

HONDA

The Power of Dreams

**EUROPEAN
ENVIRONMENTAL
REPORT
2012**



BLUE SKIES FOR
OUR CHILDREN





**EUROPEAN
ENVIRONMENTAL
REPORT
2012**

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REPORT SCOPE

First report issued, publication September 2012

Data collection period: fiscal year base 1 April – 31 March. The year indication in the graphs is the year of the beginning of the period (1 April 2011 – 31 March 2012 is referred to as 2011 data).

The year reference in the name of this report is the year of issue of the report, basically within 6 months after the reporting period end.

Areas covered by this report:

This report covers all entities that are controlled by the Regional Operation Board of the European region. This includes all sites in Europe, Near Middle East, Africa and Russia in which Honda (globally or locally) has a significant participation.



The products covered are cars, motorcycles and power equipment. The parts distribution is also covered in this report.

The report summarises the data from factories, Honda national sales offices, logistics centres and regional R&D offices as well as six Honda-owned dealers in Switzerland. The detailed locations are summarised on page 56-59.

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COLOPHON

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Message



Environmental Message of Mr Manabu Nishimae

Honda's environmental vision is captured in the creation of a new global environmental slogan, "Blue Skies for Our Children," which recalls the efforts of Honda engineers in the early 1970s to create the CVCC engine, the first engine to comply with tough new emissions standards set forth in the U.S. Clean Air Act. These young engineers adopted "Blue Skies for Our Children" as their rallying cry to make an important contribution to the reduction of automobile exhaust emissions.

Today, Honda is working to carry forward this passion for advancements in environmental technology. As part of this direction, we have announced a new set of voluntary goals for 2020, a 30-percent reduction in the CO₂ emissions of our automobile, motorcycle, and power equipment products, compared to 2000 levels — along with targets for 2014 for the further reduction of CO₂ emissions from our corporate operations, including manufacturing. These new targets follow the attainment of nearly all of our goals for the period ranging from 2006 to 2010, during which we achieved significant reductions in CO₂ from both our products and production operations, globally.

The European Union has set challenging automotive CO₂ reduction targets. In 2020, we expect average CO₂ emissions will have to meet a 95g/km threshold. This 95g/km target is one of the world's most stringent legal limits for CO₂ emissions.

To achieve this goal, we will replace all of our automobile engines with highly fuel-efficient Earth Dreams Technology engines. The all-new 1.6 litre i-DTEC diesel engine, to be launched by the end of 2012, will be the first product of this new engine series.

Honda is committed to achieving this target and will also deliver CO₂ reduction across all of our product ranges, including motorcycles and power equipment.

The introduction of the new, highly fuel-efficient 700cc V-twin engines on the NC700S, the NC700X and the new Integra, is a big step in motorcycle CO₂ reduction. Introduction of micro-cogeneration systems, whose commercialisation we announced in Germany in 2011, is a key milestone in our power equipment range.

Our environmental activities are not limited to our products alone. Our efforts extend to production, logistics and office activities to even further reduce our CO₂ footprint. For example, we are promoting the extended use of energy-efficient equipment and the application of renewable energy technologies wherever possible.

Realising these environmental challenges in the European Region, Honda strives **to be a company society wants to exist**, by ensuring "blue skies for our children".

Manabu Nishimae,
C.O.O. and Chairman
European Regional Operational Board and
the European Environmental Committee



BLUE SKIES FOR
OUR CHILDREN

Principles & vision

Honda's Environmental Policy

In the European region we follow the Global Environment Honda Policy as published in the Honda Environment Annual Report. It says:

Honda has been implementing proactive measures to help resolve environmental challenges since the 1960s, when concerns about air pollution began to grow. In 1966, soon after expanding into automobile production, we established a department to research air pollution measures. We introduced the CVCC engine, becoming the world's first automaker to comply with the 1970s U.S. Clean Air Act — a challenge thought by many to be nearly insurmountable. Believing that issues raised by technology should be solved by technology, we've continued to confront environmental challenges.

In 1992, we released the Honda Environment Statement to clearly define our approach to environmental issues, which is central to everything we do. In 1999, we set specific numerical targets for cleaner emissions and higher fuel-efficiency in all of our product categories, all of which were achieved by their target date of 2005. In 2006, Honda became the world's first automaker to announce voluntary global targets for reduction of CO₂ emissions by 2010.

Honda Environmental Statement

As a responsible member of society whose task lies in the preservation of the global environment, the company will make every effort to contribute to human health and the preservation of the global environment in each phase of its corporate activity. Only in this way will we be able to count on a successful future, not only for our company, but for the entire world.

We should pursue our daily business interests under the following principles:

- 1 We will make efforts to recycle materials and conserve resources and energy at every stage of our products' lifecycle from research, design, production and sales, to services and disposal.
- 2 We will make every effort to minimize and find appropriate methods to dispose of waste and contaminants that are produced through the use of our products, and in every stage of the lifecycle of these products.
- 3 As both a member of the company and of society, each associate will focus on the importance of making efforts to preserve human health and the global environment, and will do his or her part to ensure that the company as a whole acts responsibly.
- 4 We will consider the influence that our corporate activities have on the local environment and society, and endeavour to improve the social standing of the company.

Established and announced in June 1992

Honda's Response to environmental issues

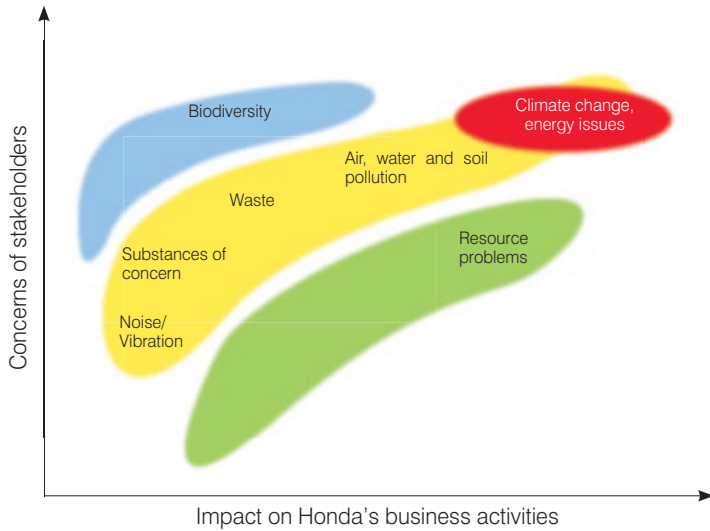
Today Honda recognizes its responsibility to reduce the environmental impacts resulting from all of its business activities and the use of its products. It uses the Life Cycle Assessment (LCA) approach to assess environmental impacts and analyze the effects of its business activities and the use of its products on the global environment. Based on the results of these analyses, Honda formulates specific policies for initiatives in each domain as the basis for global environmental management (see table below).

