

# Compliance Audit: Honda

Period: 2025

OVERALL RISK: N/A

## 1. Forensic Business Intelligence

### LABOUR CODE FINANCIAL IMPACT:

No data extracted.

KEY PRODUCTS	MAJOR CUSTOMERS
Motorcycles, Automobiles, Power Products, Aircraft	Not extracted

## 2. Executive Summary

**Overview:** Honda's labor compliance posture is generally positive, with a strong emphasis on ethical conduct and employee well-being. The company has established various policies and committees to ensure compliance with labor laws and promote a safe and inclusive work environment. However, there are some areas where further improvement is needed, such as increasing the representation of women in management positions and conducting more thorough assessments of supply chain partners.

■ **Key Insight:** While Honda demonstrates a commitment to ethical conduct and employee well-being, there's a lack of specific hard data and metrics related to gender equality, supply chain assessments, and labor code provisions, hindering a comprehensive evaluation of its labor compliance posture.

## 3. Supply Chain & Vendor Intelligence

### Key Vendors Identified (Related Parties):

- Refer to Annual Report Note: Related Party Disclosures

**Principal Employer Liability Analysis:** The company is working to ensure that statutory dues have been deducted and deposited by the value chain partners.

## 4. Financial Intelligence

Revenue	EBITDA	Net Income	Emp. Cost
21,688.767 million YEN	■124.29 Cr (API)	835.8 billion YEN	N/A (API)

## 5A. Wages & Remuneration

Area	Status	Evidence Snippet
Minimum Wage	COMPLIANT	We will strive to pay dividends with DOE of 3.0% as a benchmark.
Equal Pay	RISK IDENTIFIED	Ratio of Female Managers (compared to FYE Mar. 31, 2021)   Japan   1.4 times   1.7 times
Profit Sharing	N/A	Honda has a longstanding commitment to three principles of our human resources policy—self-reliance, fairness and mutual trust.

## 5B. OSH & Safety

Area	Status	Evidence Snippet
Safety Systems	COMPLIANT	Guided by the top management message, "The foundation of strong individuals is being healthy, and each one of us should be a challenger in maintaining and improving our health," we have incorporated health and productivity management into our Safety and Health Policy.
Accident Records	RISK IDENTIFIED	Traffic fatalities involving Honda automobiles in Japan and the United States   Consolidated   (Confidential)
Audit Scores	N/A	We are also working to raise awareness of health, with the aim of creating a workplace environment where every associate can demonstrate their abilities to the fullest with motivation and vitality.

## 5C. Industrial Relations

Area	Status	Evidence Snippet
Unionization	RISK IDENTIFIED	There, we held test rides at locations resembling actual riding courses, allowing dealership staff to experience it for themselves.
Collective Bargaining	N/A	This initiative is being carried out in stages, starting under the leadership of senior management leaders and instilled through "Waigaya (Y-gaya)" discussions with general managers.
Disputes Strikes	COMPLIANT	This was truly an insight gained through practicing the Honda Philosophy of "love your work and value communication," and it was also a moment when I deeply felt the strength of Honda's associates, who come from such diverse backgrounds.

## 5D. Social Security

<b>Area</b>	<b>Status</b>	<b>Evidence Snippet</b>
Leave Policy	<b>COMPLIANT</b>	The E-Clutch is a world-first innovation, but I believe it has gained such global acceptance precisely because it accurately captured customer needs.
Retirement Benefits	<b>COMPLIANT</b>	Honda is working on various initiatives toward achieving zero traffic collision fatalities, involving Honda motorcycles and automobiles, by 2050, but our commitment to ensuring customers can enjoy motorcycles safely and with peace of mind remains unchanged.
Healthcare Welfare	<b>COMPLIANT</b>	We also regard associate "health," like "safety," as a shared aspiration across the entire company.

## **6. Workforce Profile**

No detailed workforce data extracted.

## **7. Strategic Recommendations**

1. Establish clear, measurable targets for gender diversity in management and track progress against these targets.
2. Develop and implement a comprehensive supply chain assessment program to evaluate environmental and social impacts.
3. Enhance transparency by disclosing more detailed information on labor practices, including wages, benefits, and working conditions.
4. Conduct regular risk assessments to identify and mitigate potential labor-related risks, including those related to forced labor and human rights.

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