things that more experienced eyes have missed. Raising a concern for safety is not making trouble, it is showing you care.



## OTHER RESOURCES

### People

- Your Team Manager or Department Manager
- Associate Relations
- Safety Department
- Legal Department
- Business Practices and Ethics (877-215-0004)
- [hma\\_compliance\\_line@hma.honda.com](mailto:hma_compliance_line@hma.honda.com)

### Associate Handbook Sections

- Equal Employment Opportunity
- Mutual Respect
- Associate Responsibilities
- Health and Safety
- Compensation



# You, Honda and Our Customers

The Joy of Buying,  
the Joy of Selling,  
the Joy of Producing

## Product Safety and Quality

Our reputation is riding on the safety and quality of every product we make. We must exceed the high expectations of our customers and ourselves. Put quality into everything you do, and let your supervisor know of any product or process that does not meet Honda's quality or safety standards. Never attempt to conceal substandard work or products.



## Question:

**I'm supposed to check the gauges on one of my pieces of equipment every shift. Yesterday I forgot. I almost always get the same measurement. Isn't it OK to just fill in yesterday's reading with today's data?**

Answer: No. Everything we do is based on honest and accurate measurements and reliable data. It's best just to acknowledge that you made a mistake. Don't create a worse situation by making another one.

## Respect for Honda's Assets

Honda has invested billions of dollars in people, plants, equipment and knowledge in order to manufacture world class motor vehicles. Take care of these and all HMA assets as if they were your own.

Use HMA assets solely for company business or for purposes authorized by management. Document all assets and transactions accurately and honestly. Theft, fraud and other misuse of HMA assets are prohibited.



In all areas of HMA operations, we observe the following priorities:

- Safety
- Quality
- Delivery



## OTHER RESOURCES

### People

- Your Team Manager or Department Manager
- Quality Group
- Corporate Affairs and Communications Dept.
- Legal Department
- Business Practices and Ethics (877-215-0004)
- [hma\\_compliance\\_line@hma.honda.com](mailto:hma_compliance_line@hma.honda.com)

### Associate Handbook Sections

- Electronic Mail/Internet
- Associate Responsibilities
- Ethics
- Intellectual Property and Confidentiality Agreement



# You and Outside Businesses

Better  
Relationships  
Mean Better  
Products

## Respect for Our Suppliers

Building strong relationships with suppliers is a big part of building high quality vehicles. We treat our suppliers fairly, as we expect them to treat us. If you're involved in purchasing, make sure you make your decisions based on sound business reasons, such as suitability, quality, delivery and cost. Purchasing agreements should be documented, and clearly identify the services or products to be provided, the price and the payment terms.



**We treat our  
suppliers fairly,  
as we expect  
them to treat us.**

## Conflict of Interest

Business decisions and actions must be based on the best interests of HMA, and cannot be motivated by personal gain. A conflict of interest occurs if you allow the possibility of personal gain to influence or appear to influence your judgment in the conduct of HMA business. Several of the most common examples of situations that may cause a conflict of interest are listed below:

- Purchasing goods or services that result in direct or indirect compensation to you or a member of your family.
- Working or consulting for a supplier or competitor.
- Receiving compensation of any kind, including loans, payments or subsidies, from a supplier or competitor.
- Accepting gifts of more than \$50.00 in value, or entertainment that is more than \$100.00 in value.
- Accepting special services or discounts from suppliers or competitors, unless these services or discounts are made publicly available to all HMA associates.
- Owning a significant interest in a competitor, supplier, a company that seeks to become a supplier, or a dealership that sells Honda's or a competitor's products.

- Disclosing information learned through your employment at HMA that could benefit or influence the stock price of a Honda competitor or supplier.

Because even the appearance of a conflict can be damaging to you, to HMA, and to our business relationships, any situation that may appear to be a conflict of interest must be reviewed by Associate Relations or the Business Practices & Ethics Office. If you're ever in doubt, disclose.

## Providing Gifts and Entertainment

At HMA, we pride ourselves on building strong relationships with suppliers and customers. At times it may be appropriate to provide a modest gift or entertainment to a business partner. Any gift or entertainment offered must be legal, of limited value, and not embarrassing to HMA or the recipient if publicly disclosed. Gifts and entertainment must also support a valid business purpose and be accurately recorded in the company's financial records.

