

**FURTHER.  
FASTER.  
TOGETHER.**

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**2022**  
**INCLUSIVE  
STAKEHOLDER  
MANAGEMENT  
REPORT**





# TABLE OF CONTENTS

## Introduction

About Us  
2022 Highlights  
CEO Letter  
Hardwire Strategy  
Inclusive Stakeholder Management | Our Material Issues

## People

People-First Approach  
Supporting our H-D #1 Team  
Building a Diverse and Inclusive Workplace  
Welcoming All | Creating Inclusive Experiences for Our Customers

## Planet

Climate Action  
Reducing Our Impact  
Taking Initiative in Our Operations  
Investing in Innovative Solutions  
Leading in Electric

## Profit

The Park  
Supporting Communities: United We Ride  
Advancing STEAM Education  
Inaugural Month of Volunteering  
Corporate Citizenship Around the World

## Responsible Business

Stakeholder Engagement  
Corporate Governance  
Promoting Ethical Behavior and Respecting Human Rights  
Government Advocacy, Policy & Engagement  
Acting Responsibly | Data Privacy & Information Security

## ESG Data Book

Performance Data, TCFD, SASB, GRI







# ABOUT HARLEY-DAVIDSON

**Born in 1903 in Milwaukee,** Harley-Davidson is the world's largest producer of heavyweight motorcycles. Almost 120 years later, Harley-Davidson continues to be the most desirable motorcycle and lifestyle brand in the world.

We continue to define motorcycle culture and lifestyle, evoking soul-stirring emotion reflected in every product and experience we deliver with a clear mission: *More than building machines, we stand for the timeless pursuit of adventure. Freedom for the soul.*

**6,300** Employees worldwide

**34** Facilities

**5** Manufacturing Plants

York PA, Menomonee Falls WI, Tomahawk WI,  
Rayong Thailand, Manaus Brazil

**6** Offices

Milwaukee WI (Juneau Ave HQ, H-D Museum), HDFS (Chicago IL,  
Reno NV, Plano TX), Talon Dealer Systems (Cleveland OH)

**3** R&D and Test Facilities

Wauwatosa WI, Lake Havasu AZ, Naples FL

**2** Regional (and 16 country) Sales Offices

Regional Sales Offices: Singapore, Oxford UK

**2** LiveWire Locations

Mountain View and Canoga Park CA





# 2022 HIGHLIGHTS

**35**

Unique models of motorcycles  
manufactured for sale

**1,600+**

Riding gear and apparel offerings  
for on and off the bike

**700**

NEW accessory offerings for  
customers' personalization and  
customization of their motorcycle

**96.1%**

Customers who said they were  
completely satisfied with their  
dealer purchase experience

**LIVEWIRE**

Listed on the NYSE

**27,669**

On-demand digital learning  
items consumed by 2,750  
employees

**667 hours**

Of service completed during our  
Month of Volunteering challenge



Accelerating progress.

# FURTHER. FASTER. TOGETHER.



Inclusive Stakeholder Management (ISM) is not about ticking boxes. It's about having the belief and the passion and the energy to make a difference. As a key pillar of our Hardwire strategic plan, ISM is helping transform our business by ensuring we have positive impact on people and the planet while continuing to deliver profit for our shareholders.

In 2022, we continued our ISM journey, making a positive impact in a number of ways.

## **People: Inclusion & Belonging**

We seek to drive desirable, positive impact for all our stakeholders based on this simple premise: we all do better when all are included.

Through The Human Library Experience, H-D team members are participating in conversations to deepen understanding of others' lifestyle, diagnosis, belief, disability, social status, or ethnic origin. Employees have an opportunity to explore, engage and take a deep dive into curious courageous questioning, daring discovery of differences and dialog with people from cultures and experiences other than their own.

## **Planet: Environmental Sustainability**

We take our environmental responsibility seriously and we are consciously reducing the footprint we have on the planet.

By working towards reducing emissions from our facilities in the U.S. by 50% since 2017, establishing criteria for future carbon credits, and pursuing circular economy material use, we are demonstrating our commitment to achieving net zero carbon emissions for LiveWire by 2035 and Harley-Davidson by 2050.

## **Profit: Social Impact and Prosperity**

We have one of the most powerful brands in the world that celebrates coming together - with your friends and with your communities.

We recently announced plans to transform a central element of our Milwaukee campus into a green space that can be used by everyone, including employees and the local community. The community park will be funded by The Harley-Davidson Foundation as part of our ongoing contributions to the Near West Side of Milwaukee.

Looking ahead, we're celebrating our 120th anniversary in 2023. We're excited about what is going to be an unforgettable milestone for the Company, celebrating the history, culture and community of Harley-Davidson. With this anniversary we are making a commitment to our hometown and also to our broader community. We want to be around for the next 120 years, and therefore, we continue to innovate in support of people, planet and profit. Just like our Harley-Davidson founding fathers, who began building motorcycles in 1903, we have the winning spirit to look ahead and always create something new and exciting.

*United We Ride.*

**- JOCHEN ZEITZ**

CHAIRMAN, PRESIDENT AND CEO  
HARLEY-DAVIDSON, INC.





**Our Ambition:** Harley-Davidson as the most desirable motorcycle & lifestyle brand in the world, building upon a 120-year history and leading motorcycle culture into the future.

# OUR HARDWIRE STRATEGIC PLAN

1. Profit Focus
2. Selective expansion & redefinition
3. Lead in electric
4. Growth beyond bikes
5. Integrated Customer Experience
6. Inclusive Stakeholder Management

The Hardwire is Harley-Davidson's [five-year strategic plan](#) (2021-2025). We are pursuing long-term profitable growth through focused efforts that extend and strengthen our brand, and drive value for all stakeholders. The Hardwire is designed to enhance the desirability of Harley-Davidson and fuel our unique lifestyle brand. With this plan, we are unleashing the potential of our most important products, segments and geographies. This includes growth in our complementary businesses and selective expansion into segments where we have a path to leadership.

The 6th strategic pillar of the Hardwire is Inclusive Stakeholder Management – how we strive to deliver long-term value to all stakeholders – people (employees, dealers, customers, suppliers, investors, society), planet, and profit. Inclusive Stakeholder Management is the unifying theme for how we think about our role in society, giving us purpose beyond financial performance.

In 2022, we announced Hardwire Stage II which retains all the original pillars of the Hardwire but is an acceleration of our original strategic plan based on the demand for our products and ridership trends.

PROFIT  
FOCUS

SELECTIVE  
EXPANSION &  
REDEFINITION

LEAD IN  
ELECTRIC

GROWTH  
BEYOND BIKES

INTEGRATED  
CUSTOMER  
EXPERIENCE

INCLUSIVE  
STAKEHOLDER  
MANAGEMENT



# OUR MATERIAL ISSUES

Stakeholder priorities evolve as the world changes – and Harley-Davidson must continually evolve to meet expectations. We've identified the issues that matter the most to our business and stakeholders below.

## Planet & Innovation

- Climate change and decarbonization
- Electrification and new technologies
- Raw materials sourcing
- Vehicle carbon footprint and fuel economy

## People

- Community engagement and contribution to society
- Dealer relations
- Diversity, equity and inclusion
- Employee wellness, health & safety
- Human rights
- Product safety & quality, customer safety
- Responsible sourcing in supply chain

## Governance and ethics

- Business ethics
- Privacy & data security
- Regulations, policy and engagement

Our inclusive stakeholder management approach crosscuts the business and reflects *how* we deliver value to our stakeholders – and our material issues highlight *where* we believe we have the most impact, influence and responsibility to deliver and report on progress.





# PRIORITIZING PEOPLE

## OUR OBJECTIVES

- Develop an inclusive and diverse organization at all levels and in all areas
- Establish progressive and sustainable work environments, policies and practices
- Increase the diversity and inclusive mindset of the global dealer network
- Build a broader sense of belonging through inclusive and welcoming experiences and events

## OUR 2030 GOALS

- We aim to hire the best candidates while working towards gender parity in our organization at all levels and all areas
- Achieve a workforce that reflects the demographics of the geographies where we operate
- Improve employee engagement: NPS  $\geq 7.5$ , Culture & Working Environment  $\geq 75\%$
- Influence the increase of diversity across the global dealer network at both the staffing and owner/operator levels to align with market-specific demographics/targets
- Raise the profile of Milwaukee as THE global destination for all things moto-culture for all people
- Achieve  $\geq 15\%$  diverse spend across LiveWire, Harley-Davidson Motor Company and Harley-Davidson Financial Services





# PEOPLE-FIRST APPROACH

**Our people are at the heart of our Company and the products we deliver to our customers.** What we accomplish as a business is a collective result of the hard work of all our employees around the world. We continue to invest in our teams through various means to ensure that we remain a place that people are proud to come to work every day.



**Attracting and developing the best talent**  
In 2022, we continued with our revamped Total Rewards approach, which included pay for performance, pay transparency, and annual market evaluations. In addition, we worked with an external partner to conduct an equity assessment. We are committed to equal pay for equal work, and we believe employee compensation in each market should be fair and equitable, irrespective of gender, race, or similar personal characteristics.

We continue to focus on managing our healthcare costs through education and wellness activities and in the US are proud to share that in 2022 we did not increase premium costs for our workforce, while continuing to provide above market medical, dental and vision benefits.

In 2022, we expanded our parental leave policy to 8 weeks applicable to eligible employees, following the birth of a child or the placement of a child with an employee in connection with adoption or foster care.

We also extended, to all U.S. employees, the availability of free, confidential financial education and one-on-one support through a partnership with [Operation HOPE](#), a non-profit, for purpose organization dedicated to financial dignity and inclusion.

**Continued learning and development opportunities**  
Harley-Davidson believes in the importance of not only supporting our employees with robust pay and benefits, but also in opportunities for learning and development for all employees. In 2022, we hosted a leadership and culture series involving 1075 employees in 9 targeted topics, enabling them to learn and connect with others around the world, while helping H-D continue its journey of building an H-D#1 culture. Forty leaders across the business participated in additional 1:1 coaching to support their leadership development.

**27,669**  
On-demand digital learning items consumed by 2,750 employees, an increase of 4% compared to last year

**1,075**  
Employees participated in a leadership and culture series across 9 topics

In 2022, over 500 employees participated in the New Employee Community onboarding experience to strengthen their transition into H-D. In addition, we engaged employees in asynchronous dialogue on our Teams forums, reaching over 2,000 employees through various leadership and learning channels.

**A future-fit team built on trust**  
In 2022, we continued with our commitment to a flexible workplace environment by not mandating “days in the office” while maintaining a hybrid mindset. In April 2022, we updated our vacation policy implementing a flexible policy that does not limit vacation time, but rather allows eligible employee to manage and flex their time off while meeting their performance objectives. We believe our employees need time to rest and recharge for maximum well-being.

**Our CEO speaks on the future of work**  
In October 2022, our CEO, Jochen Zeitz shared his thoughts on hybrid work at Harley-Davidson in a [LinkedIn post](#).

“I’m proud that at Harley-Davidson, we are providing the modern, forward-thinking flexibility that we believe will define the working environment of the future. Our roots are firmly planted in Milwaukee and Wisconsin; however, we are a U.S. company with a global workforce, and we believe that promoting an agile way of working will be key to our future success. It’s proven to be successful already.”



# SUPPORTING OUR H-D #1 TEAM

**We’re committed to ensuring we provide our employees with the right infrastructure, support and guidance that they need to be the best employee that they can be.** In an ever-evolving world, our goal is to continue to improve how employees can connect, collaborate, and be supported in doing the best work that they can – together.

### A connected and engaged workforce

At Harley-Davidson, we use a diverse set of channels to communicate with our employees around the world. One of these channels is what we call “The Hub.” Here, employees can read articles about the latest events, announcements and accomplishments from different teams, and watch videos about our latest products and more.

The Hub also provides a place where employees can watch videos from business leaders sharing their strategic plans or even what they’re up to in their spare time in the Behind the Scenes series to get to know them and their work better. We also host a Meet Our Employee series where we interview various Harley-Davidson teammates worldwide about their job and what they’re working on. According to our stats, The Hub gets over 6,600 unique monthly views from employees.

One of the featured posts from 2022 was an excerpt from a podcast, Experience Milwaukee, that included interviews with various Harley-Davidson employees. Our employees shared what it’s like to work for the most desirable motorcycle brand in the world – and what it’s like working at their dream job. To hear more about what they had to say, listen to the podcast on [Spotify](#) or [Apple Podcasts](#).

### Listening to our teams

In 2022, we had over 4,600 employees respond to our employee engagement survey – representing 78% of the workforce and an increase of 4% from the last survey. The results we saw were positive – with 78.8% of employees being at the engaged or almost engaged mark.