With this statement in mind, the global situation has been analyzed and the following main topics required action:

Honda's Corporate Activities		Honda's Response
Lifecycle stages in Honda's corporate activities	Anticipated environmental load factors	Main initiatives
Product development domain	Greenhouse gases, Exhaust emissions, Raw materials, Noise / Vibration, Substances of concern	<ul style="list-style-type: none"> Fuel efficiency improvements Reduction of exhaust emissions Development of alternative-fuel products 3R (Reduce, Reuse, Recycle) design Noise reduction
Purchasing domain	Greenhouse gases, Raw materials, Waste, Water intake, Waste water, Exhaust emissions, Noise / Vibration, Substances of concern	Promotion of "Green Purchasing": <ul style="list-style-type: none"> Environmental management Energy and resource conservation by suppliers Zero emission initiatives by suppliers
Production domain	Greenhouse gases, Raw materials, Waste, Water intake, Waste water, Exhaust emissions, Noise / Vibration, Substances of concern	Promotion of "Green Factories": <ul style="list-style-type: none"> Environment management Energy and resource conservation Zero emission initiatives
Transportation domain	Greenhouse gases, Waste	Promotion of "Green Logistics": <ul style="list-style-type: none"> Environment management Improvement of transportation efficiency Using less packaging
Sales and services Domain	Greenhouse gases, Removed parts, CFCs, Waste	<ul style="list-style-type: none"> Environmental management Improvement of energy efficiency Improvement of environmental protection Contribution to local communities
Product recycling	Greenhouse gases, End-of-life products	<ul style="list-style-type: none"> Expansion of parts recovery, reuse and recycling Appropriate disposal of end-of-life products Technical support for recycling
Administration domain	Greenhouse gases, Waste	Promotion of "Green Offices": <ul style="list-style-type: none"> Environmental management Energy conservation Effective use of resources Environmental contribution to local communities

Honda responds comprehensively to environmental issues under policies for each of its global operations. To identify priority issues, it analyzes the importance of environmental issues that are currently apparent.

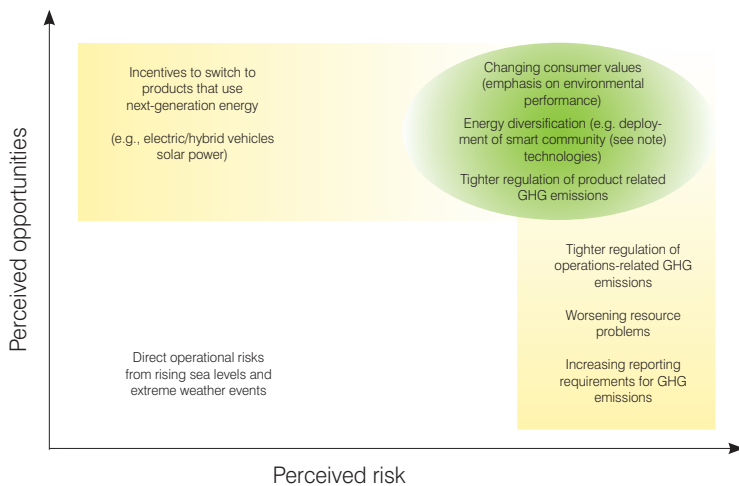
Honda’s general assessment of Environmental Issues from a Global Perspective



As a supplier of products, especially mobility products, to customers throughout the world today, Honda regards climate change and energy issues as the most important global environmental issues. When emissions of greenhouse gases, which are seen as the cause of climate change, are analyzed from a lifecycle perspective, it becomes apparent that carbon dioxide (CO₂), which is one of the most significant greenhouse gases, accounts for, by far, the largest share of those emissions. For this reason, Honda has set CO₂ reduction targets and stepped up its efforts in all regions and domains to meet those targets. One of the tools available is balancing the production of products. This could mean that CO₂ can increase in some regions while contributing to the global reduction.

Honda is also analyzing environmental impact in relation to other environmental issues. Based on the results of these analyses, it formulates plans for specific initiatives in each region and domain to address these problems. Based on Honda’s thinking in relation to risks and opportunities of climate change and energy issues from a global perspective, changing consumer values (with emphasis on environmental performance), energy diversification and a tighter regulation of product related greenhouse gas emissions are amongst the most important topics.

Honda’s Thinking on Risks and Opportunities of Climate Change and Energy Issues from a Global Perspective

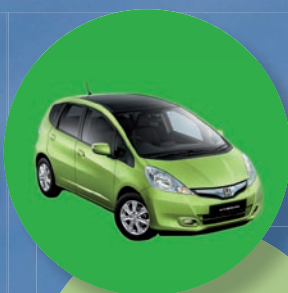


Realizing the Honda Environmental Vision

Honda considers the climate change and energy issues as its main challenges, and one of the key substances involved in this issue is CO₂. Estimates made using the Honda LCA Data System indicate that around 83% of Honda-related CO₂ is emitted when vehicles are operated by users. For this reason, Honda believes that the most important way for it to respond to climate change and energy issues is to reduce CO₂ emissions from products. That is why Honda has adopted the 2020 product CO₂ emissions reduction targets.

Honda has set new targets for 2020 calling for a 30% reduction in the fleet average CO₂ emissions of motorcycles, automobiles, and power products compared with 2000 levels. Honda will work to achieve these targets in the period leading to 2020 by responding to priority challenges, including increased research and development, and the introduction of energy-efficient products to the market.

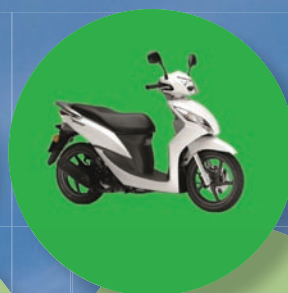
Product CO₂ reduction targets
Global average of CO₂ emitted by Honda products



Automobiles

30%

(per g/km)



Motorcycles

30%

(per g/km)



Power Products

30%

(per kg/hr)

This target is based on 2000 base data and covers the following scope :

- **Automobiles:** Japan, North America, Europe, Asia/Oceania, China, Central and South America (over 90% of worldwide sales)
- **Motorcycles:** Japan, North America, Europe, Thailand, India, China, Indonesia, Vietnam, Brazil, Philippines, Malaysia, Pakistan (over 90% of worldwide sales)
- **Power products:** All products sold in all regions

By doing so we want to emphasize on Honda's Environmental vision.

Honda Environmental Vision

Realizing “the Joy and Freedom of Mobility” and “a Sustainable Society where People Can Enjoy Life”

In 2010, Honda announced, within and beyond its organization that the company’s direction in the period leading to the year 2020 would be “to provide good products to our customers with speed, affordability and low CO₂ emissions”.

By “good products” we hope to embody customers’ wants and needs in attractive products using Honda’s unique technologies, knowledge and ingenuity. Such products must be delivered with speed, and at affordable prices that make our customers happy with their purchase. This is the direction Honda will take.

“With low CO₂ emissions” represents our conviction based on the foundation that, as a manufacturer of personal mobility, Honda will have no future unless we achieve a significant reduction in CO₂ emissions.

This focus is encapsulated in the Honda Environmental Vision of a future in which environmental initiatives will allow people to realize “the joy and freedom of mobility” and “a sustainable society where people can enjoy life”. In this vision, Honda has expressed its determination to contribute to a society based on sustainability and harmony so that it can continue to offer excitement to its customers through products and services used for personal mobility and in people’s everyday lives.

Honda is determined to turn this vision into reality by actively implementing environmental initiatives on a global level. Particular emphasis will be placed on the following aspects:

- **At each stage of its products’ lifecycles (products, corporate activities), Honda aims to**
 - Minimize the use of fossil fuel and resources newly-recovered from the Earth
 - Minimize environmental impacts, including greenhouse gas emissions
- **Honda aims to reduce greenhouse gas emissions from Honda products used for mobility and in people’s everyday lives to zero**

Honda's Global Environmental Slogan

Blue Skies for Our Children

"Blue Skies for Our Children"* is the global environmental slogan adopted by Honda to express its commitment to the realization of this environmental vision through expanded environmental initiatives.

The Honda engineers who took on the challenge to meet the stringent new emissions standards of the 1970s U.S. Clean Air Act, used the phrase "blue skies for our children" as a rallying cry to devote themselves to this effort. Honda wants to pass on the "joy and freedom of mobility to the next generation" (for our children), therefore, we want to realize a sustainable society where people can enjoy life (blue skies). This slogan continues to represent Honda's passion toward its environmental commitment, which has not wavered and will remain resolute.