## Question:

**M**y sister-in-law has a really good catering service. She says she can give me a special deal for HMA events. Can I use her firm?

Answer: Because this could easily appear to be a conflict of interest, or favoritism, you should receive the advance approval of Associate Relations or the Business Practices and Ethics Office before purchasing from her on behalf of HMA.



## OTHER RESOURCES

### People

- Your Team Manager or Department Manager
- Associate Relations
- Business Practices and Ethics (877-215-0004)
- [hma\\_compliance\\_line@hma.honda.com](mailto:hma_compliance_line@hma.honda.com)

### Associate Handbook Sections

- Ethics
- Associate Responsibilities
- Intellectual Property and Confidentiality Agreement



# You, Our Communities and the Environment

Giving Back to  
the Communities  
That Support Us

## Respect for the Community

HMA is a corporate citizen with responsibilities to society. Probably the most important responsibility we have is to provide good jobs and quality products. But we also have a desire to be part of the community.

We express this by supporting community activities, and by

encouraging associates to participate in and lead community activities themselves.

Integrity

## Environmental Protection

Protecting the environment is an obligation we share with all citizens. HMA will seek opportunities beyond the requirements of the law to minimize environmental impact.

Each associate has a role to play in protecting the environment. You are expected to comply with all procedures for proper handling and transporting of hazardous substances and to minimize waste through recycling reuse and pollution prevention. If you ever notice any potential environmental hazards or opportunities to improve HMA's environmental practices, notify management at once.



Each associate  
has a role to play.

## Political Activities

HMA encourages associates to exercise their right to vote and participate in the political process. If you are involved in politics, please be sure that you express your views as an individual, not as a representative of HMA. Any political activities

or donations must be on your own time and at your own expense.

Like all responsible citizens, HMA may participate in the political process.

However, corporate political participation is highly regulated. For example, HMA may not provide donations to candidates for federal or state government offices. If you have contacts with government officials, please make sure you consult with the Legal Department or the Corporate Affairs and Communications Department for guidance in this area.

## Question:

**A friend of mine is running for Mayor, and I'd like to help him out in his campaign. There's no problem with this, right?**

Answer: Right. Your personal support is your personal business. Just make sure that you don't use HMA assets, including the Honda or HMA name, to advance the campaign.



## OTHER RESOURCES

### People

- Your Team Manager or Department Manager
- Environmental Group
- Corporate Affairs and Communications Dept.
- Legal and Compliance Department
- Business Practices and Ethics (877-215-0004)
- [hma\\_compliance\\_line@hma.honda.com](mailto:hma_compliance_line@hma.honda.com)

### Associate Handbook Sections

- Health & Safety
- Corporate Affairs and Communications Department



# You and Business Information

Knowledge

Is Power...

Knowledge

Powers

Honda

## Confidential Information

Our continued success depends on developing knowledge, and using that knowledge to improve our business. This knowledge, sometimes referred to as trade secrets or confidential information, must be protected. Examples include research and development plans or ideas, manufacturing methods, financial data, supplier information, computer programs, and any other sensitive or proprietary information.

You have an obligation to safeguard confidential information by:

- Keeping it secure.
- Discussing it only with other Honda associates who have a need to know it in order to do their job.
- Not discussing it in public.
- Only disclosing it outside Honda if you have the required permission to do so and the party receiving the information has signed a HMA confidentiality agreement.

## Question:

**H**ow do I know if something is confidential or proprietary?

Answer: Sometimes this information is marked, but often it's not. If you're unsure, immediately contact the Legal Department. When in doubt, treat it as confidential.

- Consulting with the Legal Department if you know of any developments that may be eligible for protection by patent, copyright or trademark.

When your employment ends, your obligation to protect Honda's confidential information continues, and all proprietary and documents

held by you must be returned to HMA.

