

7

Human Resources



Material Issues

- Respecting human rights
- Expanding diversity and development of human resources
- Ensuring occupational health and safety

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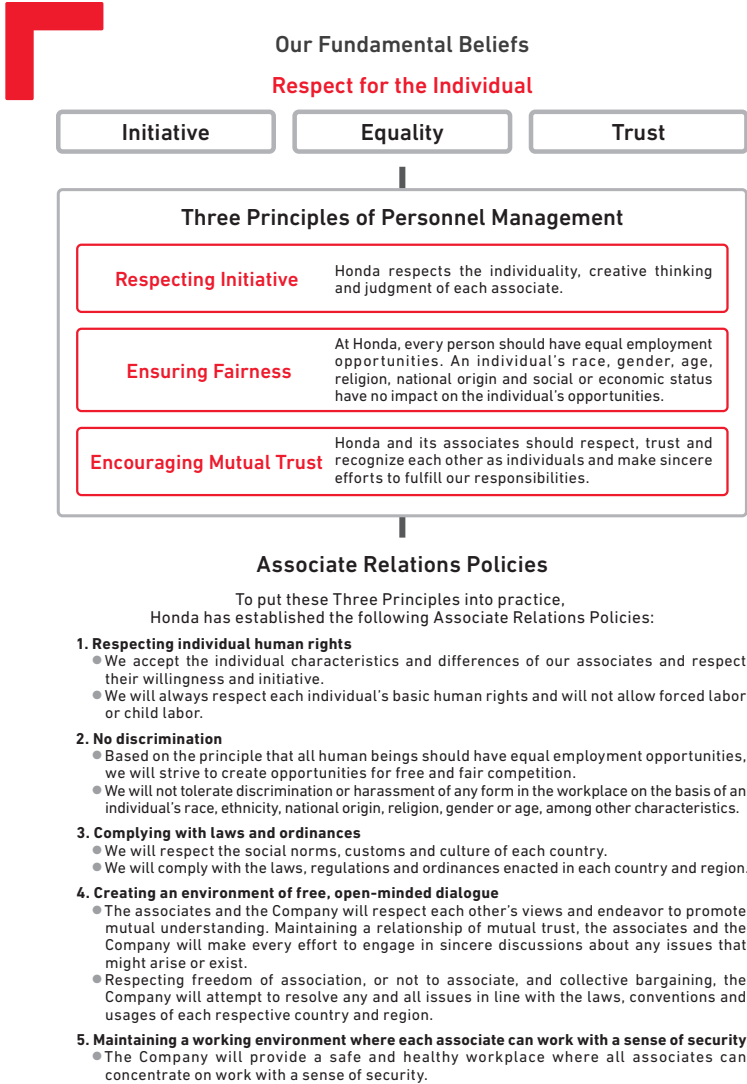
Basic Policy for Personnel Management

Honda believes that human beings are born as free and unique individuals with the capacity to think, reason and create – and the ability to dream. The Company’s wish is to nurture and promote these characteristics in Honda by respecting individual differences, trusting each other as equal partners, exercising abilities to the fullest and sharing joy.

From this standpoint, Honda adopts Respect for the Individual, consisting of the three elements of initiative, equality and trust, as one of the Company’s Fundamental Beliefs. Honda believes this spirit should permeate all its relationships, not only with those in the Honda Group but with everyone in all companies with which Honda does business.

The Company follows the Three Principles of Personnel Management, specifically Respecting Initiative, Ensuring Fairness and Encouraging Mutual Trust, when managing its human resources in areas such as recruitment, training, assignment and utilization, evaluation and treatment. Honda seeks to create an environment in which each associate’s ambitions and abilities can be developed, as well as a workplace where an individual’s potential can be actively exercised.

As Honda’s business activities expand into various parts of the world, it established Associate Relations Policies in March 2012 that are applied to Honda’s daily corporate actions, putting the Three Principles of Personnel Management into practice while taking into account “the Universal Declaration of Human Rights” as well as “the ILO Declaration on Fundamental Principles and Rights at Work.”



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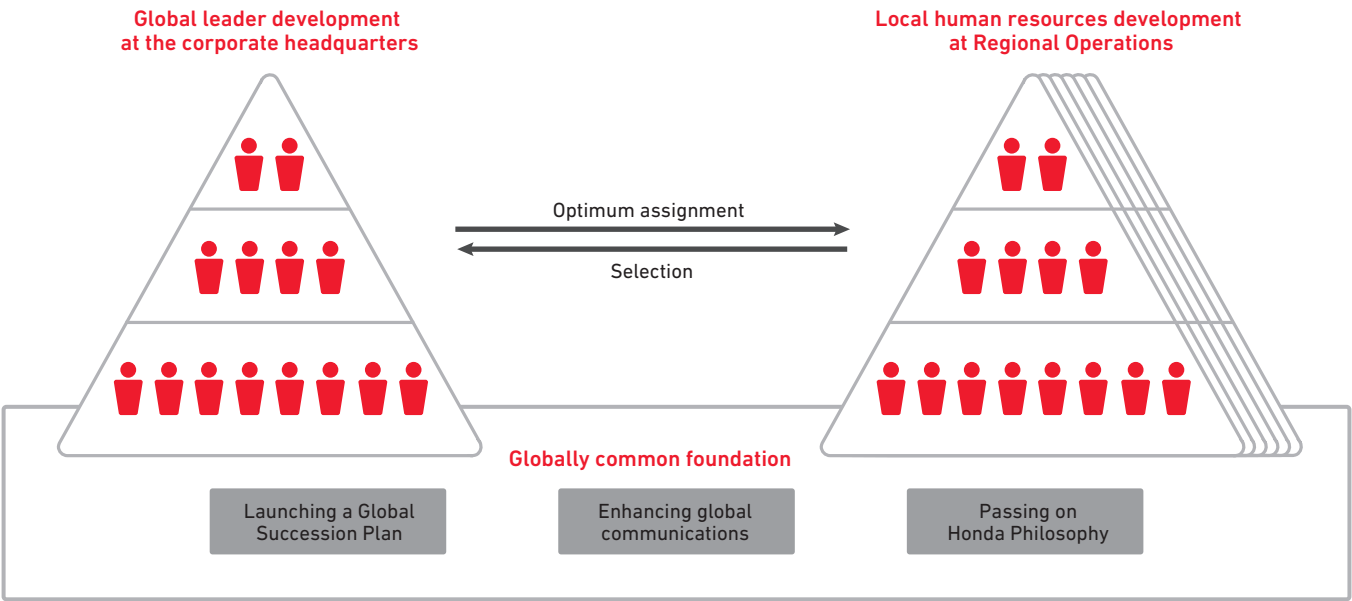
Human Resources Vision and Strategies

In accordance with its Company Principle, “maintaining a global viewpoint, Honda is dedicated to supplying products of the highest quality yet at a reasonable price for worldwide customer satisfaction,” Honda has been proactively developing business with a view to entering the global markets since its foundation. In regard to its expansion overseas, Honda’s business model has evolved from exporting to local production and then to local development. In recent years, the Company’s production and development functions are being strengthened not only in developed countries but also in emerging countries, where demand for motorization is growing. Honda is striving for the autonomy of its Regional Operations in six regions around the world.

In order to achieve this goal, Honda is pushing ahead with Global Human Resources Management Approaches. This initiative facilitates developing and assigning global personnel who plan, design and develop products that reflect market demand and who deliver quality products in a stable manner.

To be more precise, Regional Operation bases used to be managed mainly by Japanese expatriates; however, this style of management is being replaced by an approach where management is run by local associates, who are most familiar with the region. By assigning associates with experience in working for local and global operations to global functions, Honda tries to diversify and localize its workforce with multinational people in order to address market changes promptly and flexibly. Honda aims for the establishment of an organization in which it can demonstrate Honda’s total strength by coordinating its operations globally.