The Honda global environmental symbol, shown below, was chosen to symbolise the environmental slogan. The environmental slogan and symbol will be used in future environmental activities and communication throughout the world, both within and beyond the Honda Group.

* "The Power of Dreams" will be retained as Honda's global brand slogan, and "Blue Skies for Our Children" will be used exclusively for environmental initiatives.

Honda Environmental Logo



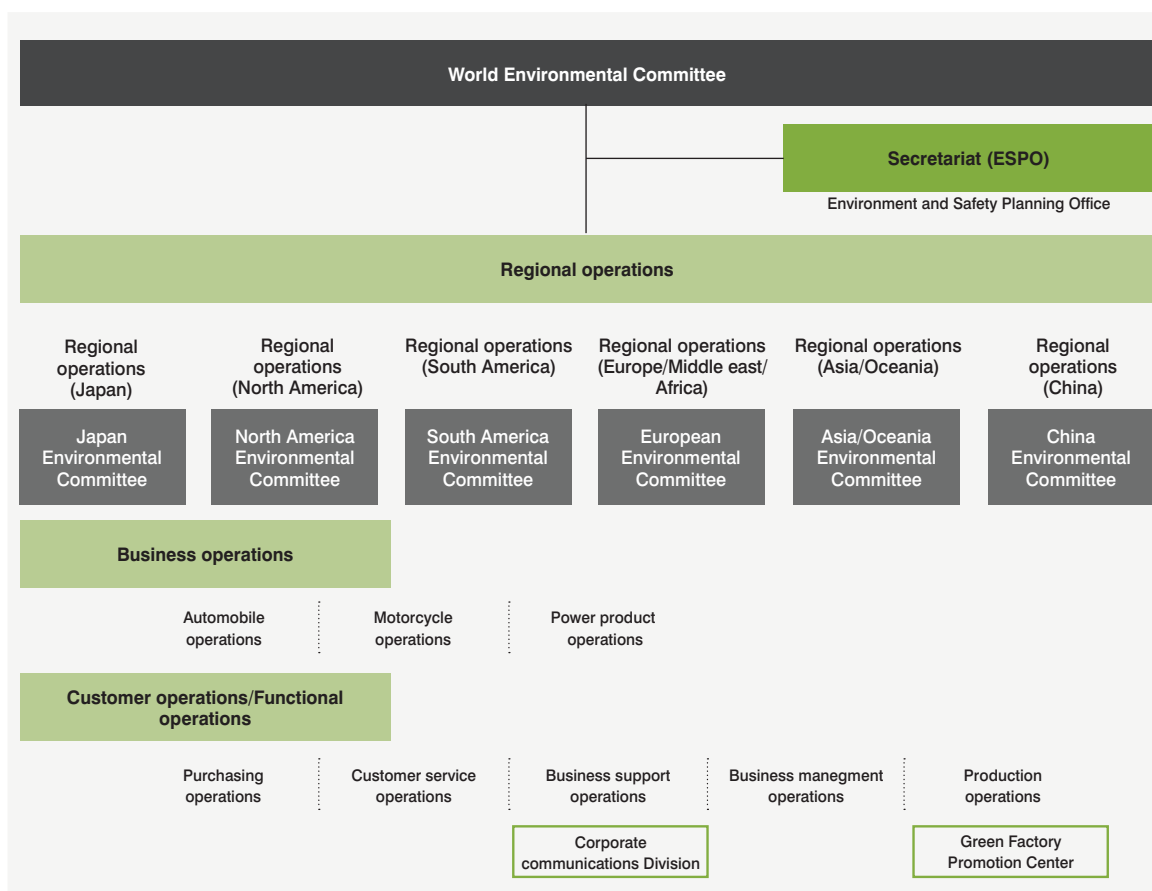
BLUE SKIES FOR OUR CHILDREN

The circular graphic represents the earth and sun with blue skies (clean air), clean water, and lush green land expressing the bounty of nature that is necessary for us to realize our vision of a sustainable society where people can enjoy life. The white line through the middle represents a road where freedom of mobility is realized, while the heart represents Honda's thinking toward, and passion for, our environmental commitment.

Global Environmental Management System

In December 1991, Honda created what is now referred to as the Japan Environmental Committee, whose role is to play a central part in addressing environmental issues in Japan. Subsequently, the organizational framework was extended to Honda's other five regions. In March 1995, the World Environmental Committee was established to create and promote global plans in keeping with the company's three-year mid-term business plans.

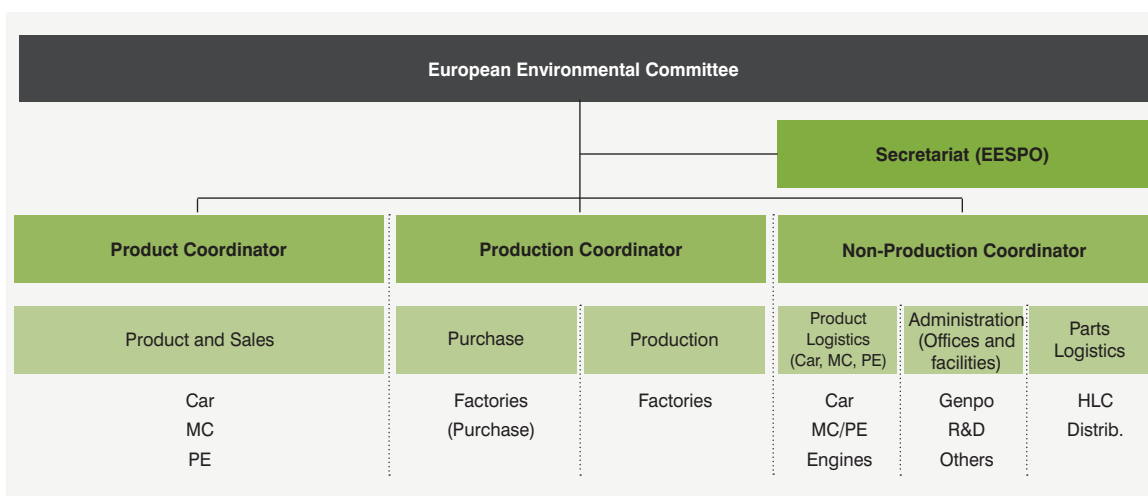
Global environmental conservation organization



PRINCIPLES AND VISION

Based on mid-term policies determined by the Executive Council, environmental action plans are developed by individual departments. These plans are then discussed and approved by regional environmental committees. Next, individual departments take up the responsibility for their implementation, based on the commitments specified in their plans. Results are evaluated by regional environmental committees, and, on the basis of their guidance, plans and targets are developed in each of Honda's six levels. Issues considered to be global in scope are referred to the World Environmental Committee, which is chaired by the President & CEO, in his role as Chief Environmental Officer. The deliberations of the World Environmental Committee are reflected in mid-term policy statements.

