At Honda we believe that having an inclusive workplace where people are treated equally is fundamental not only to creating an environment where our people feel empowered and able to be themselves, but is also key to the future success of the company. Our fundamental belief is based around respect for the individual and as part of this, Honda is committed to creating equal opportunities for every employee.

We welcome the UK Government’s Gender Pay Gap reporting initiative and believe transparency of the results across all large companies will help to make a positive difference moving forward.

As required by UK legislation, the following report will detail our gender pay gap information for Honda Motor Europe and Honda Motor Europe UK.

The gender pay gap shows the difference between the average earnings of men and women. This is expressed as a percentage of men’s earnings. Gender pay gap reporting is calculated in both median and mean averages. This helps give a more balanced overview of the gender pay gap across an organisation.

- The median average is calculated by listing all salaries in numerical order and selecting the middle number (if there is an even number of results, the median will be the mean of the two central numbers).
- The mean average is calculated by adding up all of the salaries and dividing it by the number of people in an organisation.

The gender pay gap differs from equal pay, which is the pay difference between men and women who carry out the same jobs, similar jobs or work of equal value.

The charts below show the gender distribution across Honda Motor Europe and Honda Motor Europe UK, shown in four equally sized pay quartiles.

**Pay Quartiles Across Honda Motor Europe & Honda Motor Europe UK**

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower quartile</td>
<td>64.0%</td>
<td>36.0%</td>
</tr>
<tr>
<td>Lower middle</td>
<td>33.7%</td>
<td>66.3%</td>
</tr>
<tr>
<td>Upper middle</td>
<td>24.4%</td>
<td>75.6%</td>
</tr>
<tr>
<td>Upper quartile</td>
<td>23.5%</td>
<td>76.5%</td>
</tr>
</tbody>
</table>

**Pay Difference Between Men & Women - Honda Motor Europe & Honda Motor Europe UK**

- Median hourly Pay Gap: 27.1%
- Mean hourly Pay Gap: 23.3%

The gender pay gap shows the difference between the average earnings of men and women. This is expressed as a percentage of men’s earnings. Gender pay gap reporting is calculated in both median and mean averages. This helps give a more balanced overview of the gender pay gap across an organisation.

- The median average is calculated by listing all salaries in numerical order and selecting the middle number (if there is an even number of results, the median will be the mean of the two central numbers).
- The mean average is calculated by adding up all of the salaries and dividing it by the number of people in an organisation.

The chart above shows the gender pay gap for Honda Motor Europe and Honda Motor Europe UK.

The gender pay gap differs from equal pay, which is the pay difference between men and women who carry out the same jobs, similar jobs or work of equal value.
Through analysis we can see that the primary factor driving the gender pay gap in Honda Motor Europe and Honda Motor Europe UK is the split of men and women across grades and pay bands. Essentially, there is under-representation of females in senior (higher paid) grades and over-representation of females in junior (lower paying) grades.

We are committed to bringing together people from different cultures, backgrounds, races and belief and promotes Equal Opportunities. Through our leadership programmes, we include Diversity & Inclusion training. While promotion and progression at Honda will always remain linked to capability and performance, this training and our actions will ensure managers make objective decisions and encourage equal opportunities for all of our associates.

I can confirm that the data shown in this report is accurate.

Kogen Iguchi
Senior Vice President
Honda Motor Europe & Honda Motor Europe UK