## Information Assets of Other Companies

We must never use any illegal or unethical methods to gather information about other companies. Respect the proprietary rights of others, including patents, copyrights and trademarks of others. Stealing or pos-

sessing trade secret information that was obtained without the owner's consent, or persuading past or present employees of other companies to disclose trade secrets is prohibited.

Do not disclose confidential information from suppliers, even to a HMA affiliate, without the written permission of the supplier. If information is obtained by mistake that may constitute a trade secret or confidential information of another business, or if you have questions about the how you are gathering information, consult the Legal Department.



You have an obligation to  
**safeguard confidential  
information.**

## **Business Records and Communications** ■

HMA requires truthful and accurate recording and reporting of information in order to make good business decisions. False, misleading or incomplete reporting undermines our ability to make good decisions and could result in violations of the law. Never make a false or misleading entry or statement in any of HMA's records. This includes all business data such as safety, quality and personnel records, as well as all financial records and government filings. If you have any concerns about the accuracy of any report or information related to HMA, please notify a management associate, the Legal Department or the Business Practices and Ethics Office.

Business records and communications may become known to the public through litigation, government investigations and the media. Accordingly, in your written and oral business communications, it's important to tell the truth, and to avoid exaggeration, inappropriate language, and derogatory remarks or

characterizations. This applies to communications of all kinds, including e-mail, voice mail, daily planner notes, and other “informal” notes or memos.

Records of all kinds, including electronic records, should always be retained and destroyed according to our Records Retention Policy. Do not store HMA documents or files at home.

## Government Requests and Investigations ■

Governmental agencies may sometimes request information from HMA, and it is always possible that such

agencies may even make detailed inquiries into HMA affairs. We will always be truthful and appropriately responsive to governmental requests for information, including requests made during investigations. If you ever receive a non-routine request for HMA information from a government agency or attorney, you need to notify the Legal Department immediately to ensure a legally appropriate and timely response. If you are in doubt whether the request is routine, refer it to the Legal Department.

Both you and HMA have the legal right to be represented by an

attorney during a government investigation. Never alter, conceal or destroy documents or records if they have been requested by a government agency or if they are likely to be requested in connection with a pending government investigation. And, of course, never lie or mislead any government representative, and don't try to influence others to lie or mislead.

## Question:

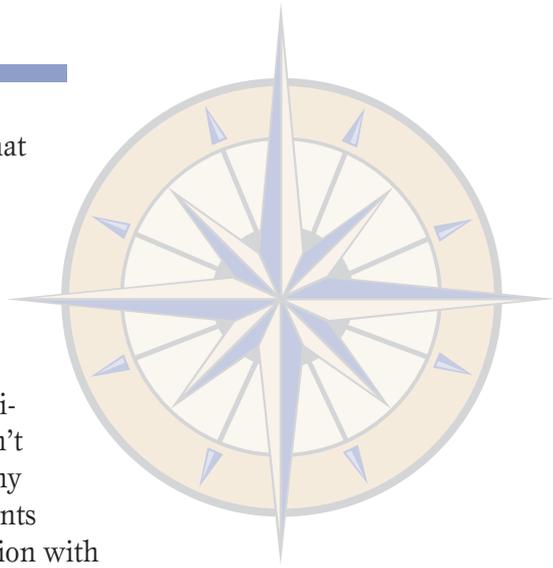
**I love e-mail. Not only does it allow me to do my work more quickly, but I am able to keep up with the latest jokes. Did you hear the one about . . . ?**

Answer: No, we missed that one. While humor is important to our work and our lives, remember that the e-mail system is a business tool. Jokes and comments that may be offensive to others have no place at HMA, whether they're delivered by e-mail or in person.

## Litigation and Claims

HMA, like all large businesses, is sometimes involved in disputes that may result in claims or litigation. If you ever receive a legal document related to HMA, such as a summons, complaint, subpoena or discovery request, you must immediately contact the Legal Department to ensure an appropriate and timely legal response. Don't respond to any request, answer any questions or produce any documents without first discussing the situation with the Legal Department.

Under no circumstances should you ever threaten or initiate legal action on behalf of HMA without the prior advice of the Legal Department.



## Media Requests

HMA values its relationships with the media. We attempt to promptly disclose major developments and events. To ensure professional handling, all inquiries from the media need to be promptly referred to the Corporate Affairs and Communications Department.