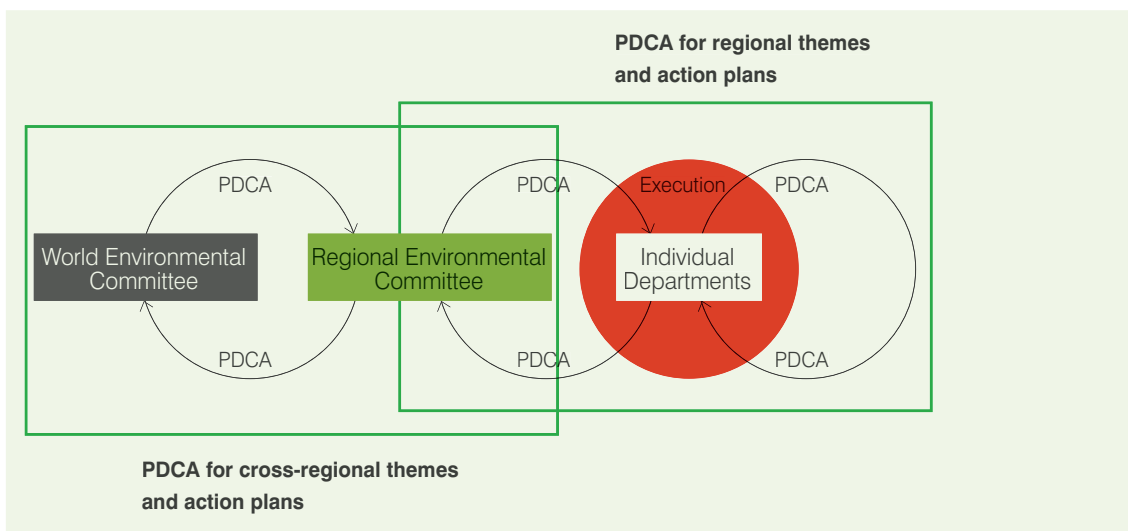
The European Environmental Committee



* Genpo : Sales subsidiary controlled by Honda
 HLC : Honda Logistics Centre
 MC : motorcycle
 PE : power equipment

A hallmark of Honda's environmental initiatives is that planning and execution are not delegated to specialists; rather, associates from all departments are directly involved. All associates are engaged with environmental issues as part of their duties.

Environmental Preservation Based on the PDCA Cycle



* PDCA : Plan, Do, Check, Action cycle

Compliance with laws and regulations

All Honda facilities strive for improved environmental conservation based on the Honda Environment Statement and have introduced environmental management systems. All Honda facilities also abide by Honda's own voluntary standards, which are more stringent than national or regional laws and regulations.

In April 2003, Honda established the Honda Conduct Guideline and is implementing it worldwide. In the guideline, compliance is defined as "compliance with laws, company rules and social norms", while environmental conservation is defined as the "proper processing of waste and pollutants", "efficient use of natural resources and recycling", and "legally required measurements, recording and reporting". Upon the introduction of the guideline, a director was nominated as compliance officer, and Honda has continued to work to strengthen compliance and risk management frameworks under the supervision of the director in charge of each part of the organization.

Emergency protocols

In anticipation of accidents and emergencies that could cause environmental pollution, each factory and department has clearly defined procedures for the prevention of pollution. For factories and logistics centres these are part of the certified environmental management system.

Environment Related Certificates and Registrations

Factories

Validity date	ISO 14001	EMAS	OHSAS 18001
Honda of the UK Manufacturing Ltd	2013	2012	2013
Honda Turkye A.S.	2015	2015	2015
Honda Italia Industriale S.P.A.	2013	2013	2013
C.I.A.P S.P.A.	2014	2012	2012
Montesa Honda S.A.	2012	2012	2012
Honda France Manufacturing S.A.S.	2012	2014	2012
Honda Mfg. (Nigeria) Ltd	-	-	-

Logistics Centres

Validity date	ISO 14001	EMAS	OHSAS 18001
Honda Belgium Factory NV	2015	2015	2013
Honda Europe NV *	2014	2014	2014
Honda Logistics Center Austria GmbH		-	
Honda Logistics Center Central Europe Sp.z.O.Z.		-	
Honda Logistics Center Spain AS		-	
Honda Logistics Centre Italy SPA		-	
Honda Logistics Center Sweden AB		-	
Honda Logistics Centre UK Ltd		-	

* Honda Europe NV centralises the environmental and health management system for itself and the Honda Logistics Centres in Europe. All sites are covered by the same system. In relation to EMAS it has been decided not to extend it to the Honda Logistics Centres as they are too small and their environmental impact is limited. However they are already following the Honda Europe approach!

Regional Focus on European Risks and Opportunities

In Europe environmental focus is on global warming and resource management.

That's why the energy efficiency of our product line, production line and distribution is very important. The energy consumption in our administration offices have less impact because of the lower volume, but it is more manageable.

Introducing products with technology allowing a higher fuel-efficiency is essential for reducing the CO₂ emissions during the use of these products. Products using alternative energy sources are required on a mid-term basis. Ultimately the goal is to use renewable energy sources for all our products.

Other important consumers of energy are the factories. The first focus is to make them more energy-friendly. The next step is to use energy generated from renewable sources (sunlight, wind, water, crops, etc.). This is what our European factories are looking at and some options are being implemented.

For the distribution of our products some amount of energy is required. To reduce the impact, Honda in Europe is considering optimising the fill ratio, mixed transport modes, and using more efficiently-powered means of transport.

Administration procedures are being put in place to avoid the leakage of energy (heat and cooling control, avoiding unnecessary electricity use) and investigations are carried out to use more CO₂-free energy sources.

Honda in Europe is also concerned about the conservation of resources. In addition to upcoming targets on water consumption, instructions have been given to reduce waste and to re-use consumer plastics (recyclates) in our new products. This also includes efforts to collect waste plastics parts for the re-use of the material.



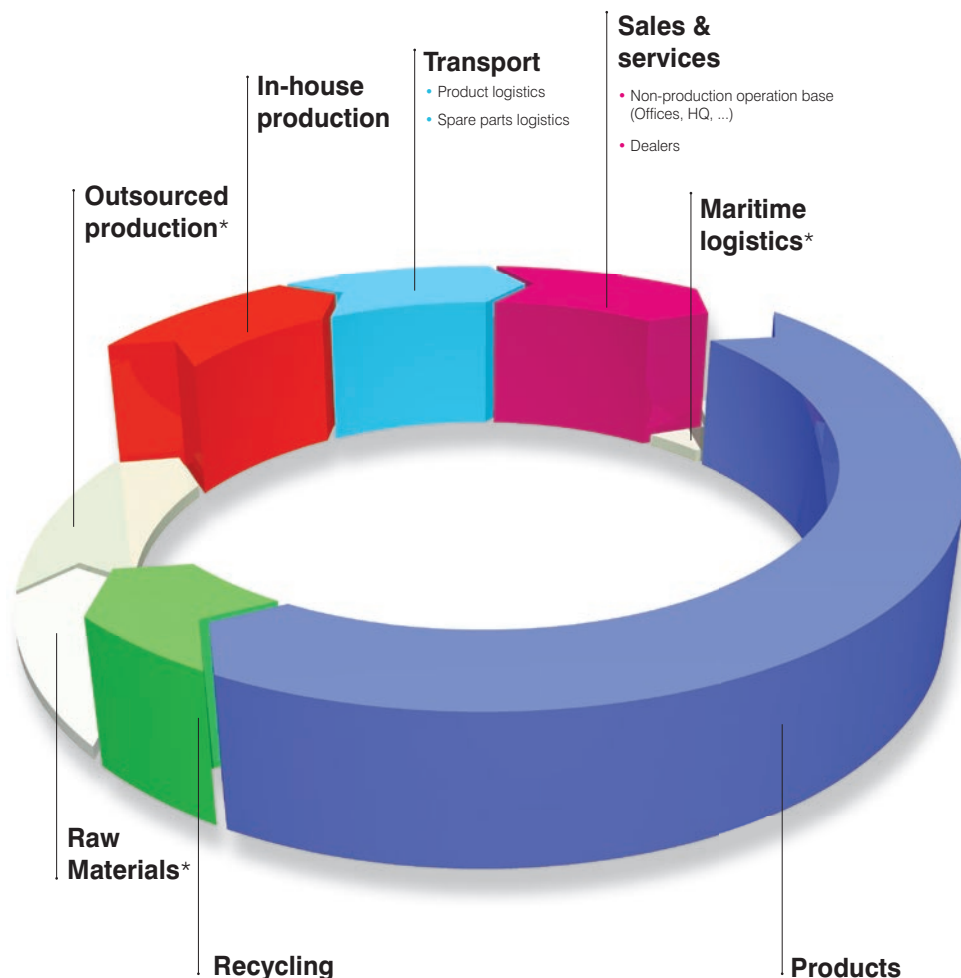
The LCA Cycle: basis for the Environmental Report

As it implements initiatives designed to realize its environmental vision, Honda recognizes the importance of product-related environmental impacts, especially CO₂ emissions through use of its products, to its efforts to reduce environmental impacts across the company's full products' life cycles.

