

[Quality Policy Management Standard]

[Core]

1 General Provisions

1.1 Purpose

The purpose of this standard is to achieve quality goals and objectives thoroughly and effectively by defining the operation of policy management and its criteria, and implementing the policy management for quality.

1.2 Scope

This standard applies to quality policy management practices to be followed by all sections of a facility.

1.3 Definitions of Terms

Definitions of terms used in this standard are as follows:

No.	Term	Definition
1	Honda Philosophy	Honda's Fundamental Beliefs, Company Principle, Management Policies and their interpretations. It serves as Honda's company philosophy, an integral part of Honda's business practices at all times, and becomes the standard for action and judgment for all Honda group companies and individuals who work there.
2	Fundamental Beliefs	Fundamental policy underlying corporate activities and practices.
3	Company Principle	Company's managerial policy or statement as a company objective.
4	Management Policy	A guide for individuals to perform daily tasks to make organizations or agencies function.
5	Quality policy	Facility's basic policy on quality.
6	Policy management	Activity that implements the company's long- (mid-) term business plans (long-term objectives) and short-term business policies (mid-term goals, objectives, etc.) effectively with the cooperation of the entire company, based on Honda Philosophy. Those related to quality are referred to as quality policy management. (The policy is divided into facility policy and section policy, etc., based on the level of organization).
7	Long-term objectives	Concrete image of future goals as a company achieved in 10 to 20 years.
8	Mid-term goals	Company's desired vision achieved in mid-term (three years). Those related to quality are referred to as midterm quality goals.
9	Mid-term objectives	Specific company goals that are to be achieved in mid-term (three years). Those related to quality are referred to as midterm quality objectives.

2 System and Implementation

2.1 Management System

The principles of the management system associated with quality policy are outlined in Attachment-1 "Quality Policy Management System".

2.2 Spreading Company Policies and Organization Roles

2.2.1 The administration section spreads Honda Philosophy to all its associates.

2.2.2 The organization head provides all its associates with access to the fundamental beliefs, company principles and management policies.

2.2.3 Based on Honda Philosophy, the organization head determines its organization's roles from customers' point of view and shares it with the associates.

2.3 Quality Objective Planning

2.3.1 In accordance with Attachment-1 "Quality Policy Management System", the organization head establish business plans and quality objectives based on job responsibilities and the nature of the business of the organization.

2.3.2 For continuous quality improvements, the organization head ensures measures for quality objectives and establish management items.

2.3.3 The organization head aims to enhance customer satisfactions and establish achievable quality objectives, allowing the target values to be modified.

2.3.4 Regarding achievement goals, the organization head establish goals using the following as a basis:

- (1) Quantity achievements (reduction in number of warranty claims and delivery time, number of training participants, production volume, sales volume, proceeds, profits, etc.)
- (2) Implementation rate (warranty claim reduction rate, lead time reduction rate, training plan performance rate, production plan performance rate, sales goal achievement , etc) .
- (3) Quantity achievement (customer satisfaction, supplier satisfaction, trainee satisfaction, degree of recognition and understanding, work accuracy, etc.)
- (4) Strictly meeting deadlines (target date, achievement schedule, etc.)

2.4 Dissemination and Implementation of Quality Objectives

- 2.4.1 The facility head shares with its sections the mid-term and short-term objectives of respective regional headquarters, business headquarters and functional headquarters and develops a detailed mid-term and short-term quality objectives for the facility based on those.
- 2.4.2 The organization head shares with its sections the mid-term and short-term objectives of respective regional headquarters, business headquarters and functional headquarters and develops a detailed mid-term and short-term quality objectives for the facility based on those.
- 2.4.3 Regarding the short-term objectives, the organization head communicates, discusses and implements measures and action plans with the associates of sections, and mentors framings of motivations, roles, action goals, etc.

2.5 Promotion of Measures for Quality Objectives and Result Management

- 2.5.1 The facility head evaluates each section's promoted measures and results, etc. of the quality objectives.
- 2.5.2 The organization head evaluates its sections' and its subordinate organizations' promoted measures and results of quality objectives.
- 2.5.3 The organization head proceeds with the operation with the goal of incorporating evaluation results into current term's and next term's quality objectives and embedding measured matters as common practice.