## OTHER RESOURCES

### People

- Your Team Manager or Department Manager
- Corporate Affairs and Communications Dept.
- Legal Department
- Business Practices and Ethics (877-215-0004)
- [hma\\_compliance\\_line@hma.honda.com](mailto:hma_compliance_line@hma.honda.com)

### Associate Handbook Sections

- Confidential Information
- Associate Records
- Company-Issued Computers
- Electronic Mail/Internet
- Workers' Compensation
- Intellectual Property and Confidentiality Agreement.



# You and the Law

The Law Is  
the Minimum,  
HMA Goes  
Beyond



**HMA will respect all laws and regulations that apply to our business.**

## Respect All Laws

HMA will respect all laws and regulations that apply to our business. To protect yourself and HMA, you need to do the same. No excuse or pressure can justify breaking the law. And you may not use a consultant or contractor to do something prohibited by law or HMA policy.

This booklet references many laws as well as many HMA standards that go beyond legal minimums. This is obviously not an exhaustive list.

## Antitrust

HMA supports free and open competition, and the U.S. antitrust laws intended to promote competition. It is beyond the scope of this booklet to describe these laws in detail. They prohibit, for example, agreeing with competitors to limit production, fix prices, or

divide markets, customers or territories. They also may govern exclusive purchasing or sales agreements with suppliers and customers. Since this area is so complex, if you're ever in doubt about whether a transaction may violate antitrust laws, consult HMA's Legal Department.

## Foreign Corrupt Practices Act

HMA conducts itself ethically everywhere we do business. This includes abiding by the U.S. Foreign Corrupt Practices Act, which prohibits you from bribing or offering to bribe any foreign government official. You may not make payments to agents or any

other representative of HMA if you have reason to believe that these payments may result in bribes to foreign officials.

## Customs and International Trade

When importing or exporting products, information or technology, HMA will comply with applicable U.S. and other national laws, regulations and restrictions. This includes compliance with all applicable tax and tariff laws and regulations. If in doubt about the law, check with the Trade Compliance Group in the Accounting Department or the Legal Department. All information you or HMA agents provide to government officials or agencies must be accurate and truthful.

## Question:

**T**here are so many laws and regulations—how am I supposed to know them all? I'm not a lawyer!

Answer: Of course you're not expected to know all laws and regulations. No one does. That's why your conscience and this *Policy* are the places to start. If an action doesn't seem right to you, or is in a gray area, get help. Talk to your supervisor, or the Business Practices and Ethics Office. If you need legal advice, consult the Legal Department.



## OTHER RESOURCES

### People

- Your Team Manager or Department Manager
- Trade Compliance Group
- Legal and Compliance Department
- Business Practices and Ethics (877-215-0004)
- [hma\\_compliance\\_line@hma.honda.com](mailto:hma_compliance_line@hma.honda.com)

### Associate Handbook Sections

- Ethics
- Associate Responsibilities



# How to Get Help

Go to

the Spot...

Talk to Your

Supervisor

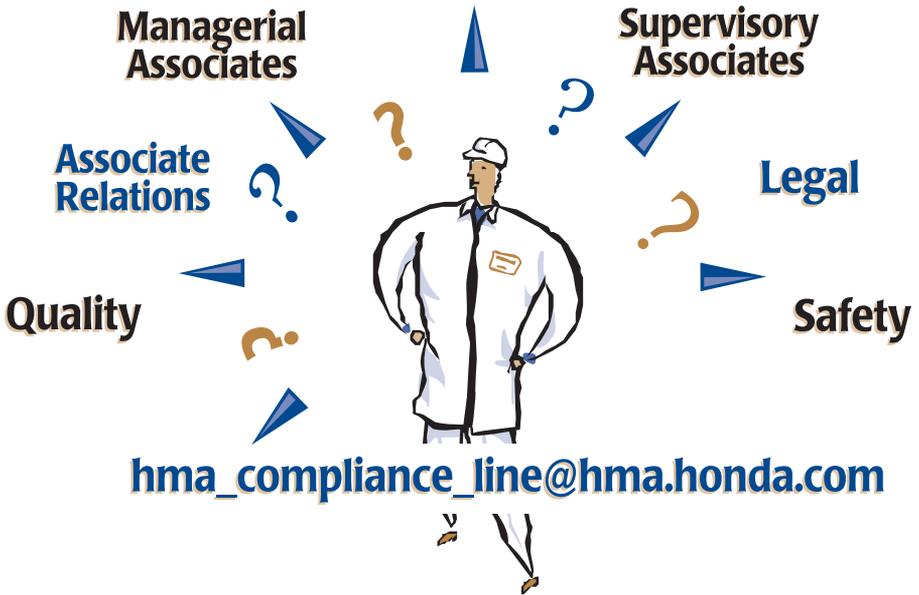
## Questions or Concerns?