Global human resources management approaches



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Honda's Approaches

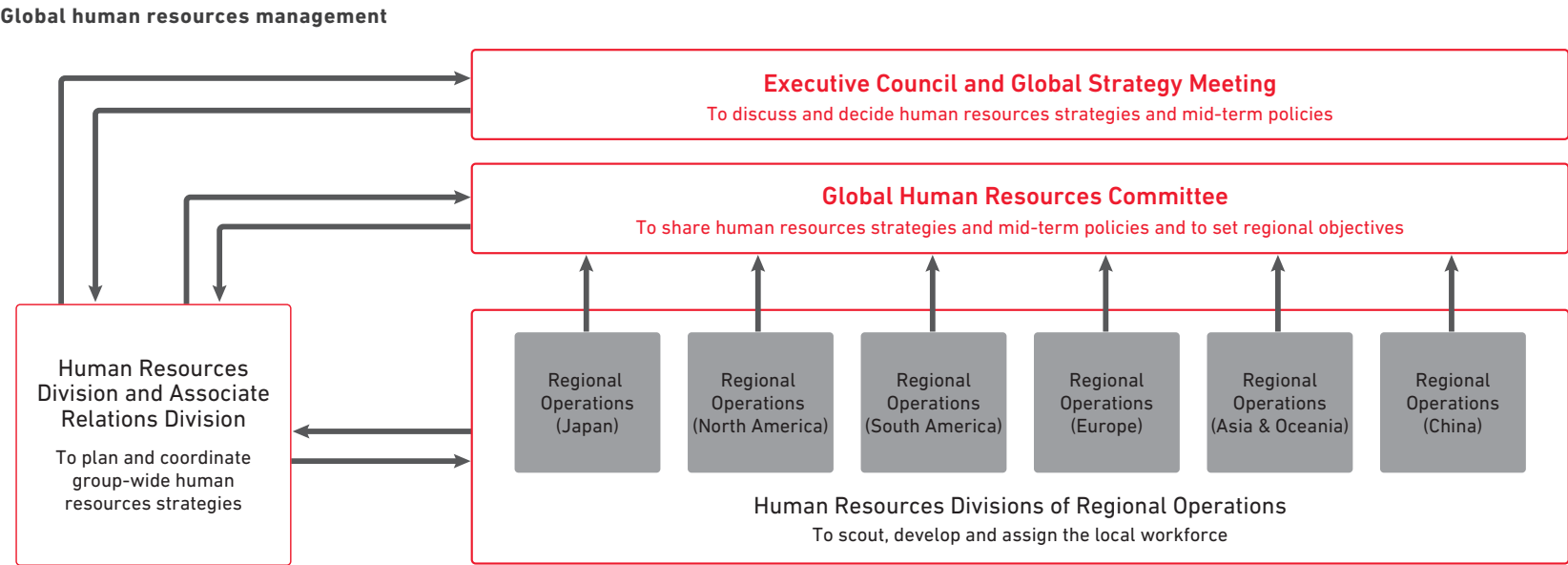
Honda takes two approaches to supporting autonomous operations in six global regions and developing and assigning human resources to enhance Honda's total strength.

One of the approaches is to develop and reinforce local human resources. On the basis of the Honda Philosophy, Honda core values and competency, Honda aims to share values with Honda Group associates and vitalize communication. At the same time, Honda provides training programs tailored for each region based on its needs and conditions, while offering at the global level shared training programs to develop global leaders.

Human Resources Management Structure

At Honda, the Human Resources Division and Associate Relations Division at the corporate headquarters in Tokyo draw up global human resources strategies from a mid- to long-term perspective in coordination with operations in each region. Strategies proposed by the division are discussed annually by the management members in the Global Strategy Committee.

The directions for personnel strategies deliberated in this meeting are broken down by theme for further discussion in the Global Human Resources Committee, in which associates responsible for human resources from six regions meet more than once a year. Once company-wide and regional plans and targets become concrete, activities are launched throughout the Company.



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Human Rights

Basic Approach

Honda upholds the idea of “Respect for the Individual” in the Honda Philosophy and includes “Respect of Human Rights” in the Honda Code of Conduct to show its policy to “maintain its stance as a company committed to practicing fairness and sincerity and respecting human rights.” Also in the Code, Honda specifically requires its associates to “respect fellow associates, interact with them in a sincere and appropriate manner, and never engage in any form of harassment or unjust, discriminatory behavior in the workplace.”

In 2012, Honda formulated the Associate Relations Policies (⇒ p. 110) which show its approach toward “Respect of Human Rights.” The policies are explained in training programs before overseas assignment and are applied to Honda’s daily corporate actions.

As for suppliers, Honda published the Honda Supplier Sustainability Guidelines in 2018, which state Honda’s basic approach to human rights and labor matters, such as forced labor and child labor. Honda has asked its suppliers to put these guidelines into practice.

Specific Initiatives

In its company-wide risk management activities, Honda has set up a category on human rights. Once a year, each department identifies the priority issues concerning human rights based on the Group’s common evaluation criteria. The Operations priority risks and company-wide priority risks are then identified based on the results of evaluation of each department.

With regard to all local subsidiaries, including joint ventures, Honda works to identify any risk concerns by conducting an annual assessment of Group companies to check if their operations comply with the Associate Relations Policies (⇒ p. 110). In FY2021, this assessment was conducted for 118 bases. Honda also performs monthly checks on the status of labor management of all local subsidiaries, including joint ventures, and shares the results in the Global Monthly Report. Moreover, to make an appropriate response when there is a risk concern, Honda has in place a system to share and discuss the issue through meetings with regional human resources officers. In FY2021, no incidents were identified.

In addition, Honda provides training on the Honda Philosophy all around the world. The Company also works to promote awareness and thorough implementation of the Code of Conduct by distributing leaflets, posting the relevant information on the corporate intranet and providing training. Additionally, level-specific pre-assignment training is provided to persons stationed overseas to cultivate awareness for the importance of local labor management based on the Associate Relations Policies.

Honda is also striving to create an open organizational culture that allows associates to report any violation related to human rights to their respective superiors or resolve the issue among themselves. At the same time, Honda has set up the Business Ethics Kaizen Proposal Line in Japan and other regions overseas to receive consultation in a fair and neutral manner.



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Diversification Aimed at Leveraging Total Workforce Strength

Individual differences that are demonstrated by its workforce represent a strength of a company in flexibly responding to the ever-changing business environment. Honda pursues workforce diversification in accordance with the conditions and issues in each region (North America, South America, Asia/Oceania, Europe/Middle East/Africa, China and Japan), believing that these individualities integrate and evolve into innovation.

For Honda, diversification of the workforce means to enhance its total strength by providing equal opportunities to people regardless of their personal attributes, such as race, nationality, cultural background, age, gender, gender identity, sexual orientation, past career, educational background and having disabilities or not. Honda also encourages them to respect each other's individual differences and talents while exerting their own abilities to the fullest, based on Honda's philosophy of Respect for the Individual.

Specifically, each of Honda's six core regions is hiring and developing personnel by setting a target for increasing the proportion of women and minority groups (in terms of race and nationality, etc.) in management and job assignments in accordance with the conditions of each region. In addition, Honda has been implementing a variety of initiatives for all associates such as facilitating the understanding of the importance of diversity and continually carrying out enlightenment activities.

Reinforcement of Career-Centered Capability Development to Encourage Self-Improvement

Honda's approach to personnel education is built around on-the-job training (OJT), specifically, building specialized skills and professional capabilities through direct experience while placing considerable emphasis on the independence of each associate and his or her eagerness to take on a challenge.