As the life cycle approach is so important for Honda we have chosen the life cycle image as a guide through the regional data of the report. The white lowered life cycles aspects (and marked with *) are not in the scope of this report.

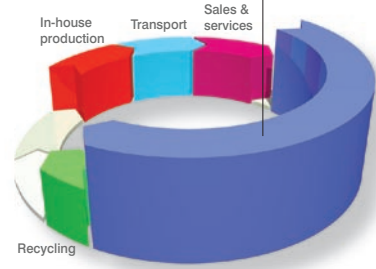
If sites are fulfilling different LCA topics (or sub-LCA topics), the values which are not directly attributable are split based on the used facility surface share (see also the company overview at the end of the report).

E.g. If the premises are shared by sales entities, warehousing activities or R&D facilities and there is no separate measurement of the respective environmental data, the split is made based on surface used in the buildings by each of the activities



Products

PRODUCTS



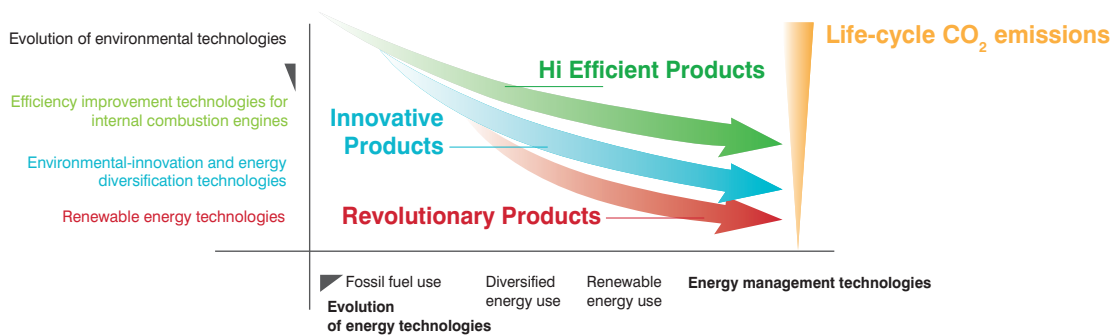
As a product-based approach Honda developed scenarios by which we aim to eliminate CO₂ emissions in the lifecycles of our products. These scenarios trace the evolution of environmental and energy technologies, from efficiency improvements for internal combustion engines, to renewable energy deployment, and finally to energy management.

To move our products along these scenarios, we established the Honda Environmental Performance Standard (HEPS), an independent product classification and certification system that classifies products according to how well they reduce or help reduce CO₂ emissions compared to the models before them.

- Hi Efficient Products are products with higher-efficiency internal combustion engines,
- Innovative Products are products that use environmental innovation or energy-diversification technologies, and
- Revolutionary Products are products that use hydrogen, solar power, or another form of renewable energy.

Our ultimate goal is to make all Honda products in the world HEPS-compliant.

Product-based scenarios for addressing climate change and energy issues:



Based on this definition we count 51 Honda models coming under one of these categories for Europe. Samples of those models can be found hereafter.*

* not all of these models are commercially available

1 Cars

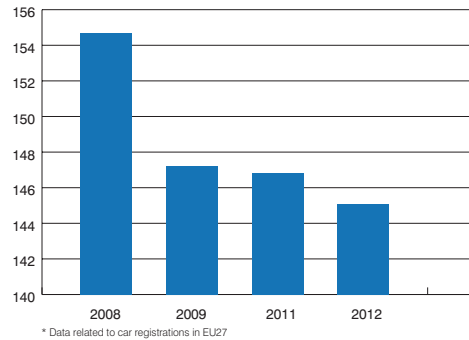
Average CO₂ Emissions

In order to achieve significant near-term reductions in CO₂ emissions, which contribute to global climate change, Honda is accelerating its efforts to further improve automobile fuel-efficiency and CO₂ emissions

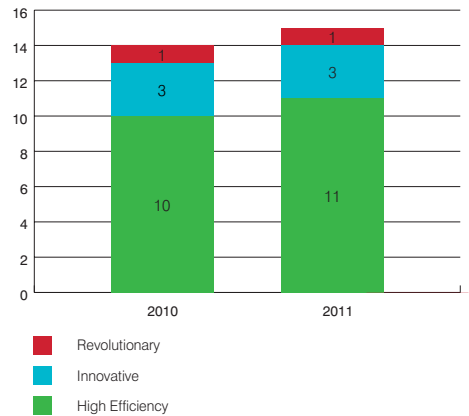
Providing more fuel-efficient technologies in cars and offering a model range based on the market demand, the CO₂ emission of the sold vehicles could be reduced year-on-year. Achievement of this target was linked to our Honda diesel engine models and especially to the sales of the Honda hybrid cars with the IMA* technology.

* IMA = Integrated Motor Assist, the Honda technology with hybrid propulsion

CO₂ in g/km



Car Models per HEPS Category



Earth Dreams technology, implemented mainly in cars, generated a high number of models in the categories 'hi efficiency' and 'innovative'. The FCX-Clarity, available in Europe in test mode mean that cars are also represented in the category 'revolutionary products'.

Samples of 2011 Cars

Hi Efficient Products



Accord Sedan



Civic 5Dr



Jazz

Innovative products



Insight



Jazz Hybrid

Revolutionary Products



FCX Clarity

Case study

Earth Dreams Technology – Honda's new generation of drive trains

EARTH DREAMS TECHNOLOGY

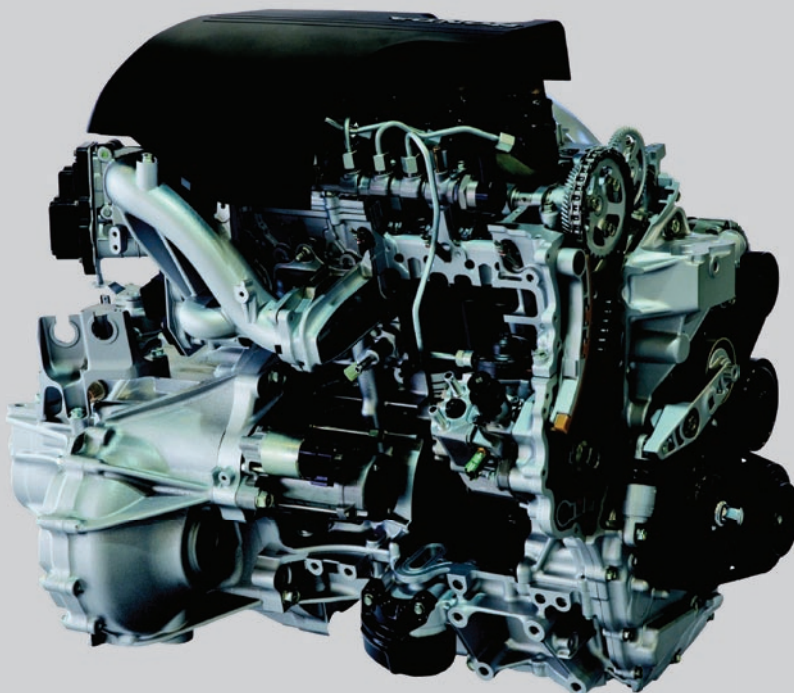
At the Tokyo Motor Show in 2011, Takanobu Ito, President and CEO of Honda Motor Co. Ltd., announced that Honda was developing a new generation of drive trains named 'Earth Dreams Technology'. This new series of engines and transmissions will deliver excellent performance and environmental values and will be gradually introduced throughout the Honda range.