### Caring for team members

Harley-Davidson is committed to providing tools and resources to help employees manage their health and well-being. The employee experience is essential to our collective success, and our goal is to build a desirable culture and workplace that employees can be proud of.

For our onsite team members, we provide lifestyle centers, including:

- **Health Centers** providing occupational health services such as injury and illness treatment.
- **Therapy Centers** with physical/occupational therapy and certified Athletic Trainer services, including injury prevention, functional baseline assessments, job coaching, recovery and tracking and return to work programs.
- **Fitness Centers** with full-time, professional staff offering personal training, group exercise classes and a variety of programs and resources.

## #75

Forbes’ Top 100 America’s Best Midsize Employers



### Health and Safety Excellence

The safety of our teams is paramount at Harley-Davidson. To help us reach our long-term objective of zero accidents, we have developed our Health and Safety Management System which standardizes and outlines our vision, mission operating principles, focus areas, policies, processes, and procedures to proactively improve our safety performance.

In 2022, we continued our strong health and safety journey with our best performance in history, ending the year with a 0.4 recordable rate, 0.2 restricted time (DART) rate and 0.2 lost time (DAFWII) rate for the Company.

Our core operating principles for H-D Health and Safety Management are based on the belief that:

- All occupational injuries and illnesses are preventable
- Health and safety excellence provides us with a competitive advantage and a sustainable future
- It is the Company's responsibility to provide safe work and maintain a safe work environment
- It is everyone's responsibility to work safely and to not allow others to take unsafe risks or engage in unsafe behaviors (leadership, employees, temporary workforces, contractors, etc.)
- Safety is a 24/7 commitment and requires everyone's participation

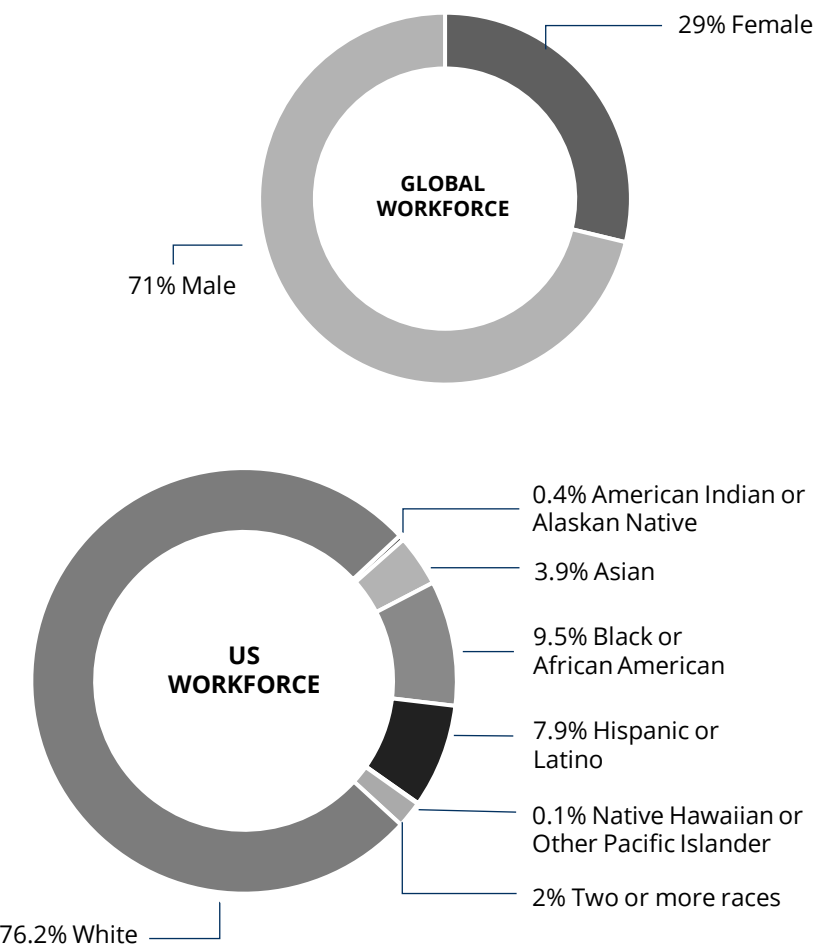


# BUILDING A DIVERSE AND INCLUSIVE WORKPLACE

At Harley-Davidson, we continue our work to build and sustain the workforce of the future. We are a signatory to the [CEO Action for Diversity & Inclusion Pledge](#), committing to taking actions to “cultivate a trusting environment where all ideas are welcomed, and employees feel comfortable and empowered to have discussions about diversity and inclusion.”

### Workforce composition

In 2022 we made progress against our goal to increase women and underrepresented talent in the manager and above salaried workforce from 35.7% to 39.7%, an increase of 4 ppt from 2021. Women and underrepresented talent also made up 51.7% of our new hires in 2022.



Harley-Davidson was also recognized by the Milwaukee BizTimes in their diversity and inclusion section of the July 25, 2022, issue, which spotlighted companies embracing diversity. The article included advice from a variety of community partners about how organizations can build a more inclusive environment.

### Embracing learning opportunities together

In February 2022, during our Month of Inclusion, nearly 1,500 employees participated in a two-part Inclusion & Belonging workshop with Sarah Lewis, Ph.D. where she shared captivating visual examples of how racial justice and democracy have intersected in the U.S. throughout the past two centuries, drawing upon her expertise as an art historian, critic, writer and professor.

This year, six employees were selected to participate in a new mentoring initiative for diverse, rising leaders through our partnership with PwC CEO Action. Four employees participated in [United Way of Greater Milwaukee & Waukesha County Project LEAD](#) (Leadership Effectiveness & Diversity). This in-depth seven-week training program prepares community members for leadership roles on nonprofit boards and committees, with an emphasis on recruiting participants from underrepresented board populations (women, racially and ethnically diverse individuals, and young professionals).

In addition, 15 employees participated in the [Southeastern Wisconsin YWCA Conversations on Race](#) program. Approximately 70 leaders across HDI participated in a two-day Courageous Leader DEI Summit led by Bill Proudman's organization, [White Men as Full Diversity Partners](#), an immersive experience on race, gender, and courageous leadership.

Our work in this space is a continual learning experience and we recognize there is always more work to be done. We are proud of our progress and of our employees for engaging in new experiences, sharing their own, and helping to cultivate a more inclusive workplace for all.

### Unjudge Someone: The Human Library

In fall of 2022, over 50 employees participated in a 90-minute pilot with the [Human Library Organization](#), an international non-profit organization. The Human Library is a new experiential approach to Diversity and Inclusion training. The platform provides learning through immersion in a direct conversation with people experiencing stigma, discrimination or prejudice because of their differences.

The Human Library experience is a rare opportunity to explore, engage and take a deep dive into curious courageous questioning, the daring discovery of difference, and conversation with people from cultures and experiences different than your own – creating a safe space for open conversations with the goal of challenging stereotypes.

“The Human Library is a unique experience that enables you to grow personally and professionally. I highly recommend leaning into this program to learn about yourself and how to be a more open minded and considerate teammate at H-D.”  
- Anonymous employee

“The Human Library was a deeply impactful experience that gave me a chance to pause and reflect on what binds us as human beings.”  
- Anonymous employee

### Recognizing our employee groups

Our seven employee resource groups (ERGs) and six site Inclusion Councils provide opportunities for the 400+ participating employees to exchange ideas, influence and deliver programming, grow and develop professionally and personally, and support business initiatives.

Currently, our ERGs (and the employee groups they are designed to support), include: C.R.E.W. (Women), AP (Asian), YP (Young), B.O.L.D.E.R. (African-American), H.O.L.A. (Hispanic/ Latinx), E.A.G.L.E. (LGBTQ+) and MAV (Military & Veterans). In 2023, a new ERG is slated to join the ranks: a group to support employees who are parents or caregivers.

> [Read more](#) about how we're helping to support diversity in our communities and supplier network in [our Profit & Prosperity section](#).





# WELCOMING ALL CREATING INCLUSIVE EXPERIENCES FOR OUR CUSTOMERS

**We're engaging with riders, customers and dealers to welcome all.** Our goal is to bring the joy of riding to more people through the products we manufacture and sell, and through events and places where our riders can come together.

**Spotlight on Babes Ride Out**  
For the last four years, Harley-Davidson has been partnering with [Babes Ride Out \(BRO\)](#) to reach and empower more female riders. BRO is an experience designed to bring like-minded women together in the spirit of adventure. The event series was created in 2013 with the mission to connect thousands of female riders by providing a destination so they can create their own adventure. This year, 52% of BRO riders were Harley-Davidson riders, up from 46% last year.

Harley-Davidson employees participated in the events as staff – helping to answer questions from beginner riders, support with weekend demo rides and provide an empowering experience for all attendees.

**Supporting more inclusive and sustainable events**  
In early 2022, the Inclusive Stakeholder Management (ISM) team developed and published an internal document: Guiding Principles for Inclusive and Sustainable Events. The ISM team will be working closely with our marketing team and vendors to ensure we're applying the Guiding Principles to promote inclusivity and sustainability as Harley-Davidson plans our exciting events for Homecoming 2023 – our 120th anniversary taking place this summer.

“The H-D staff, Babes staff, and the participants of the event are all bad ass women who are nothing but encouraging and are truly there for the love of motorcycles. I don't think words can describe what that environment feels like. As a new rider it's so empowering to see and hear about what these women are up to.”  
- Product expert at BRO x Borrego

**The spirit of United We Ride**  
This year also saw the return of the Women's Ride at our Hometown Rally, taking place in our hometown of Milwaukee. Over 100 riders joined the 17-mile route from the Harley-Davidson Museum through downtown and ending at South Shore Park in Bayview. The ride also raised \$4,000 in charitable donations for the [Road Guardians](#).

Harley-Davidson also partnered with the [Wounded Warrior Project](#) (WWP) across the country to recognize and support veterans and their service. Nineteen Warriors rode a total of 470 miles as part of [Rolling Project Odyssey in Utah](#) and California, enjoying the scenery, stopping at H-D dealerships and fun activities, raising awareness for causes like mental health, and spending time with loved ones.

In September, we worked with WWP to gift Brian Critton, who goes by “Amarok,” a Harley-Davidson® Pan America® 1250 Special G.I. motorcycle from the new G.I. Enthusiast Collection. This collection honors the legacy of riders who have served or currently serve in the U.S. Armed Forces. The gift to Amarok was to thank him and recognize his bravery in pulling a woman to safety from a burning car earlier in Jacksonville, Florida.

**The H-D Fuel Facility Program**  
Our dealers are critical partners in serving our customers and as part of The Hardwire we are working with them to be:

- Stronger representations of the brand
- Even more welcoming to all customers
- Integrated into a more digital and simplified purchase journey
- More invested in what they do best - energizing riders and keeping the community strong

The new Fuel Facility Program, announced in 2022, is a facility renovation and update initiative and another proof point of The Hardwire. It sits within the Integrated Customer Experience pillar of our five-year strategic plan, where we put customers at the forefront of our products, experiences, and investments. We recognize the different needs and expectations of our customers, and with this program, we're creating even more touchpoints that are tailored and inclusive of all kinds of individual needs.



The innovative designs, modernized layouts, and customizable elements included in the program will help dealers enhance the customer experience at their dealerships. The program outlines how to create meaningful, unique, and personalized experiences that delight H-D fans every time they visit our stores.

We expect that the dealers participating in the Fuel Facility Program in its inaugural year will be showing off their new exteriors and interior showrooms by 2025.





# PRESERVING THE PLANET

## OUR OBJECTIVES

- Continue refining our path to net zero carbon emissions for our products and operations
- Leverage best practices to drive responsible and sustainable sourcing
- Create a more sustainable dealer network through shared best practices and incentives
- Support safer and more sustainable motorcycling through advocacy, product features, and education
- Address the inequitable impact of climate change through carbon credits that support sustainable communities, resilience and nature-based solutions

## OUR 2030 GOALS:

- Reduce Scope 1 and 2 GHG emissions from US owned facilities by 50% (2017 baseline)
- Reduce energy intensity by 25% (US owned, 2017 baseline)
- Implement circular economy material use alternatives
- Implement and evolve responsible & sustainable sourcing program across LiveWire, HDMC (including apparel & licensing and parts & accessories), H-D Financial Services
- Establish criteria for future carbon credits (high quality, credibly verified, certified, support nature-based solutions)
- ≥30% dealers achieve energy consumption reduction and other environmental impact targets

## BEYOND 2030:

- Achieve net zero carbon emissions for LiveWire by 2035 and for Harley-Davidson, Inc. by 2050



# CLIMATE ACTION

**The Intergovernmental Panel on Climate Change and other experts continue to advise that we must act now to secure a livable and sustainable future for all.** Climate change caused by increased levels of greenhouse gases creates risks to Harley-Davidson's business model and operations if we don't respond accordingly. We continue to strive to reduce our environmental impact across all aspects of the business and operations and have committed to achieving net zero carbon emissions by 2050.