Starting from 2021, Honda plans to implement the following specific

measures in steps to create an environment that enables associates to build their careers even more independently.

1. Revise OJT/off-the-job training (Off-JT) programs
2. Launch age-based career training
3. Introduce selectable learning programs (online and e-learning)
4. Strengthen the development of skilled engineers through a system of mentorship by production experts

Through the implementation of the above measures, Honda will further strengthen efforts encouraging associates to continue taking up a challenge while fully understanding their individual responsibilities and the significance of their work, as well as urging the management to maintain their active engagement with and provide support to associates.

DATA

Annual training hours and cost
per associate

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Launch of a Global Succession Plan

Honda has launched a Global Succession Plan to systematically develop and appoint competent and motivated personnel regardless of an individual's attributes (such as nationality and gender). More specifically, Honda has developed a Global Competency Model (GCM), which represents behavioral traits required of a global leader, and introduced a talent assessment system based on the GCM. The Company has also revamped its global leader training programs. These efforts are geared toward creating Honda's global talent profiles.

By visualizing such talent information and required capabilities, Honda will stimulate discussions for promoting the appointment of human resources on a global basis.



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Development of Leaders on a Global Basis and in Each Region

Along with the launch of the Global Succession Plan, Honda has updated its leader training programs in accordance with the GCM.

Starting from 2021, Honda will provide the following programs globally.

- Global Leadership Program (GLP) – Transformation (formerly Honda Executive Advanced Development School, or HEADS)
- GLP – Exploration (formerly Leadership Development Training, or LDT)
- GLP – Discovery (newly established)

In addition to the existing global leader training for associates in management positions, Honda has established a new selection-based global training program targeting young associates as an effort to start leader development at an earlier stage.

In order to implement the GCM globally and form a pool of global leader candidates who will work toward a globally common goal, Honda will collaborate with the human resources divisions in each region worldwide to reexamine the content of local training while considering the implementation of GCM-based talent assessments.

Passing on the Honda Philosophy

It is important for progress of management localization to share business judgment and codes of practice to globally share a set of values. At Honda, it means sharing the Honda Philosophy, Honda core values and competency with local associates.

With this awareness in mind, Honda provides a training program to pass on the Honda Philosophy as a part of level-specific training that takes place worldwide. To make the programs as practical as possible, company executives and regional management pick business examples and introduce ones that demonstrate decision-making or managerial judgment that puts into practice the concept of “what to think and do based on the Honda Philosophy.”

Promoting Interregional Communication

Toward the realization of the 2030 Vision, Honda will make effective use of its limited management resources to transform and evolve existing businesses and create new value. To do so, it is important that each region takes a global viewpoint and operates business efficiently while increasing mutual, complementary relationships according to respective roles. Among these regions, Japan in particular is required to lead every aspect of Honda operations globally. For this reason, Honda has been promoting interregional communication by improving the level of English among associates in Japan.

Specifically, Honda in Japan has implemented English learning support programs on a company-wide basis, offering various choices depending on personal goals and purposes. Honda has also been working to reinforce associates' English skills, which are needed for career development and in business operations, by functional group, such as sales, manufacturing, research and development and purchasing. For ensuring speedier and more in-depth interregional information sharing and promoting collaboration with local associates, Honda will steadily and continuously switch its language used in meeting materials and general communication to English, depending on how and by whom particular information is used.



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Initiatives Related to Diversity

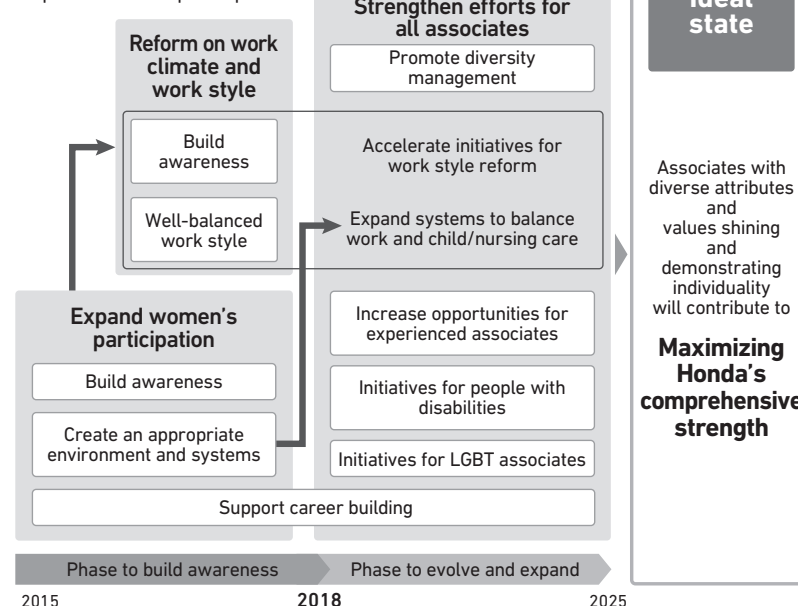
Advancement in Workforce Diversification

Since 2015, Honda has been positioning and promoting workforce diversification as a company-wide priority task toward demonstrating the total strength of its workforce. “People” play a main role in achieving the 2030 Vision. In addition to the experience and technology that have supported Honda’s growth to date, it is now essential to spur innovation through the fusion of diverse values.

In January 2015, the Company established the Diversity Promotion Office, an organization specialized in diversifying Honda’s workforce. In Japan, Honda first embarked on the expansion of women’s participation.

Roadmap for workforce diversification at Honda

Issues related to all associates that were revealed through initiatives to expand women’s participation



During the period from 2015 to 2017, which the Company regards as a phase to build awareness, Honda has established a foundation to realize a world where people can equally develop their careers regardless of gender.

In FY2019, the scope of efforts has extended from female associates to all associates, and Honda is moving on to the next phase of evolution and expansion. It has been strengthening its efforts for all associates, including superiors responsible for managing diverse human resources, experienced associates making up the majority of its workforce, people with disabilities and the LGBT community.

WEB

Honda Diversity & Inclusion
(Japanese only)

> <https://www.honda.co.jp/diversity/index.html>

Promoting Diversity Management

Honda defines diversity management as the establishment of a framework that makes effective use of diverse members. In addition to recruiting diverse human resources, it is crucial to accept their diversity and respect individuality. Honda is proceeding with organizational management that draws out the independence of members, allows them to share objectives they can relate to and guides them to fully perform their duties. More specifically, Honda’s diversity management initiatives are led by its management in a conscious effort to promote the development of human resources and creation of an organization with a focus on the respect for individuality.

Major initiatives for promoting diversity management

Initiative	Lecture on diversity management	Training for cultivating superiors’ diversity skills
Aim	Foster an appropriate work climate to accept, nurture and leverage diversity	Identify their own challenges to clarify the way they want to be and learn how to achieve that goal
Target	Associates holding division manager or equivalent positions and those in management positions	Associates holding division manager or equivalent positions
Number of participants	Total of about 1,600 over the three years since 2018	Total of about 260 over the three years since 2018
Duration	2 hours	8 hours/session x 4 days



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Meaning of Expanding Women's Participation

In Japan, Honda has been working to expand women's roles since 2007 and offering greater opportunities by building awareness, introducing systems to help women achieve a work-life balance and providing career support programs. As a result, the proportion of female associates in the workforce has increased from 5.0% in the 2005 base year to 8.2%.

Honda carries out business operations globally, but the participation of women remains low in Japan compared with other business sites. As part of the Company's efforts to expand women's roles, it has selected the number of women holding management positions as one management indicator. Efforts from 2015 have resulted in steady progress, with the number increasing 2.6 times in FY2021 compared with 2014. Using FY2021 as the base year, Honda has updated its target for 2025 and also set a long-term target for 2030.

