

Section 5  
Organizational  
Structure

Honda  
**ECOLOGY**

5

## Restructuring the Organization to Promote Environmental Conservation All Over the World

Honda is improving and expanding its organization to conduct environmental activities on a worldwide scale in order to achieve the following objectives: to conduct environmental conservation activities at all stages of its operations and throughout the lifecycles of its products; and to implement speedy and flexible measures through company-wide environmental projects.

Further, to understand the degree of environmental impact caused at each stage of our operations and to implement the most effective measures for each stage based on this understanding, we have established a lifecycle assessment (LCA) system.



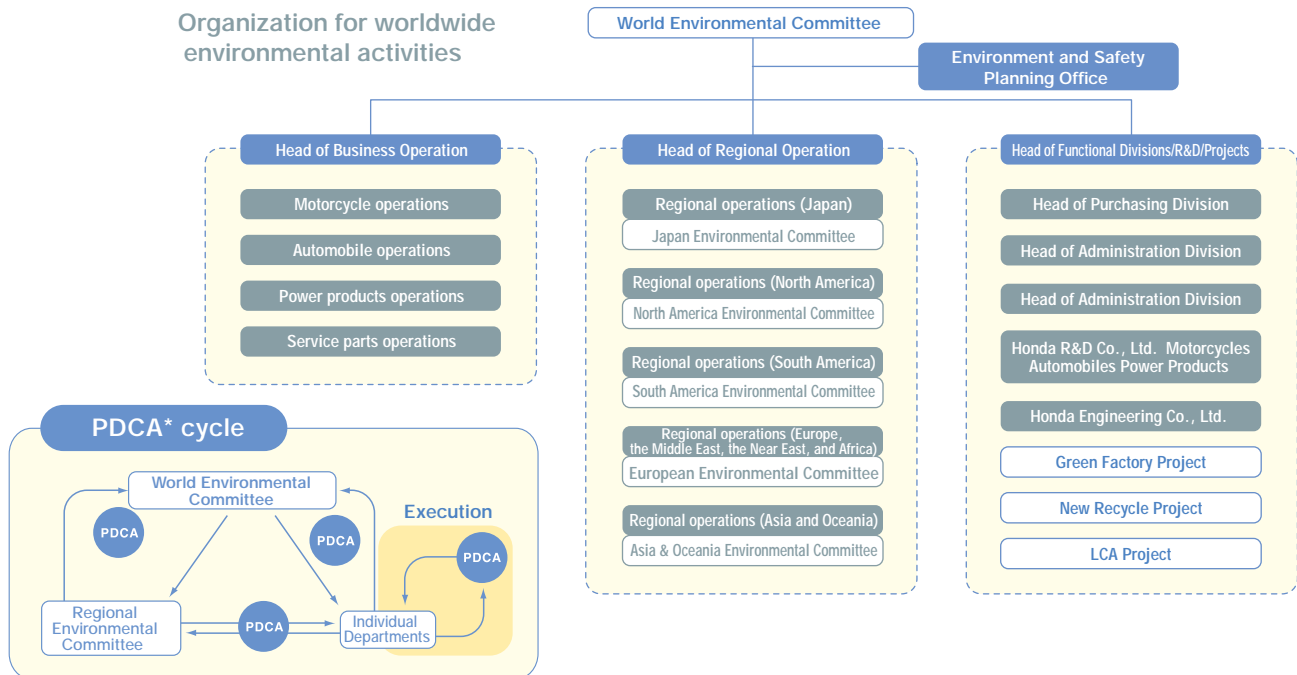
# Worldwide System for Conducting Environmental Activities

Environmental conservation measures are required all over the world. Honda is implementing speedy and effective environmental conservation measures by establishing and expanding the system for conducting these activities all over the world, including the establishment of the World Environmental Committee and the launch of projects based on specific themes.

## Establishment of environmental conservation organizations

1980	1989	1990	1991	1992	1995	1997	2000
Committee to deal with energy issues established.	Committee to deal with CFCs established.	Recycling committee established.	Japan Environmental Committee established.	Honda Environment Statement announced.	World Environmental Committee established.	Green Factory Project launched. New Recycle Project launched.	LCA Project launched.

### Organization for worldwide environmental activities



\* Plan, Do, Check, Action.

## 1 Establishing the Environmental Committees for global environmental conservation

Environmental conservation can be said to be one of the most important management objectives for a company to continue sustainable corporate activities in the future. Honda announced its Honda Environment Statement in 1992 to clearly demonstrate the direction of its ongoing environmental activities, and improved and expanded its organizational structure towards the achievement of the goals cited in the Statement.