Number one in fuel economy

With the exceptional environmental values of Earth Dreams Technology, Honda strives to achieve industry-leading fuel-efficiency within three years.

New 1.6 litre i-DTEC engine for Europe

The first engine for Europe from this series will be a newly developed 1.6 litre i-DTEC engine. Designed for the European market, this new, smaller diesel engine will first be introduced in Honda's new Civic, in late-2012. It is lighter than any other diesel engine of its size with CO₂ emissions of 94g/km and a maximum power output of 120 PS (at 4000rpm); the engine delivers a class-leading balance of fuel economy and performance. Plus, the 300Nm of torque (at 2000rpm) results in excellent driveability.



Case study Innovative Technologies

IMA Hybrid System

Honda began research into hybrid vehicles in view of enhancing the fuel economy of gasoline engine automobiles to the highest degree possible. In 1999, Honda began sales of the first-generation Insight hybrid vehicle, which featured Honda's proprietary Integrated Motor Assist (IMA). In IMA, a gasoline engine serves as the main source of power and an electric motor provides additional power as needed. After the launch of the Insight, Honda rapidly expanded its hybrid line in markets around the world..

In February 2009, Honda launched the all-new Insight hybrid vehicle. Combining a newly developed 1.3 litre i-VTEC engine with IMA, the all-new Insight offered customers greatly enhanced real-world fuel economy. In addition, the Ecological Drive Assist System (Eco Assist) helped customers realize the full benefits of Honda hybrid technology and further enhance full economy.

One year later, in February 2010, Honda launched the CR-Z hybrid sport coupe, the world's first hybrid to offer a 6-speed manual transmission for fun, sporty driving. In addition to dynamic and advanced exterior styling, the CR-Z featured a powerplant comprising a 1.5 litre i-VTEC engine and IMA. As a result, the CR-Z combined powerful, exhilarating performance with outstanding fuel economy of 25 km/litre creating a completely new kind of value in the hybrid category.

In October 2010, Honda added the Jazz Hybrid to the Jazz line. Thanks to Honda's advanced packaging technologies, the IPU (Intelligent Power Unit) consisting of the PCU (Power Control Unit) and IMA battery is located beneath the cargo area floor. As a result, the Jazz Hybrid maintains the line-up's spacious cabin, convenient seat arrangements and generous cargo area while offering outstanding fuel economy of 30 km/litre and fun driving performance.

The 2012 Insight now boasts CO₂ emissions of only 96 g/km. Fuel economy has been improved by means of improved aerodynamics and powertrain efficiency. Reduced engine friction and CVT efficiency, together with improved air-conditioning benefiting from a new cold storage all contribute to lower fuel consumption.



ECO Assist technology

During the development of the Insight Hybrid, Honda found that a difference in driving style may create a 15% variance in fuel economy. Featured on the New 2012 Civic for the first time, ECO Assist optimises fuel-efficiency by minimising the differences in fuel consumption caused by varying driving styles. Originally developed to assist drivers of the Insight, CR-Z and Jazz Hybrid models, it uses the car's speedometer illumination to advise drivers on how their driving style is impacting fuel economy. This helps drivers get the best economy from their car in everyday situations and gives real-time feedback on how their use of throttle affects their fuel costs and environmental footprint. It also coaches drivers by showing them how to decrease fuel use by maintaining momentum and avoiding excessive acceleration or deceleration. The speedometer lighting is blue when the car is idle and stays blue during sudden acceleration and deceleration.

The dash also features a green 'ECON' switch which activates the most economical and environmentally-friendly settings for the car. It does so by creating the best throttle position for the accelerator pedal to smoothly increase torque. ECO Assist also improves the efficiency of the air-conditioning system. According to conditions such as temperature and humidity it controls the compressor and decreases the voltage of the fan drive to reduce the load on the engine, improving fuel efficiency.

The Civic's ECO Assist system has been extensively tested on city, extra-urban and motorway test routes to optimise its performance for European driving conditions.

Idle Stop

Idle Stop has been applied across the Civic range with a manual transmission and is a large contributor to the advances made in the fuel efficiency and CO₂ emissions of all engines in that range – in fact it makes a contribution of about 5 g/km for a diesel engine. Feedback on existing Idle Stop systems indicated that their purpose and operation sometimes cause confusion for drivers. Therefore the Civic development team placed a lot of focus on creating an easily-operated system that adds to the driver's confident feeling of control. The result is consistently smooth and reliable restarts. The system is also optional so the driver can switch it off when it is not required. Idle Stop status and operation guidance are clearly displayed on the vehicle's standard i-MID screen, preventing the driver from confusing Idle Stop with an engine failure. The system was extensively tested in European cities to ensure high-quality performance in all traffic conditions.



'ECON' switch



Idle stop

Case study

Preparing for Hydrogen Technology

A new hydrogen refuelling station has been constructed on the HUM site. It has been constructed in conjunction with BOC and local council development company, Forward Swindon.

HUM provided the land on-site for the project and managed the construction phase.

It is the first commercially-available station that is capable of refuelling vehicles at both 350 bar and 700 bar pressures. It has been designed to be expandable and be refilled from utilising “green” technology; such as making hydrogen on-site from electrolysis and power from solar panels.



Honda FCX Clarity on-site for commissioning of the hydrogen station.

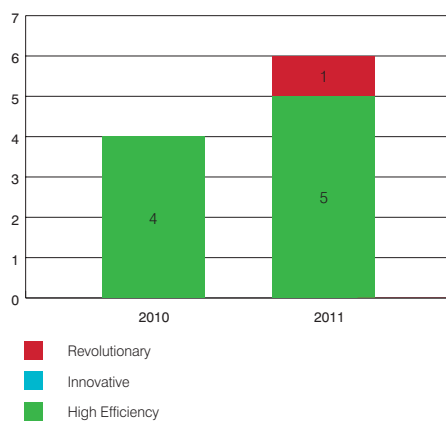


Honda solar panels power the hydrogen station.

2 Motorcycles

In addition to an increase of the high-efficiency motorcycles the revolutionary category also gets populated with the EV-neo.

Motorcycle Models per HEPS Category



Samples of 2011 Motorcycles

Hi Efficient Products



CB600F



NT700V

Revolutionary Products



EV-neo

Case study EV-neo Testing in Barcelona

In July 2011, Honda's EV-neo electric scooter made its European debut as part of a Demonstration Programme, in conjunction with the Barcelona City Council.

Representing a significant development in its European EV activities, Honda provided Barcelona City Council with 18 EV-neos for the period of one year. The EV-neo is a battery electric scooter with zero in-use CO₂ emissions. The Demonstration Programme was a partnership between Montesa Honda, Barcelona City Council and RACC, Spain's leading Automobile Club. All three organizations worked together to carry out daily research and monitoring activities on the EV-neo's usage in Barcelona.

Speaking at the launch of the Demonstration Project, Yukitoshi Fujisaka, President of Montesa Honda said, "We are delighted to bring Honda's EV technology to Europe for the first time. Testing the EV-neo in European conditions is an important step as we develop our EV activities."