Specifically, Honda has announced that it will triple and quadruple the number by 2025 and 2030, respectively, compared with FY2021 to reinforce human resources development at a younger age and help facilitate career building.

In addition, Honda will encourage male associates to take part in child care as part of its efforts to ensure appropriate employment practices while working to realize a world where people can develop their careers regardless of gender. In this regard, Honda has set a specific target of increasing the percentage of men taking child care leave to at least 30% by 2025.



Honda's Action Plan

1. Period of plan

Five years from April 1, 2021 to March 31, 2026

2. Issues at Honda

- ① Low percentage of women in management
- ② Although the rate of competition for employment is equal among men and women, there are fewer female associates.
- ③ Not many male associates take part in child care.

3. Targets

- ① Triple and quadruple the number of women holding management positions by 2025 and 2030, respectively, compared with FY2021
- ② Increase the ratio of new recruits who are women to at least 20% by 2025
- ③ Increase the percentage of men taking child care leave to at least 30%

4. Details of initiatives and period of implementation

- <Initiative 1> Continue to foster awareness of the need to embrace diversity
 - Continuously disseminate information from top management (January 2015~)
- <Initiative 2> Nurture female associates and accelerate their utilization
 - Enhance career development support by supervisors based on a career development plan (April 2015~)
 - Continue to conduct interviews regarding career path through career advisors (October 2015~)
 - Continue to provide seminars on work-life balance during child-rearing years (August 2017~)
 - Increase company nurseries; establish an environment to support associates undergoing fertility treatment, including special leave systems (April 2017~)
- <Initiative 3> Continue to strengthen the employment of women
 - Continue to conduct focused publicity for female science and engineering students (March 2015~)
 - Continue to participate in events promoting selection in science and engineering for high school students (March 2015~)
 - Secure and increase points of contact with and webinars for female associates (March 2016~)
- <Initiative 4> Promote engagement of male associates in child care
 - Revise Honda's systems related to child care (April 2022~)
 - Initiatives to communicate and instill the idea of men taking part in child care and increase the use of relevant systems (October 2021~)

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Initiatives for Expanding Women's Participation

In order to accelerate the expansion of women's participation, Honda has been promoting initiatives under three pillars: "Build awareness and foster an appropriate work climate," "Support career building" and "Create an appropriate environment and systems." As an example of an external evaluation, Honda received the second level (★★) "L-boshi" certification* from the Ministry of Health, Labour and Welfare as a female-friendly company in August 2018.

In March 2019, Honda was selected for the Ministry of Economy, Trade and Industry's New Diversity Management Selection 100. The designation is designed to increase the number of companies engaging in diversity management and to award those achieving value creation by leveraging the abilities of diverse human resources.

Honda also supports the provisions of the Women's Empowerment Principles (WEPs), a set of principles for companies voluntarily promoting women's empowerment.

Through efforts undertaken since 2015, Honda has successfully established a foundation for expanding women's participation.

From 2019 to 2020, Honda focused on enhancing systems to help associates balance work and child/nursing care. This effort aligns with Honda's commitment to realizing diverse workstyles that enable individual associates to yield their maximum performance regardless of their circumstances.

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Ratio of women in management positions
in the Honda workplace in Japan

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Base salary and ratio of total compensation
for males and females in Japan

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Percentage of women in the
Honda workplace: FY2021

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Major Initiatives for Expanding
Women's Participation
(from 2015)

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Initiatives for LGBT Associates

With the aim of eliminating discrimination in terms of gender identity and sexual orientation and realizing workforce diversification, Honda has been working to create a corporate culture and environment that naturally accepts LGBT since 2019. In order to cultivate a culture to understand and accept diversity, Honda held a seminar for members of company management in 2019 and provided an e-learning program to associates in management positions in 2020. In the area of personnel and welfare systems, Honda started treating associates' same-sex partners as spouses as an effort to eliminate discrimination and create appropriate systems and work environment that provide comfort and motivation. The Company has also established an LGBT counseling hotline. Additionally, Honda is promoting corporate activities to facilitate society's understanding of LGBT and is supporting LGBT-related and other events.

As a result of these efforts, Honda received the highest Gold rating in the PRIDE Index, an index created by the voluntary organization "work with Pride" to evaluate companies' efforts to create a workplace friendly to LGBT in Japan.



*A certification program under the Act on Promotion of Women's Participation and Advancement in the Workplace. Among companies which have created and submitted an action plan, the Minister of Health, Labour and Welfare certifies those showing excellent progress in implementing initiatives for increasing women's participation.

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Increasing Opportunities for Experienced Associates to Expand Their Roles

In promoting age-based diversity, Honda seeks to expand opportunities of active participation for every associate regardless of age. In order for Honda to maximize its comprehensive corporate strength toward the realization of the 2030 Vision, each associate needs to adapt to a likely change in his or her work resulting from the anticipated changes in company operations. As experienced associates aged 50 or over, who have supported its growth to date, are growing in numbers, Honda has been conducting career story training since 2018. Focusing on individuals, rather than treating them as a group, the program offers an opportunity for individual associates to think about their career development by themselves.

In terms of the creation of necessary systems, Honda introduced a flexible retirement system in April 2017 to allow associates to choose when to retire (up to the age of 65) according to their plan in order to provide a more suitable working environment for people aged 60 and over. In FY2021, about 88% of associates who have reached the retirement age of 60 chose to continue working.

As a result of these efforts, re-employed retirees are actively participating in various workplaces while drawing on their extensive experience and specialized knowledge.

Overview of career story training

Initiative	Career story training
Aim	Provide an opportunity to clarify individuals' ideas of work and life and integrate these ideas into their future lives
Target	General associates aged 55 to 59
Number of participants	Total of about 710 over the three years since 2018
Duration	7 hours/session x 2 days

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Number of persons over 60
employed by Honda in Japan

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Employment of People with Disabilities

Honda actively provides jobs to people with disabilities at its business sites in compliance with laws in each country where it does business.

In Japan, based on the idea of normalization, Honda has led society in promoting the employment of people with disabilities.

Honda seeks to enable working people to exert their unique abilities and take an active role in society through their work regardless of the presence or absence of disabilities. Accordingly, the Company has been striving to create an environment that allows associates with and without disabilities to work alongside one another in addition to making adaptations to ensure that workplaces and opportunities are fully accessible.

Honda also established three affiliates in Japan to empower and provide employment opportunities to people with disabilities: Honda Sun Co., Ltd. in 1981, Kibounosato Honda Co., Ltd. in 1982 and Honda R&D Sun Co., Ltd. in 1992 (merged with Honda Sun Co., Ltd. on April 1, 2021).

Employment of individuals with disabilities at Honda Group companies in Japan in FY2021 stands at 2.38%, or 1,142 individuals, which is above the legally mandated level of 2.2%.

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Number of associates with disabilities and percentage
of employment of individuals with disabilities in Japan

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Advancement of Diversification in Employment

As a part of workforce diversification efforts, Honda proactively recruits people with diverse backgrounds, regardless of nationality.

Specifically, Honda has been recruiting foreign exchange students studying at universities and graduate schools in Japan and started a Global Employment Program to hire human resources directly from overseas labor markets.

In the future, Honda will strive to raise the total strength of its global workforce by enabling these diverse human resources to fully demonstrate their abilities.

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Number of global hires

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Helping Associates Balance the Demands of Work, Parenting, Nursing Care and Medical Treatment

In Japan's increasingly aging society with a declining birthrate, establishing an environment where people can balance work, parenting, nursing care and medical treatment is a social issue. Under such circumstances, Honda works actively to provide programs that help associates balance the demands of work, parenting, nursing care and disease or fertility treatment, and to gain an understanding of these programs by sending information by means of guidebooks and the corporate intranet.