Before the announcement of the Environment Statement, the company established an Environmental Committee in 1991, as a body that would take the central role in corporate environmental activities. The organization was subsequently expanded for environmental conservation in the Americas, Europe, Asia, and Oceania.

In 1995, the World Environmental

Committee was established to plan and implement worldwide environmental conservation activities. In 1999, the Committee was given a position equal to the Executive Committee, which enabled the company to make management decisions more speedily and more globally in the environmental field.

## 2 Domestic environmental organizations and company-wide projects

Within Japan, the Japan Environmental Committee sets the company's environmental goals and policies for the company to conduct more sophisticated environmental conservation activities. These goals and policies are set according to the situations of each department and coordinated for the entire company to maintain and improve its environmental performance through the lifecycles of its products. Also, we have a system to implement projects for specific environmental themes on a company-wide

scale. For example, in 1997, we launched the Green Factory Project to respond to recycling-based society initiatives and the New Recycle Project to promote recycling activities for the circulatory use of resources. In 2000, we started the LCA Project to further analyze and quantify the various environmental impacts caused by our activities.

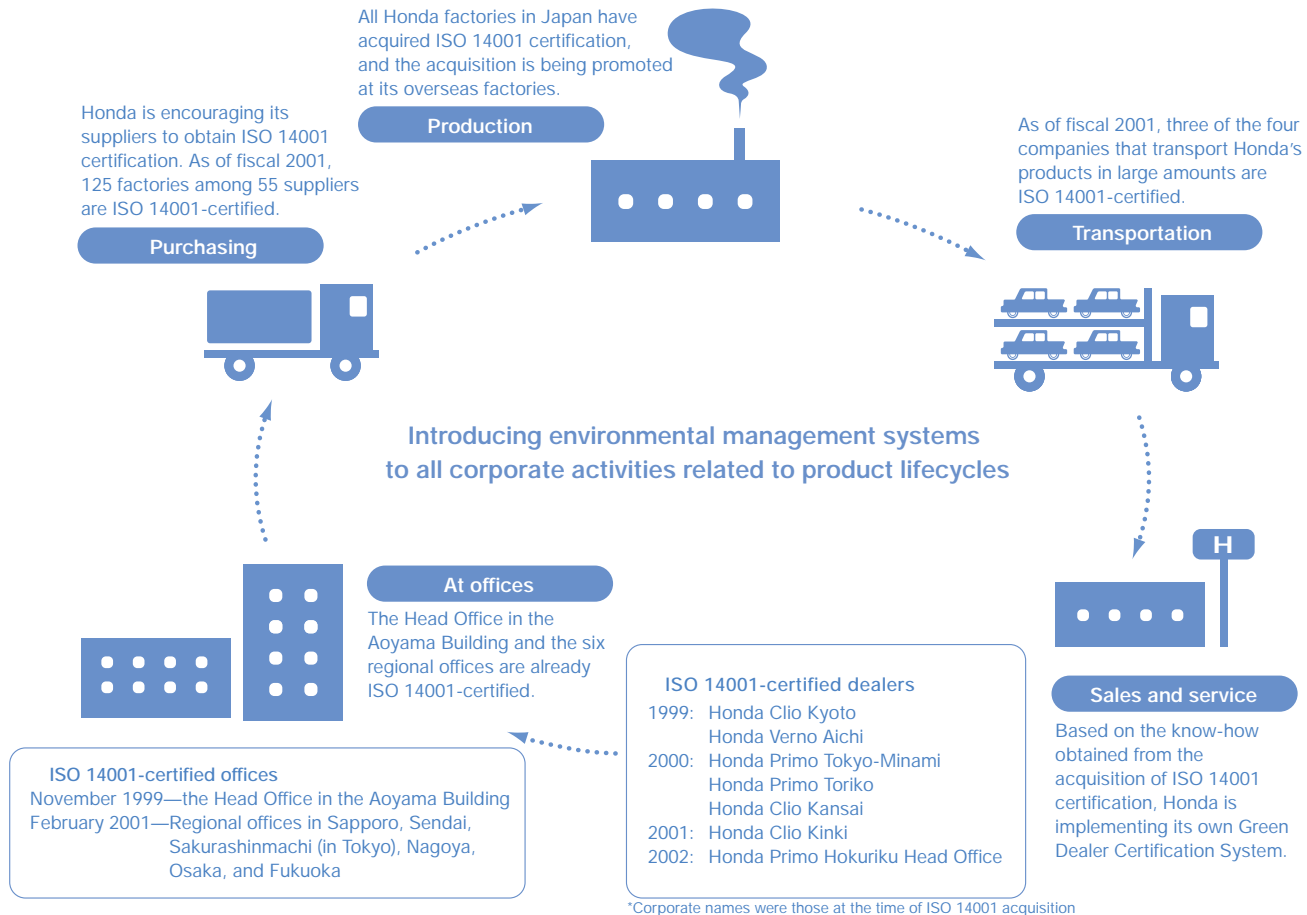
## 3 For continuous environmental activities