## Formal commitment to SBTi

In 2022, Harley-Davidson signed onto the Business Ambition for 1.5°C campaign from We Mean Business and the UN-backed Race to Zero campaign, formalizing our commitments based on the principles of the [Science Based Targets initiative \(SBTi\)](#) to keep the earth's temperature rise below 1.5°C. In 2023, we plan to work with a third-party partner to conduct a climate scenario analysis of our business and supply chain. We'll use these results to inform our transition roadmap and set interim targets, and have those targets validated by the SBTi.

## Understanding where we are

To further understand our current status and areas of opportunity, Harley-Davidson also submitted responses to the [CDP](#) Climate questionnaire as a first-time responder, opting to keep our score private in 2022. This exercise allowed us to identify areas of opportunity including further integrating ESG and sustainability across the business to better drive and measure performance and progress.

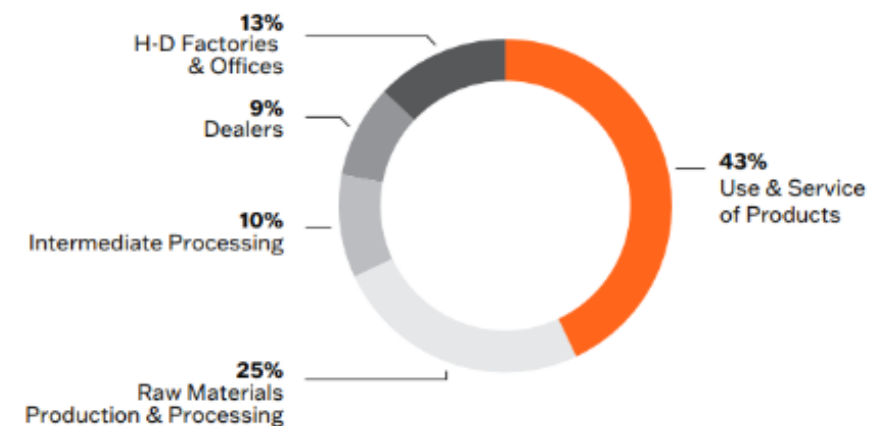
We're using these findings to drive engagement at various teams and have since established an internal Inclusive Stakeholder Management advisory board, made up of team members from diverse business areas, to help guide and advance our work in sustainability.

At the beginning of 2023, we also started work with a third-party partner to begin full-scope carbon accounting of our business, including Scope 3. We recognize that this will be a big undertaking and hope to use this body of work to strengthen our engagement with our suppliers.

As our data matures in this space, we are looking forward to driving more data-informed decision-making internally at different stages, such as material selection, design, engineering, and operations within our plants.

## CO2e emissions by impact area:

(based on EP&L data, updated 2020)



## Our path forward

As the world's largest producer of heavyweight gasoline-powered motorcycles, we are taking action to address climate change and its impact on our business by:

- Innovating the electrification of motorcycles
- Improving the fuel economy of our motorcycles
- Reducing the impacts from our products and operations

Our work in 2023, including the climate scenario analysis and full-scope carbon accounting, will enable us continue refining our net zero transition plan and roadmap so that we can continue to grow our business successfully while reducing our impacts on the planet.







# REDUCING OUR IMPACT

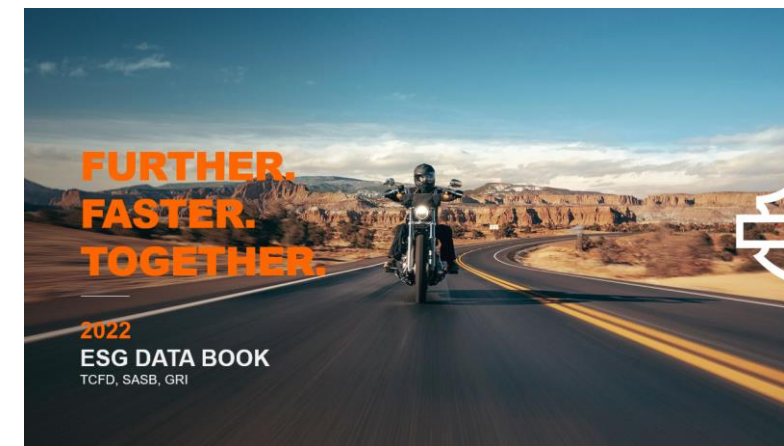
**Reducing carbon impacts from our operations and across our value chain will be required to meet our net zero goals.** We're proud of the progress we've made so far and know we have more work to do, especially as we dive into reducing the footprint of our products – including raw materials, production and processing and the use phase of the vehicles.

## Scope 1 + 2 emissions

Our Scope 1 and 2 emissions reflect CO2e emissions from Harley-Davidson's own operations, including onsite fuel combustion (building heat, processes) and electricity purchased from third parties. Our progress since 2017 can be found in the graph (below) and we continue to drive impact by:

- Reducing energy consumption in processes
- Minimizing waste to landfill
- Managing our buildings more efficiently

We have two goals as part of our commitment to the Department of Energy's (DOE) [Better Climate Challenge](#): Reduce Scope 1 + 2 GHG emissions from U.S. owned facilities by 50% and [Better Plants Challenge](#): Reduce energy intensity by 25% (2017 baselines).



> To find out more about the progress we've made since 2017, view our Performance Data in our [ESG Data Book](#).

## Scope 3 emissions

Our upstream Scope 3 impacts primarily come from CO2e emissions from raw materials extraction and processing, intermediate processing by our suppliers, and transport of supplies and materials.

Our approach focuses on:

- Responsible and sustainable sourcing expectations
- Material innovations for sustainability benefits – in pursuit of less carbon-intensive material alternatives
- More efficient product development requiring fewer developmental vehicles and parts

Our downstream Scope 3 impacts primarily come from CO2e emissions from the use of products (including from the production of the gasoline and electricity they consume), transport of finished goods, our dealership footprint, and end-of-life product disposal.

Our approach focuses on:

- Logistics & transportation initiatives to reduce emissions
- Improving fuel economy
- Investing in electrification of the industry

It is more crucial than ever before for us to have a clear understanding and measurement of our Scope 3 impact, across all 15 categories – while recognizing that our largest piece of work will need to come from raw material production and processing, and the use phase of our products. Our full-scope carbon accounting will help guide our long-term strategy to reducing our impact and give us better tools to collaborate across teams for success.

We are also working to implement a new supplier scorecard, which will enable us to better engage with our supplier network and support them as they calculate their carbon footprint, set science-based emission reduction targets, track progress and drive collaborative action.



# TAKING INITIATIVE IN OUR OPERATIONS

**We're working to manage energy use, improve efficiency and find new opportunities to help reduce the impact of our own operations.** Often, as we optimize efficiency for our processes, we see significant sustainability benefits. We'll continue to lean into these win-win opportunities, seek out new ones and work to integrate sustainability into our day-to-day mindset at all our plants.

## Pursuing efficiency in painting processes

Our Tomahawk WI factory focuses primarily on painting and is implementing new equipment that allows for on-site acetone distillation. The distillation process enables us to cook out impurities and paint solids for the acetone to be reused. This project not only reduces the need to truck out 30 drums of acetone per week to be recycled as waste, but also saves almost \$500k in fees we're paying to buy back recycled acetone. The facility has also recently converted from proprietary line flush blend to acetone on 5-6 paint lines – resulting in an estimated reduction of VOC's emissions by half.

Since 2021, Tomahawk has also been working on updating systems with Factory Talk and flow meters – giving us far more accurate measurements and reporting on paint usage, where paint usage is being tracked at point of use at each robot, rather than through purchasing records. This update has given us better oversight of our paint usage, and the amount of waste from flush and solvents. As we're now buying and using less paint, while lowering our reported emissions and saving on costs.

We're continuing to implement additional efficiency measures – like moving our parts and accessories painting to a single line versus two – allowing for fewer color changes and less solvent use due to longer runs. It's also resulting in less overtime, helping to reduce our energy use overall. Our new high-speed bells and controllers are also giving us more efficient paint transfer, resulting in less paint sludge and paint used.

## Modernizing processes and equipment

At our York, Pennsylvania plant, we've seen results from a combination of modernization of both processes and equipment. These updates include:

- Moving to a **Digital Factory system**, including paperless maintenance, work order, and audit system, digital scheduling, and paperless audits.
- Adding our touring line tanks to **non-destructive tester** for welds, reducing the number of tanks destroyed and sent to waste.
- **Schuler press electrical upgrades** with easier control of idle states to replace old equipment with significant energy savings.
- **New paint filters** that capture excess paint that was being sent out as waste-to-energy. The paint is now returned into the system and saves about 55 gals/week.

## Pilgrim Road gets big upgrades

As part of our Hardwire strategic plan, we are investing \$50M+ in upgrades at our Pilgrim Road factory in Menomonee Falls WI, to optimize efficiency and drive performance improvements – to deliver success for the entire business.

Some notable achievements from 2022 include:

- Replaced old equipment throughout the plant from which we've seen **6% reduction in oil usage** from upgrading leaky machines, and estimated **savings of \$150k/year** from reduction of compressed air leaks.
- **Reduced 37,561 pounds of solid waste** by moving from disposable pads to launderable, reusable pads. The launderable absorbent program will also allow us **to recycle an estimated 72,000 gallons of oil** per year, diverting from landfill.

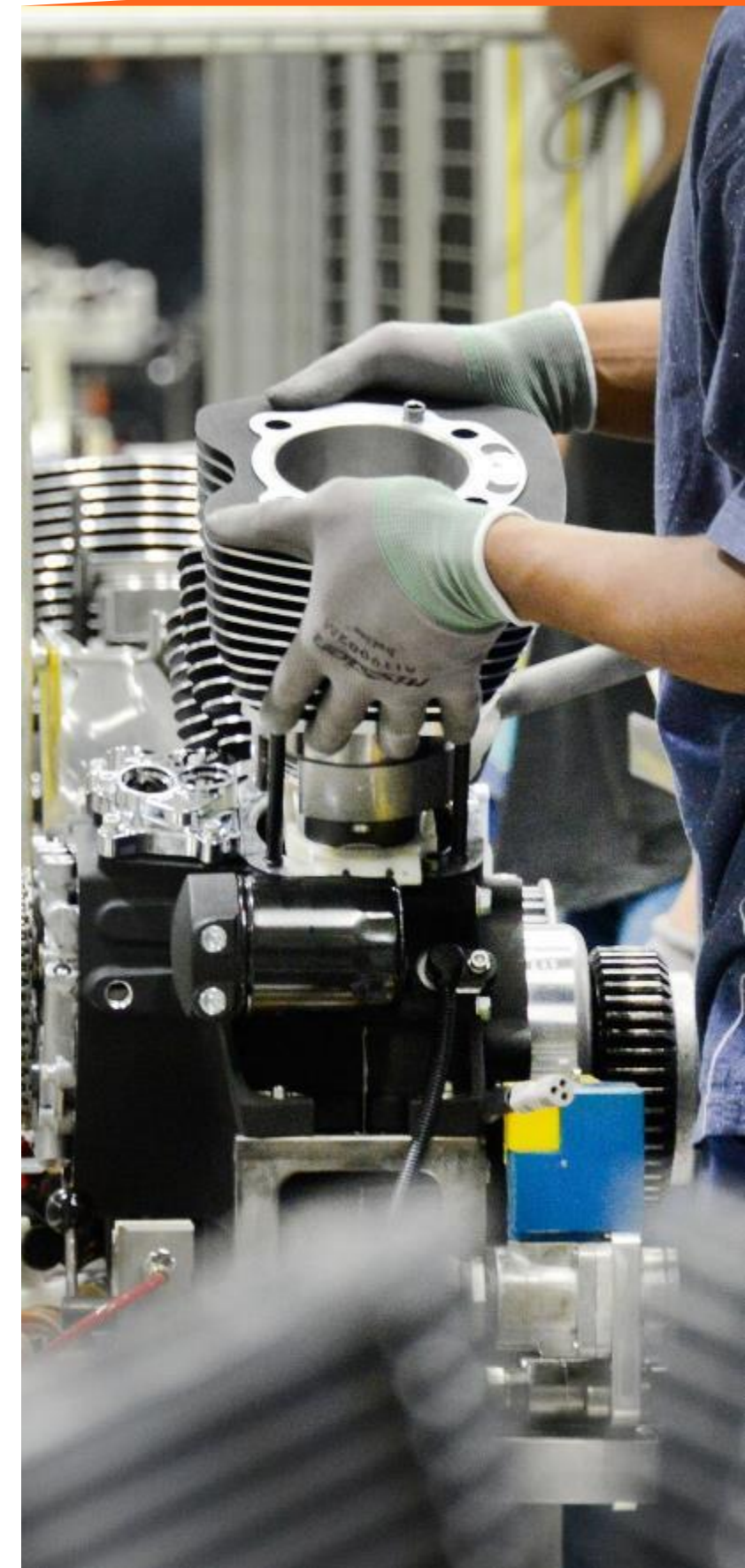
We've also made small but important updates including:

- Expanding our **electronic recycling program** for the plant and for employees, collecting even more types of electronics.
- Switching from Styrofoam to **paper-based food cartons** in the cafeteria and encouraging the use of individual mugs instead of disposal ones for drinks.

