

GENDER PAY REPORT 2020

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.

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

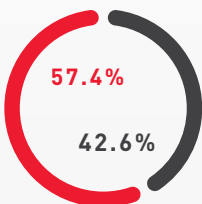
We adhere to the UK Government's Gender Pay Gap reporting initiative and we believe transparency of the results across all large companies will help to make a positive difference moving forward.

PAY DIFFERENCE BETWEEN **MALES & FEMALES** - **HONDA MOTOR EUROPE & HONDA MOTOR EUROPE UK**

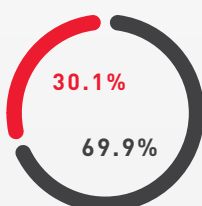
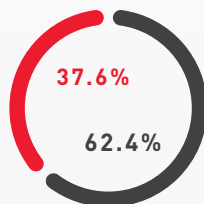
PAY QUANTILES ACROSS **HONDA MOTOR EUROPE & HONDA MOTOR EUROPE UK**

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

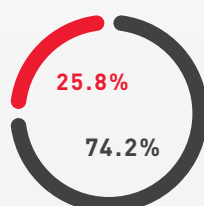
Lower quartile



Lower middle



Upper middle



Upper quartile

21.9%

Median hourly Pay Gap

18.5%

Mean hourly Pay Gap

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

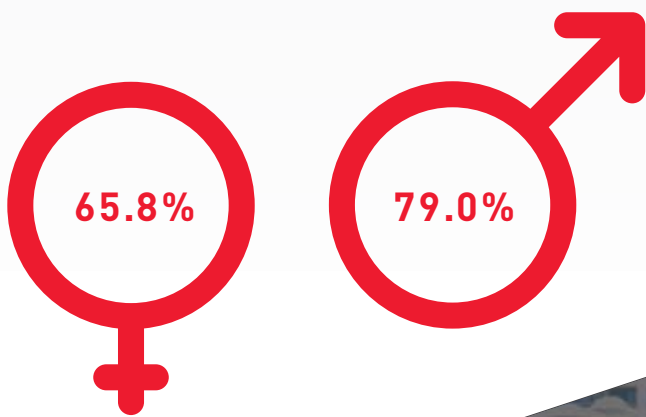
- The median average is calculated by listing all salaries in numerical order and selecting the middle number (if there is an even number of results, the median will be the mean of the two central numbers).
- The mean average is calculated by adding up all of the salaries and dividing it by the number 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 males and females who carry out the same jobs, similar jobs or work of equal value.

*PROPORTION OF
HONDA MOTOR
EUROPE & HONDA
MOTOR EUROPE UK
EMPLOYEES WHO
RECEIVED A BONUS*

Under gender pay gap legislation, a "bonus" is any cash or voucher payment in addition to base salary which is non-recurring and does not relate to a specific allowance. For Honda Motor Europe and Honda Motor Europe UK, this will include long service awards and the bonus scheme that was paid in the reporting period.



*BONUS DIFFERENCE BETWEEN
MALES & FEMALES*

*MEDIAN
0%*

*25.9%
MEAN*

*WHAT DOES
THIS TELL US?*

**Explaining HONDA
Gender Pay Gap**

Our analysis highlights that the primary factor driving the gender pay gap in Honda Motor Europe and Honda Motor Europe UK is the split of males and females 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. However, there is an increased number of females in management (mid higher paid) grades, which has led to a reduction in the gender pay gap.

On the other hand, the majority of our employees who have received the Long Service bonus awards are male and therefore, we continue to see a mean bonus gap across Honda Motor Europe and Honda Motor Europe UK.

HONDA commitment

We remain committed to bringing together people from different cultures, backgrounds, races and beliefs and promote 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 employees.

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

Kogen Iguchi
Senior Vice President

Honda Motor Europe &
Honda Motor Europe UK