At Honda, environmental activities are conducted as follows: First, the Executive Committee decides upon medium-term environmental policies, based on which each department makes their own plans. The Environmental Committee discusses and approves the plans and then each department subsequently conducts environmental activities based on the approved plans. The results are then examined and evaluated by the Environmental Committee. Their evaluations can then be reflected in the



# From Product Development to Disposal Introducing Environmental Management Systems to Each Stage of Product Lifecycles

Honda, in order to drastically reduce the environmental impact caused by its activities, is introducing environmental management systems at every stage of product lifecycles. Also, we give environmental education to all grades of employees to help them to take environmental measures in their daily business activities.



formulation of the next goals and plans. This process is called a Plan, Do, Check, and Act (PDCA) cycle and the departments conduct their activities based on detailed plans, following this cycle.

#### 4 Introducing environmental management systems to help get all Honda sites ISO 14001-certified

Throughout the product lifecycle, including development, production, transportation, and marketing, Honda is reducing its environmental impact by introducing ISO 14001-certified environmental management systems, both within Japan and overseas.

ISO 14001 is an international standard for environmental management established by the International Organization for Standardization based in Switzerland. By conducting environmental impact assessment, environmental management and auditing according to this standard, we can continuously improve our environmental conservation activities.

Honda encouraged its factories to obtain ISO 14001 certification and all the factories in Japan obtained certification by the end of 1998. In 1999, the Head Office in the Aoyama Building also acquired certification, followed by all the regional offices throughout the country in 2000. For overseas factories, those in the Americas, Europe, Asia, and Oceania are making efforts to obtain certification. In Europe, factories are also striving to acquire the Eco Management and Audit Scheme (EMAS) certification.

#### 5 Environmental education and training to promote employee awareness of the environment

Honda gives environmental education for each employee to understand his/her role in the company's environmental activities and to take part in such activities as part of their daily business activities. Different education programs are provided for "new employees," "employees working for two to eight years in

the company," and for "those to be promoted to managers."

For new employees, training is provided to help them understand Honda's commitment to the environment and work in their departments in consideration of the environment. For those being promoted to managers, training is provided to enable them to encourage environmental activities from the standpoint of managers.

In fiscal 2001, the basic training provided mainly to younger employees working at factories was revised to add more environmental conservation aspects to the training.