In April 2014, Honda introduced a Selection-based Welfare Program (Cafeteria Plan) giving associates the options of support for nursing care, as well as life events such as childbirth and child care, including babysitter agent services and child-care items rental.

As a result of these initiatives, Honda has been certified as a company that supports child-rearing by the Japanese Minister of Health, Labour and Welfare. Honda has been implementing other initiatives as well to meet diverse needs of individual associates. Specifically, the Company introduced a system of transfer and a system of leave in April 2018 for associates to accompany their spouses being transferred. In April 2019, the Company also extended the scope of its existing system of short working hours, system of working at home and half-day paid leave system. Beginning from April 2020, Honda introduced a system of short-term leave for disease and fertility treatment and a system of long-term leave for fertility treatment.

Honda will continue to establish systems and an environment to accelerate initiatives related to diversity (⇒ p. 116) and enable both varied lifestyles and careers desired by individual associates.

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Number of associates who utilize
child/nursing care support in Japan

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Reinstatement rate (%) in Japan
after taking child care leave

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External Evaluations of Honda's Initiatives
for Promoting Diversity

PRIDE Index 2020

In November 2020, Honda received the highest Gold rating in the PRIDE Index, an index to evaluate companies' efforts to create a workplace that is friendly to sexual minority groups, including LGBTQ.

Selected for the New Diversity Management
Selection 100

In March 2019, Honda was commended by the Minister of Economy, Trade and Industry for its diversity management which leads to value creation by leveraging the abilities of diverse human resources.



“L-boshi” Certification

In August 2018, Honda received the “L-boshi” certification from the Japanese Minister of Health, Labour and Welfare as a company promoting the participation of women.



“Kurumin” Certification

In July 2012, Honda received the “Kurumin” certification from the Japanese Minister of Health, Labour and Welfare as a company supporting child-rearing.



Direction of Future Initiatives

In addition to recruiting diverse human resources, Honda views the acceptance of diversity as an integral element of its philosophy on diversity. Honda believes that respect of the individual will help foster individuality and draw out each person's unique abilities, thus increasing motivation at work.

Honda will maintain its ongoing initiatives to expand the participation of women. At the same time, it will extend their scope to all associates to further advance and expand diversity in the true sense of the word. The Company believes that these initiatives will enable each and every associate to exercise independence and achieve personal growth, which in turn will maximize Honda's comprehensive strength – the goal of its workforce diversification efforts.



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Building Motivating Work Environments

Realizing Work Styles That Pursue the Quality of Output and More Effective Use of Time

As expressed in the saying “Work hard and play hard,” Honda has been striving to increase the density of working hours through new ideas and ingenuity and generate more time to enjoy life. Toward this goal, proactive efforts have been made to build work environments that enhance associates’ motivation at work. These efforts date back more than 50 years to the 1970s and include the introduction of shorter work hours and implementation of an initiative jointly promoted by labor and management to encourage associates to use their allotted vacation time in full*.

From the viewpoint of work style reform, Honda is further evolving its initiatives to create a culture and environment that enables diverse human resources to demonstrate their abilities to the fullest in order to pursue the quality of output and make the most effective use of limited time. While implementing appropriate time management, Honda has been making efforts to encourage telecommuting and other flexible work styles for increasing output within a limited amount of time and to raise awareness of both management and associates for streamlining work and promoting the delegation of authority. Honda has also been engaging in additional year-round activities geared toward improving productivity.

Since March in 2020 when the COVID-19 started to spread, Honda has encouraged the staggered working hours while abolishing the core time system. As for the system of working at home, which was introduced in 2016 for associates engaging in child/nursing care, Honda extended its scope to all workplaces operating the flex-time system. Additionally, Honda has been providing financial support to help associates working at home by launching a telecommuting benefit in October 2020 and expanding the applicable scope of its Selection-based Welfare Program.

As a result, total annual working hours averaged 1,953 per associate in FY2021, and associates averaged 17.2 paid vacation days.

DATA

Total working hours per associate and average paid vacation days taken in Japan

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Counseling Hotlines for Associates

Honda supports associates by operating a variety of counseling hotlines as a way to build a healthier work environment.

Examples of counseling hotlines in Japan

Hotlines	Description
Counseling hotlines dedicated to balancing work, parenting, family life responsibilities and medical treatment	Honda operates a counseling hotline at each worksite's human resources and general affairs department to accommodate counseling requests from associates striving to balance work and family responsibilities, and to promote awareness and utilization of the Company's support programs. Each hotline is staffed by a pair of male and female counselors, who field counseling requests from associates themselves and from their supervisors.
Harassment counseling hotline	Honda operates a harassment counseling hotline for all associates in order to prevent any harassment in the workplace and to facilitate the rapid and appropriate resolution of incidents.
LGBT counseling hotline	Honda operates a hotline for LGBT associates to accommodate requests for advice on their worries and problems and inquires about support programs. The hotline also provides advice to other parties concerned, who are unsure of how to respond to LGBT associates, and works to prevent negative consequences of unintended outing.
Life planning seminar hotline	Honda offers life planning seminars to give associates an opportunity to start thinking about their life purpose, health and economic planning so that they will be able to lead a rich and fulfilling life. Seminars are also open to associates' spouses. In-house seminar instructors and a secretariat offer one-on-one counseling for associates who have participated in the seminar.

*An initiative to prevent vacation days from being lost when the number of annual paid vacation days that can be carried over to the next year is exceeded



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Evaluation and Treatment

Personnel Evaluation System

In accordance with Respecting Initiative, Ensuring Fairness and Encouraging Mutual Trust based on the Three Principles of Personnel Management, Honda has introduced to Regional Operations in the six regions human resources evaluation programs adapted to the needs and conditions of each region.

For example, in Japan, Honda places emphasis on two-way communication with supervisors in associate development and evaluation, and all associates have at least three interviews with their supervisors each year. During the first interview in April, associates come out with a clear vision for the future and their direction going forward through their supervisor’s advice. They then work out their individual role based on the organization’s business goals for the fiscal year in question. During interviews in June and December, supervisors evaluate associate performance and initiatives during the preceding six months and feed back each associate’s strengths and weaknesses. Additionally, by facilitating a discussion of subjects such as future objectives and career directions, the interviews pave the way for associates’ skill development and raising motivation.

DATA

Percentage of associates going through the evaluation programs

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Compensation and Incentives

Based on the Three Principles of Personnel Management, Honda gives its associates equal opportunities to make the most of their individual potential and carefully evaluate their abilities and accomplishments at business sites regardless of personal factors. Honda’s compensation and evaluation system is built in line with the above approach in consideration of the needs and conditions of each region.

Honda in Japan has adopted a compensation and evaluation system in which performance of general associates is evaluated in two stages: development of abilities and demonstration of abilities. In the former stage, Honda places emphasis more on how associates’ abilities evolve, whereas associates’ demonstration of abilities and achievement are focused on in the latter stage. An annual salary system is applied to compensation for associates in management positions or higher. The higher their positions are, the more their accomplishments and company performance are taken into consideration.

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Percentage of performance-based remuneration in Japan

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Starting salary in Japan

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Establishing a Good Relationship with Associates

Creating an Environment of Free and Open Dialogue

In accordance with Encouraging Mutual Trust based on the Three Principles of Personnel Management, Honda declares in the Associate Relations Policies that associates and the Company will respect each other's views and endeavor to promote mutual understanding. Maintaining a relationship of mutual trust, associates and the Company will make every effort to engage in sincere discussions about any issues that might arise or exist. In line with the policies, Honda strives to maintain a good relationship and resolve issues that arise through dialogues with its associates.

In addition, an appropriate notification period is set in advance in case of the implementation of important corporate measures that have a marked impact on associates.