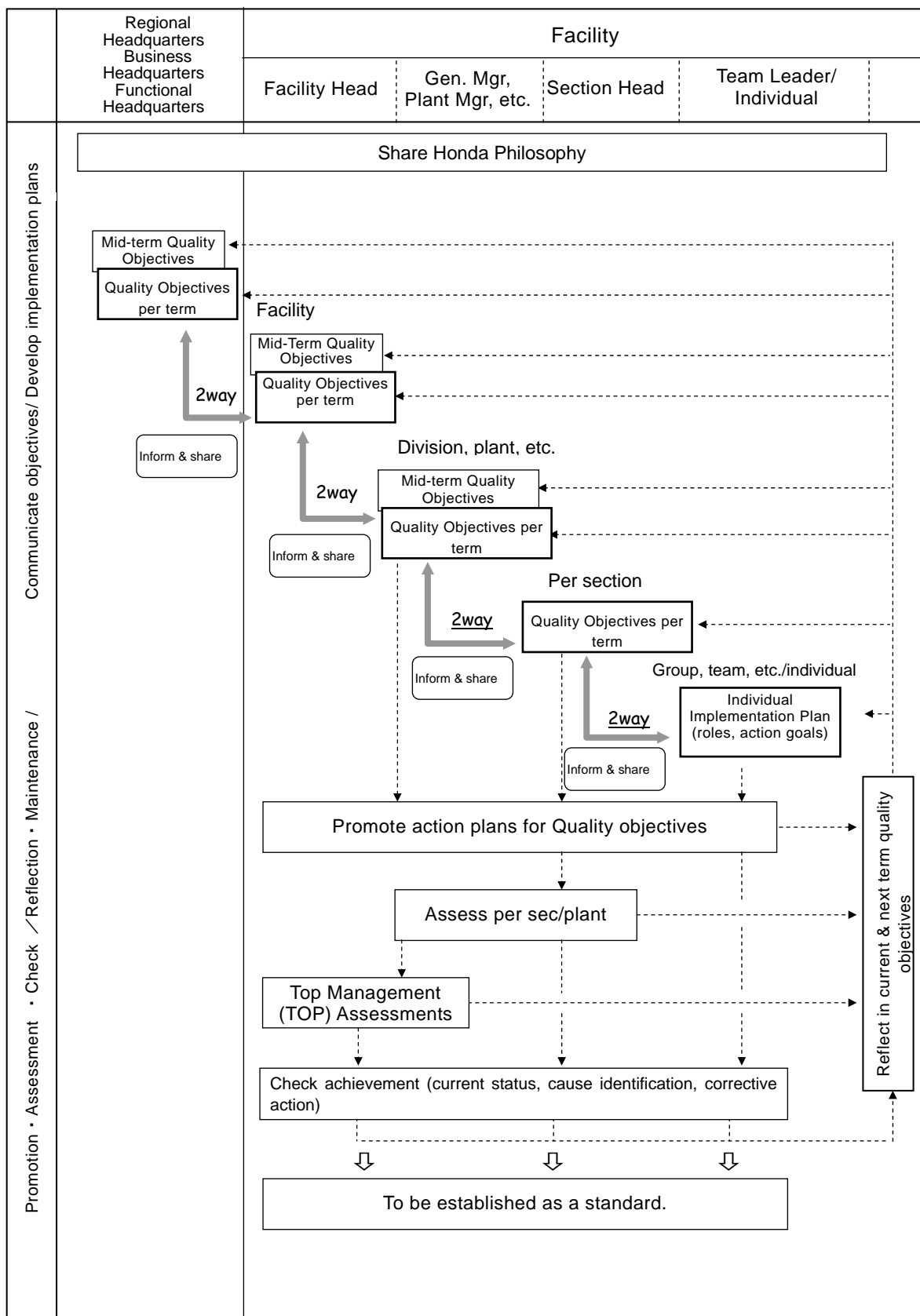
3 Supplementary Provision

3.1 Application of the Standard

Matters relating to establishment, revision and implementation of this standard are outlined in G-HQS [Quality Management Standards Control Standard].

Attachment -1 (related to section 2.1)

Quality Policy Management System



[illegible]