## Sustainability at our global sites

Harley-Davidson's U.S. factories account for a large share of our production footprint, however our Manaus, Brazil and Rayong, Thailand plants are also important partners in our sustainability journey. Here are some wins from these sites in 2022:

- **In Brazil**, we're focusing on **repair and preventative maintenance** for electric solar panel array which has resulted in an average of **14% savings on our energy bill** year-round, and our ecological sewer water processing station, which has a capacity of approximately 15 cubic meters per day. We're also **migrating from an air to sea model** for direct sourcing resulting in about a **15% reduction in CO2 emissions**.
- **In Thailand**, we're focusing on localization and reuse efforts. **Localization of parts & accessories** sourcing, like antifreeze, coolant, engine oil, and bike bags are contributing to **reduction of transport and accompanying CO2 emissions**.





# INVESTING IN INNOVATION

**Harley-Davidson continues to bring exciting products to the market – thanks to our teams’ dedication to pursuing continuous innovation in our product designs.** We also believe that sustainability and innovation go hand-in-hand.

Motorcycles, like automobiles, are highly recyclable and recycled. Most vehicle parts and materials can be recycled and reused at end-of-life, especially our products' high volume of metallic materials. Since we believe our end-of-life environmental footprint is less of a concern, we are focusing on material inputs – pursuing recycled and renewable content in plastics, and even exploring alternatives to plastics.

## **Designing for circularity and sustainability**

Our Materials Innovation and Sustainability Council meets regularly and brings together business partners from across design, styling, engineering, apparel, and sustainability teams to investigate new opportunities and drive progress for products in our future pipeline.

We have several small working groups focused on developing a life-cycle assessment (LCA)-based multi-criteria metric for sustainability that can be included as part of a broader decision-making matrix for design engineers, in addition to a CO2e metric. We are planning for this metric to weigh in factors such as circularity, recyclability, recycled content, water usage, and toxicity so that we can make better-informed decisions at each step of our product development cycle.

Our engineering team is also working to build out a Materials Center library that will give us even greater insight into the data behind every part that goes into our vehicles. As this data, which includes sustainability information, get integrated into our CAD and Bill of Materials software, we expect our teams to account more accurately for our environmental impact and drive progress together.

## **Current materials innovation portfolio**

One of the materials we’re testing for development is an ocean-recycled nylon that would replace all virgin nylon, molded and in our bodywork. If we can achieve total replacement with the ocean-recycled nylon, we estimate that over 50,000 metric tons of CO2e/year could be abated.

This one material shows us the significant impact that could be gained by rethinking our raw materials and the importance of finding and pursuing more of these types of opportunities daily. Our teams are working with our supplier partners to explore the below materials and more:

## **Testing and trialing**

- Cellulose and hemp-based plastics for vehicle bodywork
- Bio-based TPE for parts & accessories like grips
- PVC-free labels
- PVC-free wire harnesses
- 100% recyclable seats to replace foam material

## **Exploring**

- 20+ alternative materials for seat covers including plant-based leathers, recycled PET, and low-carbon silicone
- Hex-free chrome to drive elimination of toxicity in materials processing phase

## **Making sustainability visible**

We know that our LiveWire customers are especially curious about what we’re working on behind the scenes to advance our sustainability commitment. While much of our materials sustainability work is still in progress, we’re excited for our riders to start being able to see some of these innovations on their vehicles in the coming years.







# LEADING IN ELECTRIC

On September 27, 2022, [LiveWire](#) listed on the New York Stock Exchange (NYSE), becoming the first all-EV motorcycle company to do so. Leading in Electric is an integral part of Harley-Davidson’s Hardwire strategic plan. The LiveWire public listing enables both the focus and investment necessary to win in electric. This moment represents a significant milestone in LiveWire’s ambition to become the most desirable electric motorcycle brand in the world.



**The future is electric**  
This is an exciting time in the iconic history of Harley-Davidson. Through LiveWire, we are developing the technology of the future and plan to invest in the capabilities needed to lead the transformation of motorcycling.

Since launch, LiveWire has created an emotional connection between human and technology, and to the way we experience the world around us. It is soulful by design, transforming the everyday into urban adventure and beyond. The experience of a LiveWire is both instantly gratifying and immersive. Riders are connected through look, sound and feel. With LiveWire, we’ve delivered unparalleled performance and an EV riding experience unlike any other.

**LiveWire sustainability strategy**  
While the sustainability of an EV motorcycle is obvious at first glance from its zero-tailpipe emissions, at LiveWire, we’re charting our path towards a bold goal to be Net-Zero carbon by 2035 across our value chain. We strive to operate with planet and people at the heart of our business, integrating sustainability into how we think, design, manufacture, and make decisions.

LiveWire is committed to working with partners who are aligned with our ethical and sustainable sourcing approach – and the teams are always exploring how we can use more plant-based, recycled, and renewable materials to build our future models and continue to reduce our impact in our operations.

While LiveWire will play a key role in Harley-Davidson’s’ journey to electric as we learn, develop and share knowledge – Harley-Davidson will also play a major role in LiveWire meeting its goals as we will continue to be the primary manufacturer of all LiveWire vehicles for the foreseeable future. Our sustainability progress will be essential for both businesses to advance toward long-term goals.

Starting in 2023, LiveWire plans publish a standalone sustainability report where stakeholders can find out more information. Harley-Davidson will also continue to tell the LiveWire story from our lens.

- Our journey to the NYSE Opening Bell**
- 2019** – We introduced the Harley-Davidson LiveWire model, astonishing the world with an amazing motorcycle that showcased the power of an electric powertrain.
  - 2020** – To further accelerate the electrification of motorcycles, we established LiveWire as a standalone division.
  - 2021** – Recognizing LiveWire could progress faster as its own company; we announced plans to form the first publicly traded EV motorcycle company in the U.S.
  - 2021** – Introduced the LiveWire One® model.
  - 2022** – In May, LiveWire revealed the new S2 Del Mar model. All 100 Launch Edition model reservations sold out in less than 18 minutes.
  - 2022** – Listed on the New York Stock Exchange (NYSE) with the completion of our business combination between LiveWire and AEA Bridges Impact Corp.

LiveWire is committed to doing its part to support sustainable development. Our products and services seek to promote several of the United Nations’ Sustainable Development Goals, notably:

- **Goal 7:** Affordable and Clean Energy
- **Goal 11:** Sustainable Cities and Communities; and
- **Goal 12:** Responsible Consumption and Production







## PROMOTING PROFIT & PROSPERITY

### OUR OBJECTIVES

- Drive shared prosperity for all stakeholders through fair, equitable and ethical policies and practices
- Make the Near West Side of Milwaukee (home of Harley-Davidson since 1903) a great place to live, work, and visit
- Implement meaningful and impactful employee volunteering and involvement programs globally

## OUR 2030 GOALS:

- Achieve Harley-Davidson's long-term financial targets
- Harley-Davidson Foundation (HDF): Construct the park at Juneau Ave, implement Highland Park improvements and operate and program at both
- HDF: Invest an additional \$3-5M to help transform Milwaukee's Near West Side (NWS) through the support of Near West Side Partners (NWSP)
- HDF: implement emergency and disaster relief program open to employees, retirees, dealership employees, and communities where H-D operates
- HDFS (Community Reinvestment Act): invest ≥\$5M to support financial stability and empowerment programs
- Achieve 25% participation of the global workforce in employee volunteering/service opportunities (LW, HDMC, HDFS)





# DRIVING SHARED PROSPERITY

**14.1%**

Increase in net income\* vs 2021

**7.8%**

Increase in revenue

**\$568M**

In U.S. employee earnings (includes base wages, overtime, bonuses, employer paid portion of medical insurance, pension)

\*Net income attributable to Harley-Davidson, Inc.  
\*\*Spend from Harley-Davidson Motor Company

**≥\$15**

Per hour minimum wage for full-time employees (and for all part-time employees as of January 2023)

**\$16M**

401(k) match by Harley-Davidson to employees (U.S.)

**\$144M**

In U.S. state and local taxes associated with employee earnings (employee and employer paid)

**>\$265M**

Diverse spend (diverse Tier 1 spend plus Tier 2 diverse spend reported by our Prime Tier 1 suppliers)\*\*

**\$3.2B**

Spend in purchase of goods and services to produce our products and operate our businesses\*\*

**\$244.4M**

In corporate income taxes paid in the U.S. and other countries





# THE PARK



**In January 2023, we announced plans to transform a central element of our Juneau Avenue campus headquarters into a new public park – a landmark project for Harley-Davidson and for the City of Milwaukee, Near West Side Community.**

Overseeing the overall creative delivery of the project are internationally acclaimed designers, [Heatherwick Studio](#), who were commissioned to conceive an original design that will transform the 4-acre parking lot just south of our 3700 W. Juneau Ave. building into a space that can be used by everyone who lives in and visits Milwaukee's Near West Side (NWS).

## **Realizing a community vision**

The project will be spearheaded by The Harley-Davidson Foundation. In 2021, the Foundation sponsored an Appreciative Inquiry Summit in partnership with [Near West Side Partners](#). The Summit brought together 200+ NWS stakeholders, including residents, youth, and local businesses, to realize their hopes and dreams for the NWS. Among the key community needs identified was green space that supports health, well-being, art and culture, and a place for youth to play. Input from the stakeholders served as the basis for Heatherwick Studio's unique community park design.

To deliver this reality, Harley-Davidson has gifted the land identified for the project directly to the Foundation, which builds on the \$30 million donated by the Motor Company to the Foundation since 2020.

## **Celebrating togetherness and paying homage to history & community**

At the heart of the park is "The Hub", a sunken multi-use events space, 83 meters (approximately 272 feet) wide with tiered seating, set among lush plants and trees. The design promotes the idea of togetherness for the community, riders, and employees alike.

Its circular layout is defined by a combination of motorcycle driveways and turning circles, parking bays, sidewalks, plants, and seats, and 360-degree viewpoints. The Hub will be built with ten types of locally sourced brick, natural wany-edge timber, and weathered steel with a beautiful warm patina.

In one direction, "The Hub" will provide views of the brick buildings of the original home of Harley-Davidson. In the other, visitors will see a park sown with 120 native plant species, including 20 species of trees and 100 species of perennials, some of which are sacred to the [Forest County Potawatomi tribe](#), who are helping to provide guidance throughout the process. There are also plans for a market street, contemplative garden, and nature playground.

We are working with HGA Architects & Engineers and [Greenfire Management Services, a Near West Side business and diverse supplier](#) who will be the construction manager that will bring the design vision to life within the community.

## **An accessible and inclusive space**

The park will be open and welcoming for all (residents, community members, and visitors) to enjoy, gather, and connect. We will continue to seek ongoing stakeholder feedback - incorporating and encouraging community and visitor voices to inform future enhancements and changing interests. Additionally, we're encouraging shared responsibility, so all feel welcome.

Through the design process, we have been working with [Independence First](#), an accessibility advocacy group and organization for people with disabilities, to ensure that all aspects of the park are accessible, including the central Hub. We will also be leveraging their expertise as we look to design the nature play area on the south side of the park.

## **Bringing sustainability to life in the neighborhood**

We are working with our partners to ensure that sustainability, resiliency and ecology are embedded into the design of the park by incorporating the [Sustainable SITES Initiative](#) (SITES) – a complement to the U.S. Green Building Council's LEED green building rating system – into the design and operation of the Park. If successful, this park will become the first to receive SITES certification in the state of Wisconsin.