Measurement of Associate Engagement

Honda measures associate engagement in all regions to obtain associate feedback for building a healthier work environment. The measurement is conducted based on the common criteria within each region, with the target of achieving a "very good" engagement level of associates working at Honda. The measurement results are used as basic data in activities to create a work environment in which each associate shines and demonstrates individuality.

In Japan, Honda has been measuring associates' engagement level every year since 2018 and monitoring changes over time. The results are fed back to each workplace. The purpose is to encourage each workplace to undertake initiatives to invigorate people and organizations. By doing so, Honda aims to create an environment that provides greater motivation at work for diverse human resources.

DATA

Associate engagement in
Japan

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Occupational Safety and Health

Honda's efforts to build a safe and secure work environment have their origin in the Company Principle formulated in 1956. They are also based on the Fundamental Beliefs of "Respect for the Individual" and "The Three Joys."

Under the fundamental safety principle of "no safety, no production," which has been passed on since its founding, Honda seeks to realize a work environment that brings the joy that all people can work with a true sense of security.

Based on this principle, Group companies in all parts of the world have established basic policies for occupational health and safety based on respective regional needs and conditions. To eliminate serious industrial accidents in Japan and overseas, Group companies also promote activities aimed at preventing industrial accidents and their recurrence, as well as ensuring the health of associates.

Honda and its associates act in accordance with the Honda Code of Conduct (⇒ p. 42), which outlines the behavior to be practiced by associates around the world. In the field of safety and health, Honda strives to create a health and safety workplace, while each associate works to maintain such a workplace and to prevent and minimize accidents.

Excerpt from the Relations with Colleagues / Working Environment
(Safety and Health section), Honda Code of Conduct

Honda's policy

Honda will provide a health and safety workplace to maintain a pleasant and safe work environment.

Required conduct

As a member of Honda, I will comply with laws, regulations and company policies related to safety and health, and strive to maintain a health and safety workplace, as well as to prevent and minimize accidents.

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Collaboration with Overseas Group Companies

With Honda’s global mid-term occupational health and safety policy, which advocates for realizing a healthy and safe work environment, head offices in each region are taking the lead in realizing such a comfortable workplace by improving the work environment and implementing controls for safety.

For production activities, in particular, Honda aims to increase the effectiveness of safety management in each country and region. To this end, the Regional Operations take the lead in carrying out proactive activities by focusing on the implementation of an occupational health and safety management system, diffusion and execution of risk assessment and the establishment of explosion and fire prevention measures.

Honda also conducts occupational health and safety audits and reviews based on a plan to share recognition of health and safety management. At the same time, the Company strives to improve the management system as well as to develop human resources for safety control in each country and region.

DATA

Frequency rate of lost workday injuries

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Number of industry accident fatalities

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* A standard for occupational health and safety formulated by an international consortium

Health and Safety Governance Structure

As a workplace health and safety governance structure, Honda has established a Health and Safety Committee, led by the Health and Safety Management Division, to enforce safety and health governance. Issues are shared and discussed jointly among labor and management for establishing a system to realize a safe and comfortable work environment.

Additionally, Honda conducts occupational health and safety audits to check on the operation of an Occupational Safety and Health Management System (OSHMS) and progress in implementing compliance-related matters. These audits follow an OSHMS approach and are conducted by the Company-wide Safety and Health Audit Committee chaired by the officer of Honda in charge of health and safety.

Occupational Safety and Health Management System (OSHMS)

Honda has implemented an OSHMS in order to ensure continuous and voluntary health and safety management and constantly improve the level of health and safety at its workplaces.

Activities based on an OSHMS approach

In FY1998, Honda set up a Health and Safety Audit Committee that performs health and safety audits throughout the Company based on the Occupational Health and Safety Assessment Series (OHSAS)*. Starting from FY2014, these audits have been conducted by using an OSHMS approach. Following the introduction of ISO45001 standard in 2018, Honda also included matters related to health promotion in these audits.

Safety and health audits check on how an OSHMS is operated in workplaces; safety and accident recurrence prevention measures incorporated into routine safety and health activities; and a system and its operation to ensure continuous horizontal deployment of these measures among workplaces. These audits also check the implementation and management status of various requirements following revisions to relevant laws.

By performing health and safety audits to verify its health and safety activities, Honda works to improve and maintain a high level of safety and health throughout the entire Group.

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Creating working environment criteria

Honda stipulates workshop environmental criteria in its Comfortable Workplace Guidelines and Hazardous Operations Management Regulations. In accordance with the three basic items of work and health management*, the Company performs periodic inspections and improvements to appropriately maintain and manage its working environments.

Health and safety education and training

The corporate headquarters, responsible for supervising health and safety activities, provides training to develop health and safety experts both in Honda and in its Group companies. This includes training to nurture

company-wide safety and health auditors and health managers.

Each business site also provides various training programs for its associates.

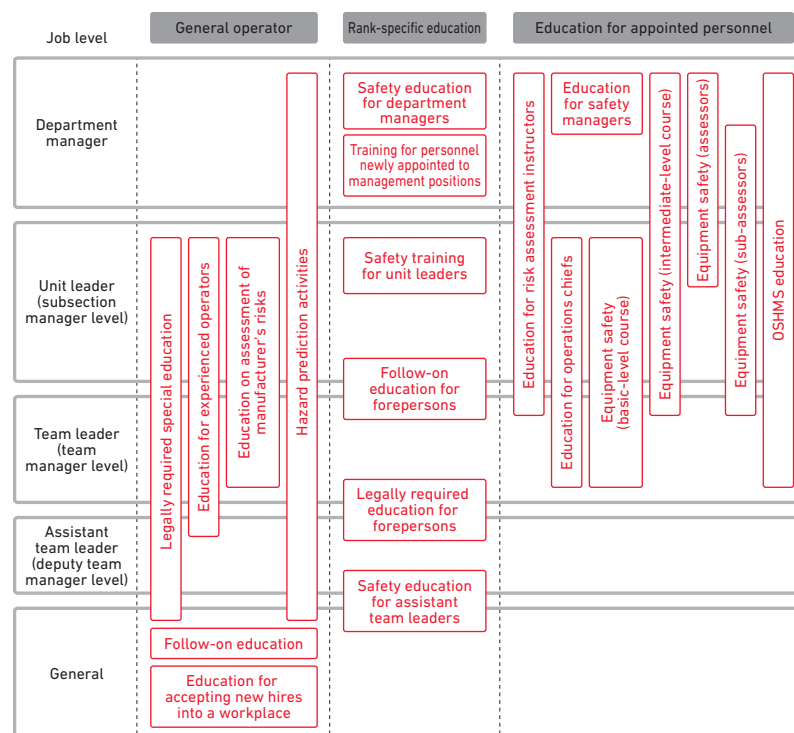
Each Associate Working Safely and Energetically While Remaining Healthy Both Physically and Mentally

Honda hopes that all of its associates remain healthy in the same way we strive for safety.

Honda aims to become a company in which each associate works safely and energetically while remaining healthy both physically and mentally as they make their own efforts to maintain and promote their health for their own future in a comfortable work environment.

Toward achieving this goal, Honda has announced a Health Statement. At the same time, the Company is strengthening health-oriented corporate management activities based on specific measures represented by three pillars and five matters for better health management.

Diagram of Honda's health and safety training scheme (production activities)



*Refers to working environment management, work management and health management and constitutes the fundamental approach to work and health management.

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Health-Oriented Corporate Management Activities

Three Pillars

1. Promote more educational activities on how each individual can work toward becoming healthier and staying healthy; Provide more feedback on results of the periodic health checkups and physical fitness tests

- Promote further education of associates through educational videos and periodic publications
 - Carry out physical fitness tests during working hours
- Help associates gain a more accurate understanding of their own physical and mental conditions through both aspects of the health checkups and the physical fitness tests, and support them as they carry out their own duties for remaining healthy.