Environmental booklet for the families of employees



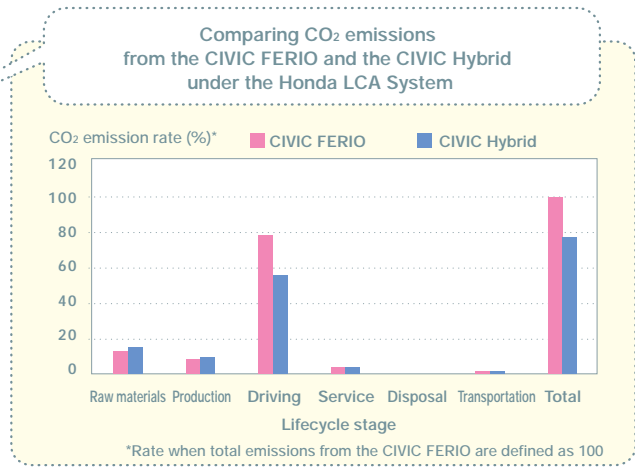
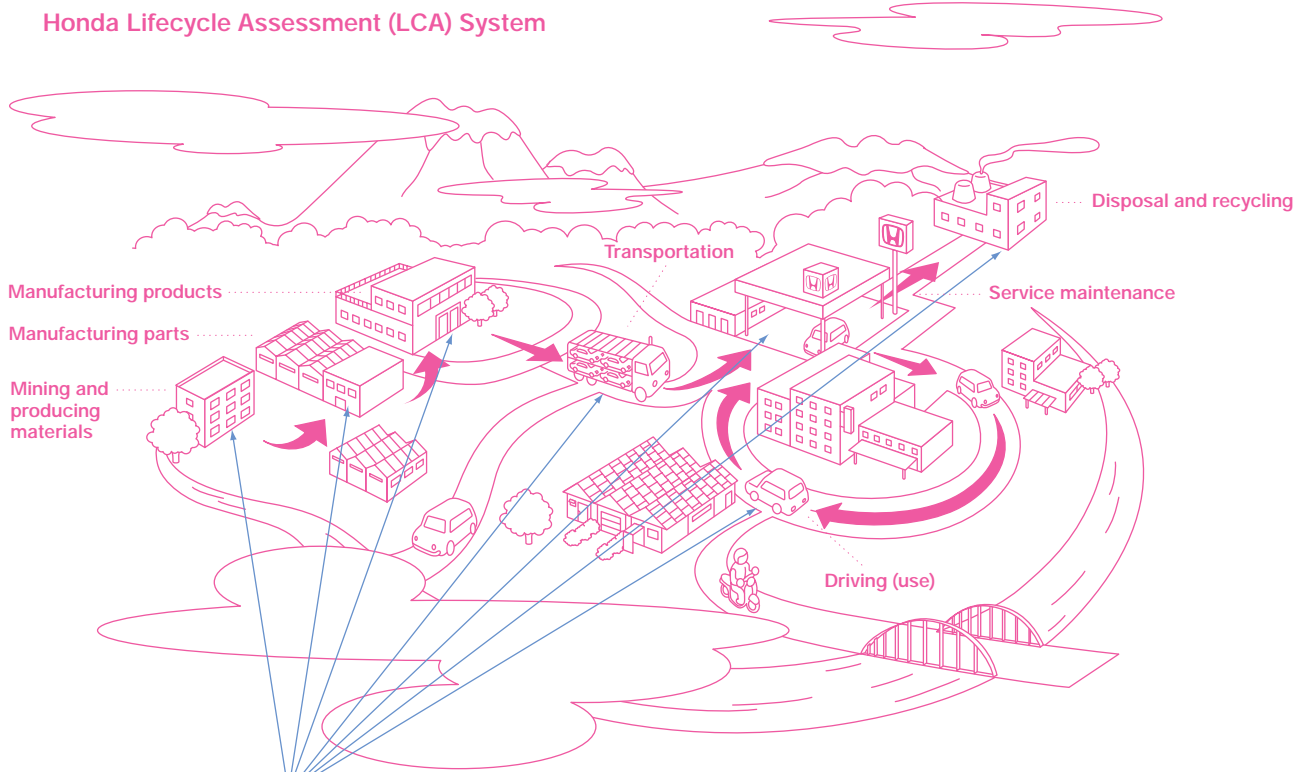
Environmental training text for new employees



# From Product Development to Disposal Quantifying Environmental Impact at Every Stage of a Product's Lifecycle

Honda launched the LCA Project in 2002, in order to quantify the environmental impacts caused by its activities at each stage of its operations and to take effective countermeasures. In June 2002, we designed and introduced the Honda LCA System and since then have been expanding use of the system.

## Honda Lifecycle Assessment (LCA) System



The CIVIC Hybrid is equipped with a special IMA system and batteries and its CO<sub>2</sub> emissions at the raw materials and production stages are higher than the CIVIC FERIO. At the driving stage, however, CO<sub>2</sub> emissions from the CIVIC Hybrid are much lower thanks to its high fuel economy. As a result, over the entire lifecycle, CO<sub>2</sub> emissions from the CIVIC Hybrid are around 25% lower when compared with the CIVIC FERIO.

### 1 Building an LCA system to quantify environmental impact

Honda launched the LCA Project in June 2000 and built and introduced the Honda LCA System in June 2002 to quantify the environmental impact caused by its business activities. LCA is a method to comprehensively examine environmental impact at each stage of a product's lifecycle, from the procurement of materials to production, distribution, use, and finally disposal, by calculating resource/energy consumption, CO<sub>2</sub> emissions and the amount of waste

generated. Honda regards LCA as a most important tool to accurately assess its overall environmental impacts.

### 2 Managing environmental impact data and setting the reduction objectives

By utilizing the Honda LCA System, the total amount of CO<sub>2</sub> emitted from Honda's annual activities and the environmental impacts caused by Honda products used within Japan can be calculated. The Honda LCA System comprises the Honda LCA Data System in which environmental impact data,

such as the amount of materials and energy, are managed, and the Honda LCA Management System, used to set environmental impact reduction objectives. The System can be commonly utilized for all Honda products, including motorcycles, automobiles, and power products.