In addition to added green space such as lawns and plantings, the park will integrate a dynamic system of green infrastructure, including native bioswales, permeable pavers and cisterns to capture 160,000 gallons of stormwater – a significant contribution to regional infrastructure and the environment. To that end, The Harley-Davidson Foundation has partnered with [Milwaukee Metropolitan Sewerage District](#) (MMSD) and their consultants to leverage the resources of the [Fresh Coast Protection Program](#) (FCPP), a public-private partnership intended to increase green infrastructure (GI) implementation across the region. Our water capture system will help mitigate stormwater run-off into Lake Michigan and minimize combined sewer overflows and regional flooding.

Our park will qualify for the FCPP Gallon Capture Credit incentive while also fulfilling the 30% [small, women, minority, and veteran-owned business enterprises \(SWMBE\)](#) spend requirement for the program.

## **2024 Opening**

Our ambition for the park is to create an inclusive, vibrant community hub that equitably transforms the neighborhood through sustainable practices and serves as a recreational, civic, and cultural destination welcoming all who visit and call the NWS home.

> **Listen in:** Our CEO, Jochen Zeitz and Heatherwick Studio discuss plans for Juneau Ave in [this video](#).





# SUPPORTING COMMUNITIES: UNITED WE RIDE

**We are deeply embedded in our communities.** We are working every day to deliver profit and prosperity for all our stakeholders and ensure that as Harley-Davidson thrives, so do our communities.

**The Harley-Davidson Foundation**  
Social impact means working together to sustainably transform our communities and contribute to an enduring, ethical and equitable world, so everyone can love where they live. The Harley-Davidson Foundation (HDF) is focused on driving meaningful change in our home neighborhood, the Near West Side of Milwaukee.

In 2022, we expanded the HDF Board from five to 11 members and added representation from across the organization. We believe in elevating and helping develop employees through these opportunities and bringing diverse voices to the table.

The new Board members bring representation from manufacturing, finance, government affairs, legal and our ERGs. The Foundation developed a new conflict of interest policy, supporting the Hardwire strategic plan and ensuring robust governance and transparency with ethical social impact practices and program oversight. In addition, we updated the Foundation endowment portfolio to include additional ESG investments to better support organizations and businesses aligned with our values of promoting positive environmental and social impact.

**Near West Side partnerships**  
While HDF will be focused on the park for the next few years as we drive towards maximum impact, we will continue to partner with Near West Side Partners to support our neighborhood.

In May 2022, our CEO Jochen Zeitz joined Milwaukee leaders and Wisconsin Governor Tony Evers, who announced a \$5 million grant from the State of Wisconsin and revealed plans for a community center and affordable housing development in Harley-Davidson’s home neighborhood – the Near West Side.

The project, called [Concordia 27](#), is the result of work that emerged from Harley -Davidson’s Appreciate Inquiry (AI) Summit last year, which brought together more than 200 diverse stakeholders. Concordia 27 aims to address community priorities and inequities identified through our AI Summit by providing access to nutritious food, health and wellness services, job training, entrepreneurial space, housing and transportation in one central location.

**Investing in a strong and diverse economy**  
Harley-Davidson is the Founding Sponsor of the [Wisconsin LGBTQ+ Chamber of Commerce Entrepreneur Bootcamp](#). In June 2022, various team members from Harley-Davidson helped host a virtual session around business acumen and the importance of sustainable and responsible supply chains for program participants.

As a reflection of this work, a member of our Inclusive Stakeholder Management team was recognized by the Wisconsin LGBTQ+ Chamber with the 2022 Advocate of the Year award.

We also recognize that we have a large role to play in how we contribute directly to the economy through the purchasing and spending decisions we make every day to operate our business and build our products. In 2022, we reached 9% diverse spend (over \$265M) in Tier 1 spend plus Tier 2 diverse spend reported by our non-diverse Tier 1 suppliers. Our goal by 2030 is to achieve ≥15% diverse spend.

**>\$265M**  
Diverse spend (diverse Tier 1 spend plus Tier 2 diverse spend reported by our Prime Tier 1 suppliers)

**\$310,000**  
Contributed by Eagle Mark Savings Bank (HDFS), through the Community Reinvestment Act

**\$425,000**  
Raised for the 2022 United Way campaign from U.S. based employees and retirees with a 25% match from the H-D Foundation

**United for Ukraine**  
Harley-Davidson is underpinned by its global community and global workforce. United We Ride epitomizes the spirit and ethos of our Company. We come together to help when needed, and as the events in Ukraine unfolded in early 2022, Harley-Davidson riders, employees, dealers – our global community came together to help – united.



H-D dealerships and H.O.G. chapters across EMEA worked together through volunteer efforts to support the many people impacted by the conflict in Ukraine. Across the region, they arrived at the border with vans and trucks fully packed with donations, including food and medicine.

H.O.G. Vilnius Chapter donated €10,000 to the official fund set up by the Ukrainian government, while the H.O.G. Warsaw Chapter Poland organized several aid missions. The H-D Sopron Hungary Dealership organized over 30 wheelchairs for hospitals. H.O.G. Presov Slovakia, H.O.G. Bratislava Slovakia, and H.O.G Budapest Hungary filled vans with essentials and warm winter clothing. By leveraging social media, the Savona H.O.G. Chapter, in collaboration with the POKROVA Association, pulled together a collection of necessities to support Ukraine.



In April of 2022, Harley-Davidson launched a fundraising project entitled United for Ukraine to support the many people impacted by the humanitarian crisis. A donation link and an H-D for Ukraine t-shirt were made available on Harley-Davidson.com in select markets. The H-D for Ukraine t-shirt was conceived and designed by the employees of Harley-Davidson to show support for the people of Ukraine.

For each t-shirt sold through June 25, \$26 was donated to United Way Worldwide United for Ukraine Fund to provide immediate assistance in the form of transportation, shelter, food, medicine, and critical childcare supplies such as infant formula to support those in crisis. We raised a total of \$115,830 for charity as a result of this project. In addition, the Harley-Davidson Foundation made a direct donation of \$50K to the United for Ukraine fund.



## H-D® FOR UKRAINE T-SHIRT

Join us in support of United Way’s effort in providing life-saving relief to the people of Ukraine.

SUPPORT NOW



# ADVANCING STEAM EDUCATION

At Harley-Davidson, we recognize the importance of **Science, Technology, Engineering, Art, and Math (STEAM) in education**. After all, without these skills, our products wouldn't be possible. Through our STEAM outreach activity, our aim is to help build the next generation of skilled workers, launch careers and light the spark for future innovators.

### Make48 x Harley-Davidson

In July 2022, [Make48](#), in collaboration with Harley-Davidson, brought its signature invention-competition City Series to Milwaukee, Wisconsin. The celebrated 48-hour maker challenge tapped [Milwaukee Institute of Art & Design](#) (MIAD) – Wisconsin's only four-year, independent art and design college – to host the event at their campus.

“Harley-Davidson was built on imagination and innovation right here in Milwaukee and we know first-hand how important it is to keep that tradition alive.”  
- *Tori Termaat, H-D Chief Human Resources Officer*

The challenge, open to teams nationwide, involved a competition to create a prototype, promotional video, sales sheet, and pitch their idea to a panel of judges. This year, the theme was Interactive Outdoor Play.

Harley-Davidson served as the competition's Challenge Sponsor, helping craft the teams' objectives. Seven teams thought outside the box to create an outdoor interactive playground experience for the Harley-Davidson Museum. With the help of skilled designers and engineers, the teams competed for a chance to win \$2,000 and move forward to the 2023 Nationals.

During the competition, three volunteer mentors guided the teams with their ideas. Two Harley-Davidson employees, Eryn and Derek, and Leah from BCI Burke, helped the teams with the challenge to make a playground element that could potentially be used as part of a community playground on the Harley-Davidson Museum campus.

The mentors were joined by MIAD faculty supporters and techs from local companies, including Boyle Fredrickson, Husco, Wisconsin Economic Development Corporation, MSOE University, PTC Onshape, and Fastenal.

“Harley-Davidson has a long, rich history of innovation - we know first-hand how important it is to continue to foster creativity, imagination, and innovation within our communities and Make48 is helping to do exactly that. It was truly amazing to see what the teams were able to do in just 48 hours – it is a perfect example of what can be accomplished when people have access to the tools, resources, and people that can help make their vision come to life.”  
- *Shanna Beanan, H-D Talent Lead*

### Expanding STEAM resources and opportunities

Through a partnership between Harley-Davidson and [Menomonee Valley Partners](#), four students had an opportunity to do a 1-week summer internship onsite at Harley-Davidson. Two students spent a week at our Powertrain Operation facility, understanding various engineering roles within manufacturing, and two students spent a week at our Product Development Center's multiple labs.

We also worked with [Milwaukee Area Technical College](#) and [NEWaukee](#) on a Gap Year program which provides an alternative educational experience for high school graduates who are taking time off to work, to figure out their future and plan how to best continue their education. This year, three Harley-Davidson engineers supported 23 students as they participated across a variety of fields – experiencing hands-on learning in STEAM, business management, manufacturing, and other career pathways and possibilities.



24,620

Users accessed the Harley-Davidson [STEM 101 Connections Program](#)

4,980 electrical kits

Sent out to users through STEM101, with 38% of users in Wisconsin. Each kit helps users learn how to do basic electrical wiring projects with circuits





# INAUGURAL MONTH OF VOLUNTEERING

**In April 2022, we celebrated National Volunteer Month in the United States by kicking off our first H-D Global Month of Volunteering.** We encouraged employees to make meaningful impacts in their local communities while also deepening relationships and contributing positively to their physical and mental health.

Over one hundred employees completed hundreds of hours of service. Here, we're sharing just a few of the efforts.



**A syrupy sweet event**  
The PDC Inclusion Council hosted nearly a dozen volunteers across H-D at the Neighborhood House Center to collect sap in maple syrup trees and help clean up the 90-acre property. The syrup collected this season will be given to kids and families who visit the nature center as well as donors and volunteers as a token of thanks for helping keep the Neighborhood House active for over 75 years.

**Supporting Ukraine**  
Team members from Spain, Portugal and Italy collected goods for donation to Ukrainian refugees.

The team also raised money for a first-aid purchase and delivered the goods to a Ukraine refugees center.



**Volunteers clean up adopted highway**  
For nearly a decade, employees from H-D's Pilgrim Road facility have hosted an annual Adopt-a-Highway program, which aims to help keep highways free of litter and preserve roadside beauty. Through the program, volunteers collected trash on a two-mile section along Silver Spring Road between Town Line and Lannon Road. Almost 20 volunteers collected over 300 pounds of trash and recyclables in Waukesha County.

**Passing on the knowledge**  
These dedicated employees were one of two teams that created and taught STEAM concepts to a 6th grade class at the Milwaukee Academy of Science. Topics included an H-D Museum tour, a Lego building activity, a gear pack activity, a discussion on supply chain, and career exploration.



The Foundation donated \$2,500 to the Milwaukee Academy of Science STEAM program in honor of its efforts and to continue advancing its programs.



**Healthy foods for all**  
This mighty four-person team assembled to stock boxes of healthy foods at The Hunger Task Force to be delivered to low-income community members.

In recognition of their efforts, The H-D Foundation donated \$2,500 to help feed the hungry in Milwaukee where we know every dollar and volunteer counts.

**900+ hours**  
Hundreds of employees logged volunteer hours throughout the month



**Celebrating International Women's Day**  
Nine women from York's HR team participated in the Women's Build Day with Habitat for Humanity. They spent the day helping to rebuild a block of townhomes in York City that had been destroyed by fire. Upon completion of the project, six low-income families who qualified for the housing will move in. H-D York has supported Habitat for several years in many of their initiatives such as volunteering on various home builds and supporting their charitable contribution grants.



**Small but mighty**  
A one-man super-team, Erik gave more than 100 hours to the Milwaukee Robotics Academy providing mentoring, website design, marketing, procurement and planning support.

The Foundation donated an additional \$2,500 in recognition of his efforts and to contribute further to the Academy's goal of supporting high-tech STEAM education in under-served populations in the City of Milwaukee.



**Cooking for charity**  
The teams from Spain, Portugal and Italy came together for a cooking activity and raised money for a donation to a local charity organization.



# CORPORATE CITIZENSHIP AROUND THE WORLD

These stories from around the world show that the Harley-Davidson community is a worldwide family that embodies the true meaning of *United We Ride*.

## The Relay on Two Wheels for Life

In Sub-Saharan Africa, motorcycles are sometimes the only effective way of delivering life-saving healthcare to the most rural and hard to reach communities. From curbing sudden disease outbreaks, to tackling HIV/AIDS, tuberculosis, malaria and most recently, COVID-19, motorcycles in this region are a health worker's best friend. The charitable mission of [Two Wheels for Life](#) gave Harley-Davidson owners another reason to be passionate about motorcycles and inspired Harley-Davidson Benelux to develop The Great Relay.