A wide range of incentives exist for EVs in Barcelona and with motorcycles accounting for 30% of all vehicles in the city, Barcelona was an ideal location for this Demonstration Programme.

The EV-neo operates using a 2,8kW motor and a Lithium-ion battery. The EV-neo has a range of 34 km at 30 km/h on level ground.¹ The regular charger takes the battery from zero charge to a full charge in approximately 3.5 hours² and is a highly-portable unit that fits neatly in the cargo space beneath the seat of the EV-neo. The rapid charger fully charges the EV-neo in approximately 30 minutes.²

1 Honda calculations based on predetermined test conditions (user results may vary based on weather, road conditions, vehicle condition and maintenance, and other parameters), at ambient temperature of 25 °C
2 at ambient temperature of 25 °C



Case study NC700X

Designed for purpose

All-new twin-cylinder engine

The liquid-cooled SOHC 670cc twin-cylinder engine has been designed to meet the challenges of the 21st century. It is smooth, clean, fuel-efficient and compact, but it is also fun to use, with a strong low-rpm power delivery thanks to its relatively long-stroke SOHC architecture and specially-shaped combustion chambers. Further enhancing this satisfying feeling of effortless torque is the crankshaft, which has been designed with high levels of inertial mass.

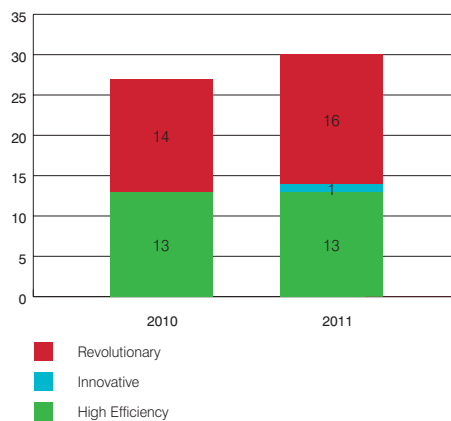
Clean exhaust emissions

Thanks to the same stoichiometric analysis used to reduce fuel consumption, the engine also burns extremely cleanly, minimising the emission of harmful exhaust gases. The PGM-FI fuel injection system supplies the optimum amount of fuel and is fully EURO-3 compliant thanks to an oxygen sensor in the exhaust. Finally the high-absorption catalyser has been located close to the engine. As a result the catalyst reaches operating temperature more quickly after a cold start; reducing harmful emissions over a typical journey.

3 Power Equipment

The number of models falling under the HEPS categories is increasing, especially in the innovative and revolutionary category.

Power Equipment Models per HEPS Category



Samples of 2011 Power Products

Hi Efficient Products



Innovative products



Revolutionary Products



Case study ecoPOWER 1.0 – The family power plant

With the ecoPOWER 1.0, Europe's first micro-cogeneration system for use in detached houses was made available in 2011. Whereas during power generation in conventional powerplants over half the energy involved is lost as waste heat without being used, this family-sized powerplant produces heat and electricity simultaneously on the spot at the highest efficiency and with minimized environmental impact. This not only reduces heating and electricity costs, but also enables CO₂ savings of up to 50% under optimum conditions. The technology can be installed in both new houses and existing homes.

Besides the cogeneration unit from Honda, the complete system comprises a 300-litre multi-functional storage tank, a wall-mounted gas condensing boiler for peak loads and the control system. The rating of the peak-load heater can be varied, and will depend on the heat requirement for the property in question.

In Japan and the USA, Honda has been offering micro-cogeneration-plant modules for use in detached houses since 2003. So far, over 100,000 systems have been sold and installed.



The ecoPOWER 1.0 micro-cogeneration system developed by Honda and the heating technology specialist Vaillant, convinced the prestigious jury of the German Sustainability Award. The expert committee selected Europe's first micro-cogeneration system for detached houses as the winner in the category 'Germany's most sustainable products/services'. This eco-friendly, ultra-efficient technology is used to simultaneously produce electricity and heat.

Case study GX and GC engines

Some would call our engines “green”; we call them “Honda”

In Europe, Honda offers industrial engines for both professional (GX/GXV-range) and premium residential use (GC/GCV-range). Honda is well aware of its responsibility in minimizing the environmental impact of its corporate activities and its products, and is committed to doing so.

Although in Europe engine manufacturers have to meet only the 'EURO2' emission standards Honda's policy is to offer engines that meet the most stringent standards worldwide. Our current benchmark is the CARB/EPA standards (covering both 'exhaust' and 'evaporative' emissions).

The GX-range

Depending on the model, exhaust emissions performance of the Honda engines offered as standard in Europe is between 17% and 47% better than the limit described in the EURO2 regulations.

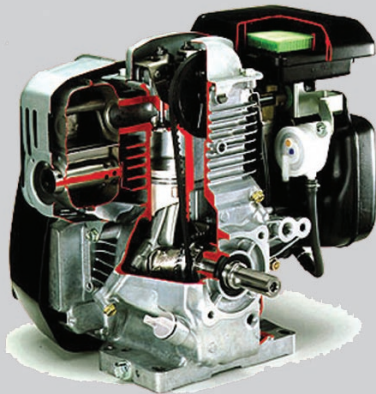


Depending on the model, exhaust emissions performance of the Honda engines offered as standard in Europe either meets the limit described in the US CARB-regulations, or exceeds it by as much as 20%.

For all the GX-engines sold from 2010 this implies a reduction of 43% (or 1.596 tons) over the lifetime of those engines. Again, this is the comparison between what we legally have to meet (EURO2) and our actual level of exhaust emissions.

GC/GCV-range

For our GC/GCV-range, notwithstanding we also offer CARB/EPA compliant engines, the majority of the engines actually sold meet the EURO2 regulations only. As we explained earlier this is for reasons of price-competitiveness. Our GCV engine range for lawnmower applications not only meets, but far exceeds, EURO2 exhaust emission standards – by as much as 44% to 52%, depending on the model.



The GCV-engines that meet CARB/EPA evaporative emissions regulations show a reduction of about 24% compared to the regulations in force. Compared to engines equipped with standard fuel systems, evaporative emissions reduction is even more significant.

It is a joy to sell these environmental-friendly engines.



Site Data

Data reported on have been collected based on the following collection and calculation rules:

Energy data related to direct energy consumption (as being primary energy sources as purchased and used by the reporting organisation, including natural gas, fuels from distilled crude oil, or from other renewable resources) and indirect energy consumption (through purchasing of electricity, heat, steam, from fossil, nuclear or renewable sources and as used on the respective sites)

Energy used is derived from meter readings and invoices from the energy suppliers.
Where conversion is required, the conversion rate is applied as based on:

- the information provided by the energy supplier, or, if not available
- national standard conversion values, or, if not available
- international conversion factors
- calculations based on chemical conversions

For the conversion to CO₂ equivalents the following priority of conversion factors is used:

- the information provided by the energy supplier, or, if not available
- national sector standard conversion values, or, if not available
- national standard conversion values, or, if not available (GHG Protocol country data)
- international conversion factors (GHG Protocol data)
- calculations based on chemical conversions (only applicable for primary energy resources)

These rules apply per site. Site data is consolidated after conversions.