2. Conduct activities involving the whole workplace for promoting more health awareness

- Make more visible (transparent) the current conditions of physical and mental health of everyone in the organization
- To further reinforce the duty of care of managers and supervisors, Honda will encourage health awareness communication within the organization through two-way health communication based on the revealed data.

3. Promote activities for continuously improving the workplace environment

- Set aside one day each month as "Healthy Food Day" at the company cafeterias, and expand and improve the healthy dishes on the menus
- Toward the goal of achieving a "Ban on all smoking on the premises by 2030," reduce to zero any unwanted passive smoking for associates
- In collaboration with the Honda Health Insurance Association and other organizations, implement various other health promotion measures

Five Matters for Better Health Management

1. Enough good quality sleep
2. Nutritionally well-balanced meals
3. Habit of regular physical exercise
4. No smoking
5. Only moderate drinking

Recognized under the 2021 Certified Health & Productivity Management Organizations Recognition Program

Honda was recognized in the large enterprise category of the 2021 Certified Health & Productivity Management Organization Recognition Program. Jointly promoted by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, the program recognizes companies that consider health management of employees from a corporate management viewpoint and strategically promote related efforts.

Honda will continue to reinforce its initiatives to help associates achieve lifelong health.



Collaboration with the Health Insurance Association

Introducing the Healthy Point Program

The Honda Health Insurance Association works under the idea of "realizing a healthy and spiritually-rich life."

Toward this goal, the Association introduced a Healthy Point Program as an incentive scheme to support associates who are making efforts to prevent diseases and improve their lifestyle habits. Using a smartphone app, the program provides motivation for associates to carry out health promotion activities by allotting points based on daily pedometer records and health checkup results.

Additionally, Honda provides a portal site for individuals, called "Health UP WEB," to encourage voluntary health promotion efforts. On this portal site, associates can view their past health checkup results and keep track of their individual, daily health promotion efforts, including pedometer records, meals and blood pressure.

For reinforcing specific health guidance, the Association and each business site are collaborating to set up a system to make it easier for associates to receive health checkups and guidance.

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Measures to Promote Mental Health

In 2009, Honda announced a Mental Health Policy and has since been working on both creating vitality in associates and in the workplace and providing problem-solving support in an organized, systematic and ongoing manner.

Honda-Wide Mental Health Policy

Basic approach

Based on its fundamental belief of Respect for the Individual, Honda embraces individual diversity and values communication, and by doing so, will make its utmost efforts to maintain well-being so that all associates dedicate themselves to their jobs with enthusiasm while drawing energy from and taking pride in their work.

Activity structure

To implement mental health activities, Honda has established a company-wide mental health promotion team specialized in activity planning and management. Each of Honda's business sites has also established its own workplace mental health promotion team.

Honda's major mental health initiatives to promote the mental well-being of its associates include "preventative education," "improving working environments," "checking stress levels," "enhancing counseling programs" and "support for those returning to work after taking time off." The Company also distributes leaflets and pamphlets to associates aimed at facilitating an understanding of mental health care.

Promoting Health by Utilizing a Selection-Based Welfare Program

Honda has introduced a Selection-Based Welfare Program, in which associates use points (allotted as welfare-related expenses) to freely choose from a diverse menu of services the ones that match their preferences. The purpose of the program is to provide an environment that gives associates a sense of security in their lives and allows them to concentrate on their work.

Honda's program offers an enhanced menu of services for health promotion, primarily aimed at "maintaining physical and mental well-being" and "encouraging exercise," to enable associates to enjoy a healthy life well into the future.

Services for "maintaining physical and mental well-being" include receiving health checkups, counseling and guidance, as well as vaccinations, using company-owned recreation facilities and enrolling in yoga classes. For "encouraging exercise," the menu offers such services as using fitness and sports facilities, participating in sporting events and purchasing sporting goods.



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Consolidated number of associates

	FY2019	FY2020	FY2021
Japan	66,507	67,144	67,496
North America	55,076	52,598	49,358
South America	14,835	15,870	14,877
Europe/Africa/Middle East	9,118	8,658	8,378
Asia & Oceania	57,012	57,320	53,913
China	17,174	17,084	17,352
Total	219,722	218,674	211,374

Number of associates by gender

	FY2019	FY2020	FY2021
Japan	49,202	48,369	47,114
Male	45,107	44,257	42,931
Female	4,005	4,112	4,183

• With the exception of the item "Consolidated number of associates," HR data for Japan is tabulated from numbers for the following companies: Honda Motor Co., Ltd., Honda R&D Co., Ltd., Honda Racing Corporation, Honda Technical College and Honda Access Corporation.



Number of new permanent associates

	FY2019	FY2020	FY2021
Japan	1,529	1,485	1,302
Male	1,294	1,234	1,065
Female	235	251	237
North America	4,456	2,549	3,901
Male	3,176	1,731	2,688
Female	1,280	818	1,213
South America	992	1,428	325
Male	820	1,191	263
Female	172	237	62
Europe/Africa/Middle East	739	158	158
Male	589	101	127
Female	150	57	31
Asia & Oceania	3,042	4,160	918
Male	2,521	3,512	629
Female	521	648	289
China	8,986	2,141	2,228
Male	7,972	1,837	1,894
Female	1,014	304	334

Number of associates by employment contract and type

	FY2019	FY2020	FY2021
By contract			
Permanent	42,550	43,173	43,472
Non-permanent	6,475	5,151	3,599
By type			
Full-time	48,848	48,142	47,028
Part-time	177	182	43

Attrition rate (%) (including compulsory retirees)

	FY2019	FY2020	FY2021
Japan	1.7	1.7	2.3
Male	1.6	1.6	2.3
Female	2.9	2.4	2.3
North America	11.7	11.2	15.9
South America	5.1	4.7	5.0
Europe/Africa/Middle East	2.9	6.6	6.9
Asia & Oceania	2.2	5.7	4.8
China	6.3	5.8	5.4

Percentage of associates from local communities taking upper management positions

Percentage of associates from local communities in entire upper management positions

North America	58
South America	49
Europe	46
Asia & Oceania	42
China	2

Annual training hours and cost per associate

	Annual training time (hours)	Annual training cost (yen)
Japan	9.09	15,610
North America	9.53	7,992
South America	100.14	251,574
Europe/Africa/Middle East	15.40	19,971
Asia & Oceania	10.22	11,363
China	24.25	29,128

• Amounts are approximate estimates.

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Ratio of women in management positions in the Honda workplace in Japan

	FY2015 (base year)	FY2019	FY2020	FY2021
Compared with FY2015 (times)	1.00	1.90	2.10	2.60

Percentage of women in the Honda workplace: FY2021

	Ratio of women in the entire workforce	Ratio of women in management positions
Japan	8.2	1.5
North America	25.3	16.1
South America	12.5	9.0
Europe/Africa/Middle East	17.4	15.4
Asia & Oceania	12.1	8.9
China	12.2	19.4
Total	14.0	8.0

Base salary and ratio of total compensation for males and females in Japan

	Base salary (Female : Male)	Total compensation (Female : Male)
Management positions	1 : 1.00	1 : 1.02
General associates	1 : 1.19	1 : 1.27

*The same pay scale is applied to male and female associates. Gaps are due to differences in factors such as age distribution and the ratio of males and females in pay grades.