The Great Relay took the form of a motorcycle ride that spanned 20,000 km through 16 European countries. With participants riding H-D's Pan America, the event raised over £50,000 and connected 25,000 Harley-Davidson motorcycle owners. The money raised for Two Wheels for Life enabled the charity to buy new motorcycles that health workers will use to deliver vital healthcare to those in need.

**£53,000**

Raised by The Great Relay across Europe for the charity Two Wheels for Life



The team (pictured below), comprised of members of Harley-Davidson, participating H.O.G. members, and Two Wheels for Life, received [Third Sector Corporate Partnership of the Year](#) for the partnership and effort associated with the event.



**€200,000**

Raised by the [Harley-Davidson Charity-Tour](#) in Austria to support children suffering from muscular disease or other forms of disability

**400,000CHF**

Raised in one day for people with muscular diseases, at the 70km [Love Ride Switzerland](#) in May 2022 through sponsors, ticket and merchandise sales

**€28,000**

In donations to the Red Cross by H.O.G. chapters in France

## UK team says IAM RoadSmart

Members of the UK team have been working with [IAM RoadSmart](#) to promote safe riding habits and have completed some advanced training themselves. The senior management team for Harley-Davidson UK is working to hone their skills through the seven-week Advanced Rider course with a fortnight between training sessions to fit in better with working hours – to set an example for riders around the world.

“One of the team came back after his test, pleased as punch. I asked him how it went and he said: ‘This course has made me enjoy my motorcycle so much more.’ He’s been a Harley rider and a Harley owner. He’s one of the team, works for the Company. I really think that underscores the value of the Advanced Rider Course – if someone that immersed in the biking world can not only come out of it a safer, more educated rider, but a happier one, too, then we’ve done our job right.  
- Paul Lilly, Sales and Operations Director, H-D EMEA

As more of the team embark on the training journey together, they’re getting closer to the product and getting to spend more time together. We believe that education on safe riding essential to enjoyable riding and are encouraged to see teams taking initiative.

Harley-Davidson has a thriving owners club with the Harley Owners Group (H.O.G.), which has almost a million members globally, and 20,000 members in the UK. The plan is to offer H.O.G. members a taste of IAM RoadSmart, with Harley-exclusive IAM RoadSmart Skills Days during 2023.



## Fire Service in Germany Rides Pan America

In Kall in the German state of North Rhine-Westphalia, a Harley-Davidson Pan America is in use for the first time in the world for firefighting and disaster control.

The special Pan America motorcycle was donated by Harley-Davidson Germany after the previous service motorcycle of the local volunteer fire department was destroyed in horrendous floods in the northern Eifel region last July. The bike was fitted with the strongest available LED emergency signal lights and siren. To comply with European legislation the tank, rear frame, rims, and radiator grill had to be painted with a bespoke shade of red.

In addition to blue lights and siren, the H-D Pan America Special got a special navigation device that allows it to communicate with other emergency services, a radio system, a first aid kit and a fire extinguisher.

“When we heard about this case everyone at H-D Germany and our Press Workshop was immediately on board. We created from scratch this amazing Pan America. Seeing the tears of joy in the eyes of the brave firefighters when I had the honor to hand over the bike on behalf of everyone involved in the project was truly the most emotional moment in my time with Harley-Davidson so far.

- Nils Buntrock, Marketing Manager, H-D EMEA





# RESPONSIBLE BUSINESS

## IN THIS SECTION

- Stakeholder Engagement
- Corporate Governance
- Promoting Ethical Behavior and Respecting Human Rights
- Government Advocacy, Policy & Engagement
- Acting Responsibly  
*Data Privacy & Information Security*



# STAKEHOLDER ENGAGEMENT

We engage with a wide and diverse set of stakeholders around the world – from the people who work in our supply chains, team members who manufacture and work to deliver our motorcycles, our dealer network, the customers who enjoy our products, the communities that we work in and the investors who make our work possible.

	How we engage	Topics covered	Our approach
Customers	<ul style="list-style-type: none"><li>Transactions at our dealers and in our digital channels<ul style="list-style-type: none"><li>Harley-davidson.com</li><li>Ride app</li></ul></li><li>Riding Academy</li><li>Events and campaigns</li><li>Marketing and advertising<ul style="list-style-type: none"><li>Paid ads and organic posts</li><li>Engagement on posts and social media</li></ul></li><li>Museum visits</li><li>Harley Owners Group (H.O.G.), H.O.G. Chapters</li><li>Customer service department</li><li>F&amp;I support department</li></ul>	<ul style="list-style-type: none"><li>Engagement and inclusivity under our “United We Ride”</li><li>Fair lending practices and financial disclosures</li><li>Product composition and manufacturing</li><li>Community engagement and impact</li><li>Responsible marketing practices</li></ul>	<ul style="list-style-type: none"><li>Ensure customers are supported in discovering our products</li><li>Allow for full transparency in lending terms and commitment</li><li>Ensure focus on community building and inclusivity</li></ul>
Dealers	<ul style="list-style-type: none"><li>National Dealer Council</li><li>Monthly/Quarterly Webinars</li><li>Comprehensive training (Harley-Davidson University)</li><li>Central Communications Portal (HDNet)</li><li>Annual “Voice of Dealer” attitude survey</li><li>Dedicated field managers</li></ul>	<ul style="list-style-type: none"><li>Allocation of product</li><li>Network structure</li><li>Contracts, policies and business standards</li><li>Omnichannel strategy</li><li>Performance culture</li><li>Ecosystem mindset</li></ul>	<ul style="list-style-type: none"><li>Work with Dealer Council to develop a fair and equitable allocation and distribution methodology</li><li>Establish robust financial and performance requirements to allow ownership transfers, mergers and acquisitions</li><li>Work to provide an enhanced customer experience while providing a profitable dealer business model</li><li>Offer customers both digital and physical engagement opportunities</li><li>Support dealership growth objectives</li></ul>
Harley-Davidson Motor Company			
Harley-Davidson Financial Services	<ul style="list-style-type: none"><li>HDFS Dealer Council</li><li>Retail, Insurance &amp; Digital Product Teams<ul style="list-style-type: none"><li>Dealer Operations Support Team</li><li>UW Team</li><li>Commercial Team</li></ul></li><li>Performance Network – rewards program</li><li>Dealer engagement survey</li><li>Training<ul style="list-style-type: none"><li>ACT/Motorcycle Sales Bootcamp</li><li>HDU – On-line Skills Center</li><li>In-dealership training</li><li>Regional training webinars</li></ul></li></ul>	<ul style="list-style-type: none"><li>Ongoing compliance training of H-D dealer personnel in the United States</li><li>Regular statistical monitoring of the HDFS consumer loan portfolio to treat our customers fairly and ensure good-standing with U.S. fair lending laws</li><li>Regular statistical monitoring of all HDFS consumer loans on a dealer-by-dealer basis to mitigate risk and ensure equitable customer outcomes</li></ul>	<ul style="list-style-type: none"><li>Provide robust training on regulations governing consumer finance transactions and offer best practice solutions to mitigate risk, emphasizing consistency, fairness and transparency</li><li>Provide additional programs to support with training and counseling for dealers who may be seeing unexplained statistical disparities</li></ul>
Employees	<ul style="list-style-type: none"><li>All Company Meetings, Social Media, and Internal Hub</li><li>Executive Leadership emails and videos</li><li>Focus groups and Listening sessions</li><li>Employee resource groups and local community councils</li><li>Community volunteering</li><li>Code of Conduct Line</li><li>Personal and professional development and training</li></ul>	<ul style="list-style-type: none"><li>Compensation and Benefits</li><li>The Hardwire Strategic Pillars</li><li>Diversity, Equity and Inclusion</li><li>Employee well-being</li><li>Talent and Development</li></ul>	<ul style="list-style-type: none"><li>Communicate our Hardwire Strategy in various ways through various methods</li><li>Communicate our compensation philosophy and approach, be as transparent as possible.</li><li>Focused activities on individual development discussions with managers and employees.</li></ul>



# STAKEHOLDER ENGAGEMENT (cont'd)

	How we engage	Topics covered	Our approach
Suppliers	<ul style="list-style-type: none"><li>Annual supplier conference</li><li>Annual performance meeting</li><li>Regular course of business meetings</li><li>Topical meetings as needed</li><li>Supplier councils</li><li>Supplier on-boarding</li><li>Supplier Code of Conduct</li><li>Supplier scorecard</li></ul>	<b>Environmental</b> <ul style="list-style-type: none"><li>Responsible sourcing of materials</li><li>Environmental sustainability</li><li>Substances in product</li></ul> <b>Social</b> <ul style="list-style-type: none"><li>Conflict minerals</li><li>Human rights</li><li>Safe workplace environment</li><li>Freedom of association and collective bargaining</li></ul> <b>Governance</b> <ul style="list-style-type: none"><li>Conflicts of interest</li><li>Anti-bribery &amp; anti-corruption</li><li>Monitoring</li><li>Anti-trust</li></ul> <b>Reporting procedures</b>	<ul style="list-style-type: none"><li>Help our suppliers strengthen their environmental, social and governance performance</li><li>Support our suppliers’ ability to meet responsible sourcing commitments</li><li>Engage suppliers in assessing performance and addressing challenges</li></ul>
Investors	<ul style="list-style-type: none"><li>Annual meeting of shareholders</li><li>Quarterly earnings webcasts</li><li>Investor day</li><li>Investor website</li><li>Attendance at investor conferences</li><li>Meetings with investors</li><li>Responding directly to investor inquiries</li></ul>	<ul style="list-style-type: none"><li>Corporate strategy</li><li>Financial performance</li><li>Corporate governance</li><li>Diversity, equity and inclusion</li><li>Community impact</li><li>Transparency and reporting</li></ul>	<ul style="list-style-type: none"><li>Improve transparency and disclosures around human capital, DEI and climate</li><li>This report responds to: GRI, SASB, and TCFD</li></ul>
Communities & NGO's	<ul style="list-style-type: none"><li>Harley-Davidson Foundation (HDF)<ul style="list-style-type: none"><li>Grants</li><li>Partnership Meetings/Committees,</li><li>Site Visits</li></ul></li><li>STEAM Outreach:<ul style="list-style-type: none"><li>Onsite Visits to H-D Facilities (PTO, Museum, JUN)</li><li>H-D curated education programming</li><li>Exposure to career paths</li></ul></li><li>Employee Volunteering<ul style="list-style-type: none"><li>Month of Volunteering</li><li>Team Volunteering</li><li>Mentoring</li><li>Skill Development</li><li>Collection Drives/ Kit Packing</li></ul></li><li>HDFS – CRA</li><li>Cause Marketing (WWP, Pink Label)</li></ul>	<ul style="list-style-type: none"><li>Community investment focused on neighborhood revitalization (NWS), food access (HTF), health &amp; wellbeing (Children's WI), and STEAM Education</li><li>STEAM Outreach focused on exposing youth to careers specially within manufacturing/ skilled trades and engineering.</li></ul>	<ul style="list-style-type: none"><li>HDF/ STEAM: Our hands-on, collaborative giving approach and commitment to seeking ongoing stakeholder feedback and outcome driven results. We believe in bringing multiple partners together, utilizing their greatest strengths, to make progress towards community transformation.</li><li>Volunteering: Encourage employees and teams to offer their time and skills to an organization or someone in need while tapping into their passions and ideas to make a difference in the communities where they live and work.</li></ul>
Government officials & influencers of public policy	<ul style="list-style-type: none"><li>Letters, emails, or verbal testimony.</li><li>Meetings with elected officials and other regulators or civil servants.</li><li>Participation in policy related events, conferences and forums.</li><li>Tours for political stakeholders of our facilities or attendance at H-D public events.</li><li>Memberships of Trade Associations and membership organizations, in the USA and internationally.</li></ul>	<ul style="list-style-type: none"><li>Community relations</li><li>International Trade</li><li>Environmental and sustainability policy</li><li>Labor and employment law</li><li>Packaging and waste laws</li><li>Vehicle and component type approval</li><li>Emissions regulations</li><li>Taxation</li><li>Trademarks</li><li>Cyber security</li><li>Data protection</li><li>Product and vehicle safety</li></ul>	<ul style="list-style-type: none"><li>Support organizations that help advocate public policies that contribute to the success and growth of our industry and the business community, and positively impact our stakeholders</li></ul>



# CORPORATE GOVERNANCE

Excellent Corporate Governance has been a long-standing business practice at Harley-Davidson, because it makes good business sense. Although the motorcycling business is fun, we take corporate governance seriously. The Harley-Davidson Board of Directors is composed of accomplished leaders from a range of industries who meet regularly to review Company objectives and plan for future growth.