HMA believes that every individual can make a difference. According to *The Honda Philosophy*, you are expected to go to the spot, address problems personally, face up to reality, and report information directly to those concerned. This philosophy applies to ethical and legal issues just like all other issues. So if you're ever concerned with the ethical or legal consequences of an action, try to address it professionally by using your own good conscience, this *Policy*, other HMA policies and the advice of appropriate HMA associates.

If the right course of action is unclear, or if you have observed an unethical or illegal act, you are obligated to talk to your supervisor, other appropriate HMA management or the HMA Business Practices and Ethics Office at 3010. Retaliation against an associate who reports a concern will not be tolerated. Keep in mind that making a report that you know is false is also a violation of this *Policy*.

# Business Practices and Ethics

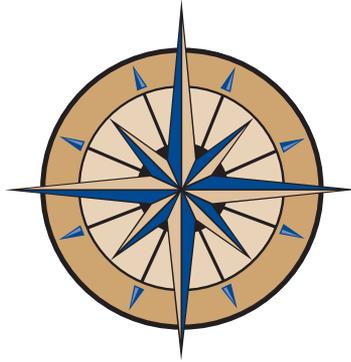
1-877-215-0004



## Question:

**W**hat should I do if I believe that some of the things going on in my plant are wrong, and maybe even illegal? I don't want to get anybody—including me—in trouble for reporting this.

Answer: While this may be very difficult for you, you owe it to yourself and the company to let somebody know what's going on. Talk to a manager, the functionally responsible department or the Business Practices and Ethics Office. Retaliation against any associate who honestly reports a concern about illegal or unethical conduct will simply not be tolerated at HMA.



## HMA Business Practice and Ethics Line

If you are uncomfortable reporting your concern or observation to your supervisor, you are encouraged to use the HMA Business Practices and Ethics Line at 1-877-215-0004. Calls to this line may be made anonymously, and cannot be traced to any telephone either within or outside HMA. In addition, you can also report your concern via email at [hma\\_compliance\\_line@hma.honda.com](mailto:hma_compliance_line@hma.honda.com). In order to completely investigate your concern, the Business Practices and Ethics Office must have as much information as possible.

Confidentiality for all those who report concerns will be maintained to the fullest extent possible. The Business Practices and Ethics Office may also be contacted internally at extension 3010. All reports will be taken seriously.



## OTHER RESOURCES

### People

- Your Team Manager or Department Manager
- Associate Relations
- Legal and Compliance Department
- Business Practices and Ethics (877-215-0004)
- [hma\\_compliance\\_line@hma.honda.com](mailto:hma_compliance_line@hma.honda.com)

### Associate Handbook Sections

- Associate Responsibilities
- Ethics
- Confidential Information

# **HONDA**

**Honda Manufacturing of Alabama, LLC**

## **Business Practices and Ethics Policy**

### **Compliance Officers**

*Charles Ernst*

*Kazuma Shimazu*

### **Business Practices and Ethics Office**

**x. 3010**

#### **Contacts:**

*Tamara Harris*

*Ray Perez*

*Robert Royston*

*Erica Sheffield*



**BUSINESS PRACTICES  
ETHICS** HONDA

Honda Manufacturing of Alabama, LCC  
1800 Honda Drive  
Lincoln, Alabama 35096

Business Practices and Ethics Line  
**1-877-215-0004**

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