Number of persons over 60 employed by Honda in Japan

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of persons*	729	1,097	1,155	1,111	1,379

*Includes persons who turned 60 and continued employment in each fiscal year

Number of associates with disabilities and percentage of employment of individuals with disabilities in Japan

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of associates*	1,073	1,041	1,055	1,096	1,142
Percentage of employment*	2.32	2.31	2.32	2.30	2.38

*Laws governing the employment of people with disabilities stipulate that employment of one individual with a serious disability is equivalent to employing two less severely disabled individuals for purposes of calculating the number of associates with disabilities and percentage of employment. Data depicted in the table are current as of June 1 of each year.

Number of global hires

	FY2020	FY2021	FY2022
Number of people hired	19	4	13

Number of associates who utilize child/nursing care support in Japan

		FY2017	FY2018	FY2019	FY2020	FY2021
Short working hours to facilitate child care		219	269	319	311	299
	Male	6	14	22	19	19
	Female	213	255	297	292	280
Administrative leave to facilitate child care		452	454	459	506	531
	Male	32	50	80	124	170
	Female	420	404	379	382	361
Nursing care leave for children		1,356	1,797	1,662	1,812	1,347
	Male	892	1,245	1,212	1,336	945
	Female	464	552	450	476	402
Work at home during child raising		145	249	445	869	918
	Male	38	76	192	518	545
	Female	107	173	253	351	373
Childcare cost subsidy		74	150	180	210	157
	Male	1	5	6	15	7
	Female	73	145	174	195	150
Short working hours to facilitate nursing care		8	5	6	8	6
	Male	5	3	2	4	1
	Female	3	2	4	4	5
Administrative leave to facilitate nursing care		22	22	25	26	23
	Male	14	13	19	18	18
	Female	8	9	6	8	5
Nursing care leave		11	37	40	376	512
	Male	10	31	30	316	424
	Female	1	6	10	60	88
Work at home during nursing care		22	29	47	115	146
	Male	12	17	27	81	106
	Female	10	12	20	34	40

Reinstatement rate (%) in Japan after taking child care leave

		FY2017	FY2018	FY2019	FY2020	FY2021
Reinstatement rate		96.1	96.5	98.4	99.2	99.3
	Male	100.0	100.0	100.0	100.0	100.0
	Female	95.5	95.7	97.8	98.7	98.9





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Major Initiatives for Expanding Women's Participation (from 2015)

Pillars of initiatives	Objective	Target	Description
Build awareness and foster an appropriate work climate	Cultivate awareness	Management-level associates	Members of company management Lecture for increasing women's participation (about 30 participants)
		General, office and plant managers	Lecture for increasing women's participation (total of 8 times; about 230 participants)
		Female associates	Associates in management positions Lectures and seminars (total of 39 times from 2015 to 2018; 3,600 participants)
		All associates	Shine at Work – Seminar to Raise Awareness for Self-Reliant Human Resources (total of 31 times from 2015 to 2017; 2,300 participants)
	Form a network	Associates in management positions	Diversity Forum 2016 (total participation of about 30 associates)
		Chief supervisors	Diversity Forum 2017 (total participation of about 500 associates)
Support career building	Foster an appropriate work climate and build work style awareness	Management-level associates	Members of company management Work climate and work style lecture (total of 19 times; about 800 participants)
		General, office and plant managers	Management support workshop (total of 7 times; about 100 participants)
		Applicants	Introduction of career development plans. Individual interviews with career advisors with a total of about 3,500 female associates over the six years since 2015
		Middle- and higher-level associates	Career theme training
	Support associates in child-rearing years	Young associates	Career base training
		Associates taking maternity leave and/or child care leave	• Program to support career development during child care leave (used by about 240 associates) • Seminar on work-life balance during child-rearing years (for associates and their spouses) (total of 35 times over the four years since 2017; about 870 participants)
Create an appropriate environment and systems	Create an environment to facilitate participation of diverse human resources	Associates engaging in child care or nursing care	• Enhancement of the child care leave system (since April 2006) • *Available until the end of April immediately following the child's third birthday (Legal requirement: Until the child turns one year old) • Establishment of a system of working at home for associates engaged in child care/nursing care (since October 2016) • Enhancement of the system of short working hours (since October 2016) • *Available until the fourth grade and for a family member in need of nursing care (Legal requirement: Until the child turns three years old) • Introduction of a system to provide financial support for child care (since October 2016) • Company nurseries (opened in the Tochigi district in April 2017 and in the Wako district in April 2018) • Enhancement of the system of temporary nursery services for associates working on public holidays (since April 2017) • Enhancement of children's nursing care leave (since September 2017) • *A system of paid leave available until the fourth grade (Legal requirement: Until the child starts elementary school; no specification as to whether it should be a paid or unpaid leave) • Enhancement of a system of nursing care leave (since April 2019) • Establishment of fixed-shift system for shift work associates at manufacturing workplaces (since April 2019) • Enhancement of the system of working at home (since April 2020)
			• Introduction of a system of working at home for disease or fertility treatment (since April 2020) • Introduction of a system of short-term leave for disease or fertility treatment (since April 2020) • Introduction of a system of long-term leave for fertility treatment (since April 2020)
			• Operation of a system of transfer for associates to accompany their spouses being transferred (since April 2018) • Introduction of a system of leave for associates to accompany their spouses being transferred (since April 2018) • Revision of the career reinstatement registration program (since April 2018)
Strengthen the employment of women	Increase the percentage of women	New graduates and mid-career associates	Increasing recruitment of women majoring in science and engineering and for administrative positions

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Total working hours per associate and average paid vacation days taken in Japan

	FY2017	FY2018	FY2019	FY2020	FY2021
Total working hours per associate	1,954	1,932	1,909	1,997	1,953
Average paid vacation days taken	19.0	18.7	19.3	18.8	17.2

Percentage of associates going through the evaluation programs

Region	Percentage of associates to be targeted for the evaluation programs
North America	100.0
South America	96.3
Europe/Africa/Middle East	98.6
Asia & Oceania	97.0
China	99.5

Percentage of performance-based remuneration in Japan

Level	Proportion of performance-based remuneration in entire compensation
Director, Operating Officer positions	50*
Management positions	37

*A certain level of stock options is included in remuneration for Director and Operating Officer positions.

Starting salary in Japan

	Monthly salary (yen)	Compared to minimum wage (%)
High school	177,800	108
Technical college and junior college	198,900	121
Undergraduate	222,300	135
Graduate school (Master's degree)	248,800	151

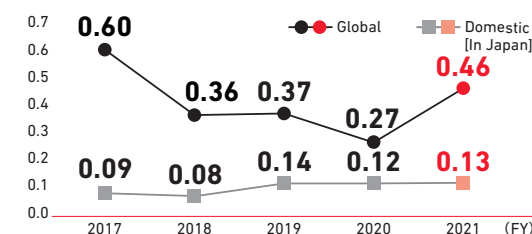
*Minimum wage is calculated using 20.3 eight hour days as one month based on the minimum wage for the Tokyo metropolitan area (1,013 yen/hour). This is a graded salary system and there is no difference in salary for males and females with the same qualification level.

Associate engagement in Japan (Total of 24 questions in six categories; average on a scale of 1 to 5)
Target: 3.50 points or more (Status of "very good" engagement levels* working at Honda)

	FY2020	FY2021
All associates	3.48	3.55
Male	3.48	3.56
Female	3.45	3.54
Percentage of respondents for all associates	97.7%	97.0%

*Honda assesses the status of "very good" engagement levels in six categories: an open-minded work-place; rewarding tasks; an environment that makes hard work worthwhile; being proud to work at Honda; trustworthy management; and a pleasant work environment.

Frequency rate of lost workday injuries



•Global (Frequency rate of lost workday injuries): The number of lost workday injuries per one million work hours at Honda's 5 production bases in Japan and 64 overseas production bases

•In Japan (Frequency rate of lost workday injuries): The number of lost workday injuries per one million work hours at companies to which Honda's labor agreement applies

Number of industry accident fatalities