These individuals draw on their diverse backgrounds and experiences. They are proud Harley-Davidson enthusiasts, and they work to ensure that the decisions made by Harley-Davidson promote fairness, financial transparency and accountability to all our shareholders.

The Board first adopted our Code of Business Conduct in 1992 and the Board amended and restated it in 2003 and 2012. Our Code of Business Conduct applies to all employees, including executives and Directors, promotes honest and ethical conduct and provides guidance in handling various business situations.

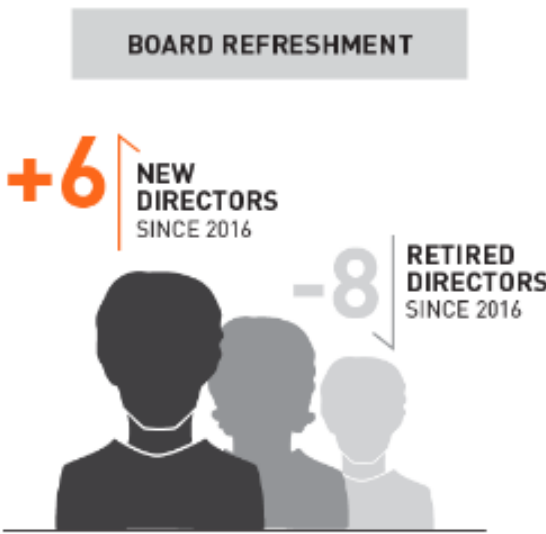
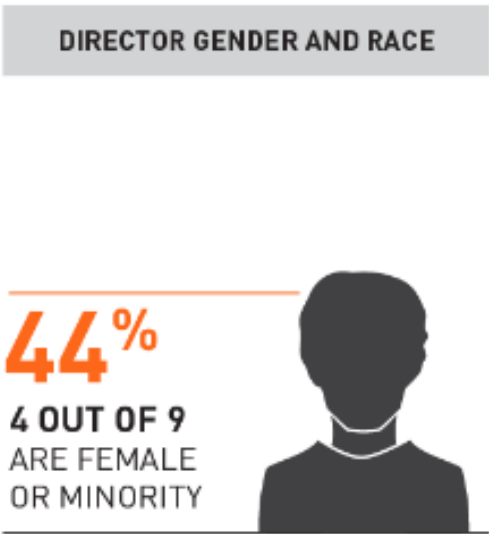
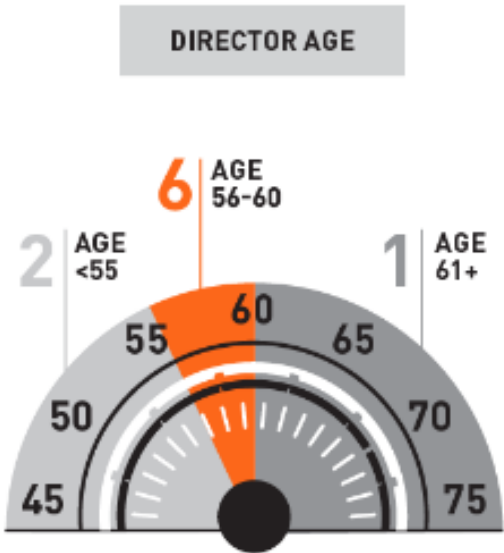
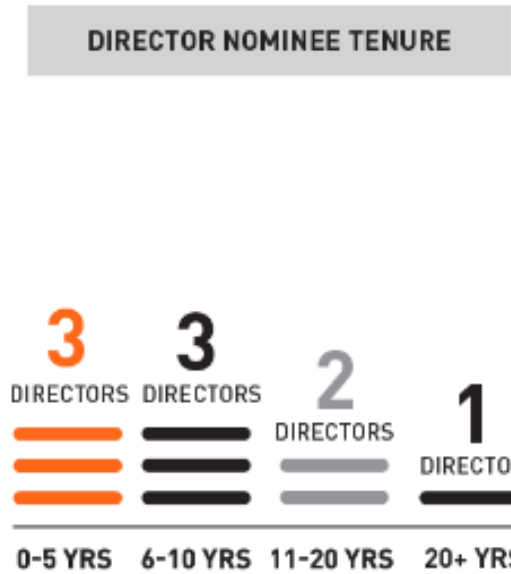
> **Read more:** Find more information about corporate governance in our most recent Proxy Statement.

**Board oversight of sustainability issues**  
In 2011, the Board formed the Sustainability Committee, and in 2019, the Board renamed the committee the Brand and Sustainability Committee and approved [a revised charter](#) for the Brand and Sustainability Committee.

The Brand and Sustainability Committee plays an integral role in providing oversight, advice and assistance to the Board and to H-D's management in developing, implementing, and monitoring social and environmental policies, practices, and strategies to foster sustainable growth of the Company on a global basis. Sustainable growth is driven through leadership and continually challenging the business model, strategies, processes, products, services, and other capabilities to realize the substantial long-term value of the business, our heritage, our environment and our people.

As part of their responsibilities to the Board in fostering sustainable growth, the Brand and Sustainability Committee assists the Board in ensuring that the business grows without increasing our environmental impact, which is consistent with the Company's current strategic plan, The Hardwire, and our long-term sustainability objectives.

Board members	Board committees			
	Audit & Finance	Human Resources	Nominating & Corporate Governance	Brand & Sustainability
<b>Troy Alstead</b> Founder & CEO of Ocean5 Former COO & Former CFO of Starbucks Corp.	Chair		X	
<b>Jared D. Dourdeville</b> Partner at H Management, LLC a/k/a H Partners		X	X	
<b>James D. Farley, Jr.</b> President and Chief Executive Officer of Ford Motor Company	X		X	
<b>Allan Golston</b> President, United States Program for the Bill & Melinda Gates Foundation	X		Chair	
<b>Sara L. Levinson</b> Co-founder and Director, Katapult, Inc. Former President of NFL Properties, Inc.		X	X	X
<b>Norman Thomas Linebarger</b> Executive Chairman, Cummins Former Chairman and Chief Executive Officer, Cummins Inc.		X	X	X
<b>Rafeh Masood</b> Former Executive Vice President and Chief Customer Officer at Bed Bath & Beyond Inc.	X		X	
<b>Maryrose Sylvester</b> Former President, Electrification, U.S. and U.S. Country Managing Director of ABB Group		X	X	
<b>Jochen Zeitz</b> Chairman of the Board, President and Chief Executive Officer of Harley-Davidson, Inc.				Chair





# PROMOTING ETHICAL BEHAVIOR AND RESPECTING HUMAN RIGHTS

In 1903, William S. Harley, Arthur Davidson and Walter Davidson built their first motorcycle in a wooden shed in the backyard of the Davidson home in Milwaukee, Wisconsin, USA. From these humble beginnings, Harley-Davidson has now grown to have one of the most iconic brands in the world. We are a global company built on a foundation of our values: Fair, Honest, Positive and Creative (FHPC), that guide not only the way we do business, but the way we interact with the world around us every day.

Now, it is our turn to ensure the legacy lives on by making the right decisions in our business dealings, which help us continue to produce products and services that exceed our customers’ expectations. To support our commitment to human rights and ethical business operations we rely upon our long-standing Code of Business Conduct and numerous supporting policies. This includes policies to provide a safe and secure work environment, equal opportunity and an inclusive, diverse and equitable workplace. Our policies protect employees’ freedom from discrimination, harassment, coercion, violence, retaliation and intimidation in the work environment.

Our commitment to human rights includes a reporting process that drives accountability at all levels. We train our employees to recognize Code of Business Conduct violations and how to report a concern at any time at [h-dcodehelpline.com](https://h-dcodehelpline.com) or by phone, or by emailing our Compliance and Ethics team.

**Hate and intolerance have no place at Harley-Davidson.** We stand in solidarity with our riders, employees and communities as we condemn acts of intolerance, racism, sexism and hate of any kind, and move forward together toward an equitable society for all. We continue to work to create an inclusive customer experience and work environment, by advancing workforce diversity, and supporting and driving positive change in our communities to support racial and social equity and create opportunities for all.

**Human Rights statement**  
Harley-Davidson is committed to respecting and promoting human rights and supports the [Universal Declaration of Human Rights](#), including the [UN Guiding Principles](#). We believe in an inclusive stakeholder approach to business across our operations and value chain where people, planet and profit are balanced to deliver long-term value for *all* stakeholders.

In early 2023, we became signatories to the [UN Global Compact](#), reflecting our continued commitment to fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption.

We plan to deepen our commitment to human rights in 2023 by developing a formal human rights policy and integrating our approach into all areas of the business and our policies to guide our decision-making and actions.

**Human rights in our supply chain**  
In our efforts to promote and support human rights in 2022, our legal team worked with our Apparel & Licensing (A&L) team to draft our response to Uyghur Forced Labor Prevention Act via our forced labor finished product affidavit. This affidavit is to increase transparency in our supply chain. Through it, our suppliers can confirm that they are not producing our products in whole or in part using materials covered by a U.S. Customs and Border Protection Withhold Release Order or any United States law that prohibits the importation of goods produced with forced labor.

This affidavit will be sent to all A&L suppliers in Q1 2023. In further support of ethical business practices, in 2023, we plan to evaluate our A&L current best practices around factory audits and compliance and update our policies.

We are committed to pursuing responsible purchasing practices that help us act as a fair business partner. In the year ahead, we will continue to deepen our relationships with new and existing partners to achieve our ambitions.

**Supplier Code of Conduct**  
While our employees make business decisions within the framework of our Code of Business Conduct and FHPC, our suppliers must likewise uphold our high standards for ethical business conduct.

At Harley-Davidson, we have a reputation for adhering to strong business and corporate governance practices. As stewards of our reputation and brand, we expect our Suppliers to act ethically and in alignment with the [Supplier Code of Conduct](#), and all applicable laws pertaining to human rights, including, without limitation, all laws applicable to workplace health, safety, labor and employment.

Our Supplier Code of Conduct mandates suppliers maintain responsible business practices including:

- Conducting business free from bribery and corruption
- Respecting and promoting human rights, prohibiting forced, trafficked or underage labor
- Maintaining effective privacy and cyber-security practices
- Complying with applicable trade and customs rules

**Responsible and Sustainable Sourcing Expectations**  
We are also dedicated to a broader aspect of human rights – having a positive impact on the health, safety, and well-being of all of our stakeholders – our teams, the communities we operate in, the people who work in our supply chains, and the planet.

We aspire to source only raw materials that are responsibly produced. Sourcing responsibly the thousands of different materials and parts is an important human rights issue. We continue to work with our supply chain partners in managing any issues associated with conflict minerals.

> Find our Statement on [Conflict Minerals](#) on our [Corporate Governance](#) page

In November 2022, Harley-Davidson’s Supply Base team hosted two virtual supplier conferences for our active global suppliers who support our manufacturing and parts and accessories businesses – hundreds tuned in.

Among the many topics discussed, suppliers were introduced to a new scorecard, which they will receive monthly. The scorecard includes nine metrics and along with quality, cost and delivery, and we’re including new measures around labels, transportation, management and responsible sourcing.

The responsible and sustainable sourcing metric will help support our Inclusive Stakeholder Management goals and assess our suppliers in the areas of diversity, equity, inclusion and environmental sustainability.

**Deepening our work in apparel**  
In 2023 and beyond, as we look to expand our Apparel & Licensing business, we’re working to ensure that we are set up for long-term success and accountability by partnering with others in the apparel industry.

As a first of these partnerships, in 2023, Harley-Davidson joined the [American Apparel & Footwear Association](#) (AAFA). The AAFA represents more than 1,000 world famous name brands, retailers, and manufacturers as the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its more than three million U.S. workers, and its contribution of \$470 billion in annual U.S. retail sales. The AAFA will inform A&L of policies that could or will impact how we source and import apparel and footwear product.

We further recognize that the apparel and textile industries come with their own set of risks. We are working to reevaluate our auditing program to ensure effectiveness, as well as looking into certifications to advance our efforts around responsible, ethical and sustainable sourcing.





# GOVERNMENT ADVOCACY, POLICY & ENGAGEMENT

**Harley-Davidson and our stakeholders are impacted by policy issues and decisions made by governments around the world.** As a company with operations and customers around the world, it is critical that we use our voice to help inform the policies affecting our employees, customers and shareholders.

Governments around the world take actions that can significantly affect Harley-Davidson and all of our stakeholders. Harley-Davidson believes it is important to advocate on issues that affect our business when it is constructive to do so under the applicable political system. The form of advocacy that we use may differ depending on political systems and local laws. Consistent with Company values, Harley-Davidson is committed to full compliance with all federal, state, local, and international laws and to maintaining the highest ethical standards in the way we conduct our business.

Harley-Davidson has an advisory committee that oversees political engagement policies and reviews, on an annual basis, all political contributions made by the Company. This advisory committee and our senior management are responsible for developing the strategies and the day-to-day decisions and activities involving Harley-Davidson’s political engagement.

Political contributions are made by nonpartisan state and federal political action committees established by the Company but funded solely by voluntary contributions it receives from employees eligible to make contributions under applicable laws. All contributions made by Harley-Davidson political action committees are reviewed and approved by an advisory committee including members of the Company’s senior leadership.

> **Read more:** Find more information about our political engagement and contributions in our [annual statement](#).

**Trade associations and memberships focusing on policy**  
Harley-Davidson also participates in various trade and industry organizations that can affect the motorcycle industry and the business environment in which Harley-Davidson operates. We are committed to supporting organizations that help advocate public policies that contribute to the success and growth of our industries and the business community. While we may not always agree with the positions taken by these organizations or their members, our participation as a member enables us to engage with other business and industry stakeholders, to express our views and positions on key public policy issues and, when possible, to arrive at a consensus that advances the interests of our Company, our shareholders, our customers and our employees.

Harley-Davidson supports a broad range of trade associations and coalitions to enhance our understanding of and to advocate for policy issues. These include:

- Multiple motorcycle industry associations in the markets where we sell vehicles, including the following, non-exhaustive, examples:
  - [MIC – Motorcycle Industry Council](#) (formerly Motorcycle Manufacturers Association)
  - [ACEM – European Motorcycle Manufacturers Association](#)
  - [MMCI - Motorcycle and Moped Industry Council Canada](#)
  - [MCIA - The Motorcycle Industry Association UK](#)
  - [IVM – the German Motorcycle Industry Association.](#)
- [Business Council for International Understanding](#)
- [The Metropolitan Milwaukee Association of Commerce](#)
- [Wisconsin Manufacturers and Commerce](#)
- [US Chamber of Commerce to the EU](#)
- [US-ASEAN Business Council](#)
- [The Connected Motorcycle Consortium](#)



# ACTING RESPONSIBLY

## DATA PRIVACY & INFORMATION SECURITY

### Handling data and information responsibly

Our information security team is responsible for protecting and defending Harley-Davidson's global customers, employees, dealers, suppliers and business through preparedness, identification, analysis, mitigation, and assessment and control of threats and disruptions to all of Harley-Davidson's technology, data and information resources. This includes ensuring we maintain global privacy compliance with regulations, restrictions, and requirements.

This is accomplished by:

- Implementing and maintaining operational security safeguards across the global IT computing environment.
- Ensuring all GIS Controls are in place, monitored, assessed and tested across our global computing environment.
- Ensuring disaster recovery and business continuity plans are in place and tested based on risk and impact
- Driving a cybersecurity competency program to proactively find and remediate vulnerabilities that could otherwise be exploited.
- Ensuring global operational alignment to privacy notices, policies and principles across key business functions, driving privacy preparedness, and validating ongoing privacy compliance with new and changing global regulations.
- Driving cybersecurity and data privacy awareness training programs to meet regulatory compliance requirements.

### Protecting information security

Harley-Davidson's Corporate Information Security Office (CISO) provides many vital services across Harley-Davidson Inc. CISO is a key player in the following areas:

- Security Awareness
- Risk Management
- Threat Management
- Service Continuity
- Identity & Access Management (IAM)
- SAP Security
- Global Data Privacy & Protection
- CISO Controls Compliance
- Global Security Policies & Standards

Our Security Awareness program ensures security guidelines, standards and Best Practices are communicated to the global workforce. The awareness program strengthens the People-Process-Technology cycle through education and ensures our workforce members understand the why, the what and the how pertaining to standards and best practices of securing and handling informational assets.





# ESG DATA BOOK 2022

We support and align with the below sustainability reporting frameworks and standards in our approach to reporting. Our ESG Data Book can be found [here](#).

In this ESG data book, you will find:

**Performance Data 2022**

**Global Reporting Initiative (GRI) Index 2022**

**Sustainability Accounting Standards Board (SASB) Index 2022**

**Task Force on Climate-related Financial Disclosures (TCFD) Index 2022**

In 2022, we responded to the CDP Climate questionnaire for the first time. We will continue to respond to the CDP Climate questionnaire and will have our response publicly available from the 2023 reporting year and onward.

We currently leverage SASB and TCFD but will look to align against ISSB and the IFRS framework in harmonization with global reporting standards as they become ready.



## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Company intends that certain matters discussed in this Inclusive Stakeholder Management Report are “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such by reference to this footnote or because the context of the statement will include words such as the Company “believes,” “anticipates,” “expects,” “plans,” “may,” “will,” “estimates,” “targets,” “intends,” “forecasts,” “sees,” or words of similar meaning. Similarly, statements that describe or refer to future expectations, future plans, strategies, objectives, outlooks, targets, guidance, commitments or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially, unfavorably or favorably, from those anticipated as of the date of this Inclusive Stakeholder Management Report. Certain of such risks and uncertainties are described below. Shareholders, potential investors and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this Inclusive Stakeholder Management Report are only made as of the date of this report, and the Company disclaims any obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Important factors that could affect future results and cause those results to differ materially from those expressed in the forward-looking statements include, among others, the Company's ability to: (a) execute its business plans and strategies, including The Hardwire, each of the pillars and the evolution of LiveWire as a standalone brand, which includes the risks noted below; (b) manage supply chain and logistics issues, including quality issues, availability of semiconductor chip components and the ability to find alternative sources of those components in a timely manner, unexpected interruptions or price increases caused by supplier volatility, raw material shortages, inflation, war or other hostilities, including the conflict in Ukraine, or natural disasters and longer shipping times and increased logistics costs, including by successfully implementing pricing surcharges; (c) realize the expected business benefits from LiveWire operating as a separate public company, which may be affected by, among other things: (I) the ability of LiveWire to: (1) execute its plans to develop, produce, market and sell its electric vehicles; (2) achieve profitability, which is dependent on the successful development and commercial introduction and acceptance of its electric vehicles, and its services, which may not occur; (3) adequately control the costs of its operations as a new entrant into a new space; (4) develop, maintain and strengthen its brand; (5) execute its plans to develop, produce, market and sell its electric vehicles; and (6) effectively establish and maintain cooperation from its retail partners, largely drawn from the Company's traditional motorcycle dealer network, to be able to effectively establish or maintain relationships with customers for electric vehicles; (II) competition; and (III) other risks and uncertainties indicated in the final prospectus of AEA-Bridges Impact Corp. ("ABIC") and other documents filed with the SEC by the Company, LiveWire Group, Inc. or ABIC, including those risks and uncertainties noted in “Risk Factors” under Item 1.A of the LiveWire Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 2022; (d) accurately analyze, predict and react to changing market conditions and successfully adjust to shifting global consumer needs and interests; (e) successfully access the capital and/or credit markets on terms that are acceptable to the Company and within its expectations; (f) successfully carry out its global manufacturing and assembly operations; (g) develop and introduce products, services and experiences on a timely basis that the market accepts, that enable the Company to generate desired sales levels and that provide the desired financial returns, including successfully implementing and executing plans to strengthen and grow its leadership position in Grand American Touring, large Cruiser and Trike, and grow its complementary businesses; (h) perform in a manner that enables the Company to benefit from market opportunities while competing against existing and new competitors; (i) manage the risks related to the impact of the COVID-19 pandemic, such as supply chain disruptions, its ability to carry out business as usual, and government actions and restrictive measures implemented in response; (j) manage the regulatory compliance matter relating to a third-party supplier's component part in a manner that avoids additional costs or recall expenses that are material; (k) successfully appeal: (I) the revocation of the Binding Origin Information ("BOI") decisions that allowed the Company to supply its European Union ("EU") market with certain of its motorcycles produced at its Thailand operations at a reduced tariff rate and (II) the denial of the Company's application for temporary relief from the effect of the revocation of the BOI decisions; (l) manage and predict the impact that new, reinstated or adjusted tariffs may have on the Company's ability to sell products internationally, and the cost of raw materials and components, including the temporary lifting of the Section 232 steel and aluminum tariffs and incremental tariffs on motorcycles imported into the EU from the U.S., between the U.S. and EU, which expires on December 31, 2023; (m) prevent, detect and remediate any issues with its motorcycles or any issues associated with the manufacturing processes to avoid delays in new model launches, recall campaigns, regulatory agency investigations, increased warranty costs or litigation and adverse effects on its reputation and brand strength, and carry out any product programs or recalls within expected costs and timing; (n) manage the impact that prices for and supply of used motorcycles may have on its business, including on retail sales of new motorcycles; (o) successfully manage and reduce costs throughout the business; (p) manage through changes in general economic and business conditions, including changing capital, credit and retail markets and the changing domestic and international political environments, including as a result of the conflict in Ukraine; (q) continue to develop the capabilities of its distributors and dealers, effectively implement changes relating to its dealers and distribution methods and manage the risks that its dealers may have difficulty obtaining capital and managing through changing economic conditions and consumer demand; (r) continue to develop and maintain a productive relationship with Zhejiang Qianjiang Motorcycle Co., Ltd. and launch related products in a timely manner; (s) maintain a productive relationship with Hero MotoCorp as a distributor and licensee of the Harley-Davidson brand name in India; (t) successfully maintain a manner in which to sell motorcycles in China and the Company's Association of Southeast Asian Nations ("ASEAN") countries that does not subject its motorcycles to incremental tariffs; (u) manage its Thailand corporate and manufacturing operation in a manner that allows the Company to avail itself of preferential free trade agreements and duty rates, and sufficiently lower prices of its motorcycles in certain markets; (v) accurately estimate and adjust to fluctuations in foreign currency exchange rates, interest rates and commodity prices; (w) retain and attract talented employees, and eliminate personnel duplication, inefficiencies and complexity throughout the organization; (x) prevent a cybersecurity breach involving consumer, employee, dealer, supplier, or Company data and respond to evolving regulatory requirements regarding data security; (y) manage the credit quality, the loan servicing and collection activities, and the recovery rates of Harley-Davidson Financial Services' loan portfolio; (z) adjust to tax reform, healthcare inflation and reform and pension reform, and successfully estimate the impact of any such reform on the Company's business; (aa) manage through the effects inconsistent and unpredictable weather patterns may have on retail sales of motorcycles; (bb) implement and manage enterprise-wide information technology systems, including systems at its manufacturing facilities; (cc) manage changes, prepare for and respond to evolving requirements in legislative and regulatory environments related to its products, services and operations; (dd) manage its exposure to product liability claims and commercial or contractual disputes; (ee) continue to manage the relationships and agreements that the Company has with its labor unions to help drive long-term competitiveness; (ff) achieve anticipated results with respect to the Company's pre-owned motorcycle program, Harley-Davidson Certified, the Company's H-D1 Marketplace and Apparel and Licensing; (gg) accurately predict the margins of its segments in light of, among other things, tariffs, inflation, foreign currency exchange rates, the cost associated with product development initiatives and the Company's complex global supply chain; and (hh) optimize capital allocation in light of the Company's capital allocation priorities.

The Company's ability to sell its motorcycles and related products and services and to meet its financial expectations also depends on the ability of the Company's dealers to sell its motorcycles and related products and services to retail customers. The Company depends on the capability and financial capacity of its dealers to develop and implement effective retail sales plans to create demand for the motorcycles and related products and services they purchase from the Company. In addition, the Company's dealers and distributors may experience difficulties in operating their businesses and selling Harley-Davidson motorcycles and related products and services as a result of weather, economic conditions, the impact of the COVID-19 pandemic, or other factors.

In recent years, Harley-Davidson Financial Services ("HDFS") experienced historically low levels of retail credit losses, but credit losses have been normalizing in recent quarters. The Company believes that HDFS's retail credit losses could change over time due to changing consumer credit behavior, macroeconomic conditions including the impact of inflation, and HDFS's efforts to adjust underwriting criteria based on market and economic conditions, as well as actions that the Company has taken and could take that impact motorcycle values.

The Company's operations, demand for its products and its liquidity could be adversely impacted by work stoppages, facility closures, strikes, natural causes, widespread infectious disease, terrorism, war or other hostilities, including the conflict in Ukraine, or other factors. Refer to “Risk Factors” under Item 1.A of the Company's Annual Report on Form 10-K for the year ended December 31, 2022 for a discussion of additional risk factors and a more complete discussion of some of the cautionary statements noted above.





## **HARLEY-DAVIDSON** 2022 INCLUSIVE STAKEHOLDER MANAGEMENT REPORT

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