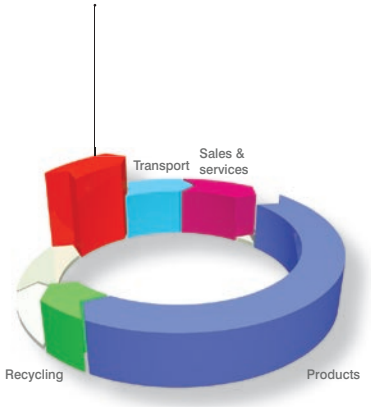
To make the performances comparable we normalise the values:

- For cars, motorcycle and power equipment production sites and transport: per unit output
- For parts production and transport: per turnover (referring to base year data = 100%)
- For logistics sites, for offices and for dealers: per area (m²) building



In-house production

IN-HOUSE PRODUCTION



Honda is working to minimize the impact of its manufacturing on the global environment, to improve associates' working environment and to enhance cooperation with local communities. We want communities to be proud of our factories, and we are continually working to realize the ideal of manufacturing products with the smallest environmental footprints in the most environmentally-responsible factories.

Honda operates six manufacturing facilities in Europe. Our work to reduce the environmental impact of our manufacturing operations in Europe includes efforts to reduce the energy intensity of production, as well as initiatives to use water and other natural resources more efficiently, and to reduce air emissions and waste generation.

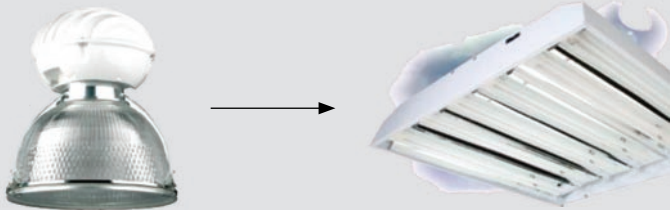
In addition to our constant strive to reduce our total waste volume, another milestone was reached in waste treatment: as already realised by selected sites, in 2011 all production facilities in Europe stopped sending any waste to landfills.

Case study Energy reduction

Energy Reduction

Honda manufacturing operations in Europe are committed to reducing energy consumption. At its plants, three steps to achieve this are Awareness, Efficiency and Innovation. Firstly, the associates are made aware of the energy impact. Energy meetings are organised for information sharing and to stimulate new ideas. The second step is to implement energy-saving themes and put the ideas into practice. Looking at themes with zero-investment and how and when they can be carried out. Thirdly, we look for innovation. For example, looking at best practices; establish new ideas; reduce waste; install new technology.

Lighting Replacement



Replacement of mercury vapour lamps for T5 fluorescent fittings with 18-month payback. 450 watt to 220 watt without loss of performance.

Case study CO₂ emission reduction

Photo Voltaic

Honda of the UK Manufacturing has entered into agreement with a third-party operator to take electricity from a new solar farm that has been constructed adjacent to the site. The solar farm is capable of generating 5MW of electricity and is connected directly into the HUM electrical infrastructure. A power purchase agreement has been set up for a 25-year period which allows Honda to take all of the energy generated if required, or export it to the national grid network.



South Marston Solar Park – 21.300 panels cover 13 ha of land generating 4.2 to 4.6 GWh of electricity per annum. A percentage of the solar panels are manufactured by Honda's own Soltec Company.

Case study Further reducing CO₂ footprint

Energy Crop

At Honda of the UK Manufacturing site in Swindon (HUM) we are investigating the future possibility of generating our own carbon neutral electricity and heat from virgin biomass.

In preparation for this activity 10 hectares at the site in Swindon were planted with the energy crop 'Miscanthus' in the spring of 2010. This giant sterile perennial grass can be grown successfully on marginal land that is unsuitable for the growing of conventional "food" crops. The cropping method is to plant and then allow the crop to establish over a period of two years. In the third year the cane can be harvested. From here on, the 2.5 meter cane can be harvested once per year for a period of at least 30 years with no further husbandry or artificial fertiliser requirements.

The annual yield from one hectare of miscanthus can be in excess of 20 Oven Dry Tonnes (ODT) per hectare per year; this is more than double the volume of any other energy crop.



1 Car Production

In the region two factories are producing cars: Honda of the UK Manufacturing and Honda Turkiye.

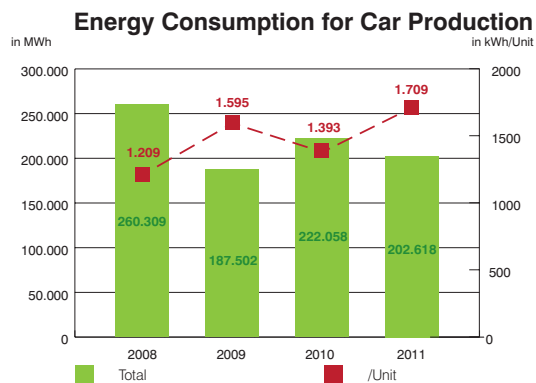
Energy

Due to a decline in production volume resulting from the Economic Crisis in 2009 and from a parts supply shortage because of natural disasters in some areas, an increase of energy per produced vehicle of 18,5% occurred over the reporting year. While in 2011 the tsunami in Fukushima created a real production stop, the impact of the Thai floods was compensated by an increase in locally-produced parts while the factories' products output level was decreased.

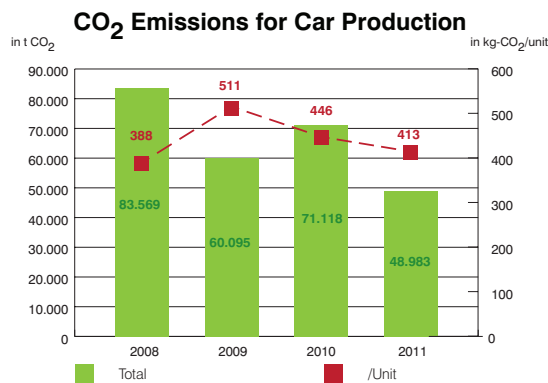
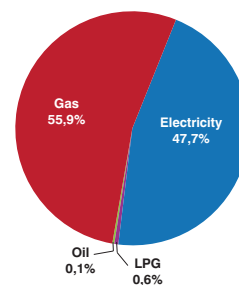
The main energy sources used are natural gas and electricity, while only a negligible amount of liquefied petrol gas and heating oil adds up to 100%.

Emissions

Even though there was an increase of energy per produced vehicle, a cut in emissions by 7,4% to 0,41 tons per vehicle produced was realised over the reporting year. This was realised by using more energy from renewable sources.



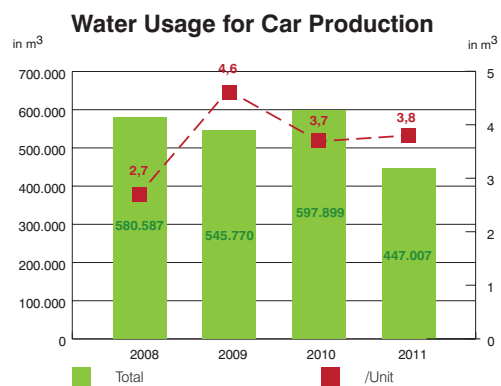
Energy by Source for Car Production



IN-HOUSE PRODUCTION

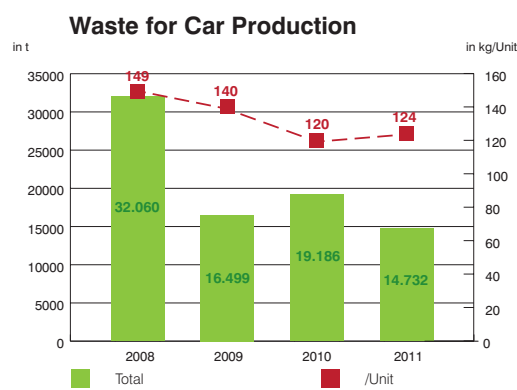
Water Consumption

Further efforts have been made to reduce water usage. Because of the reduced output volume the required water usage per car increased but was barely noticeable.

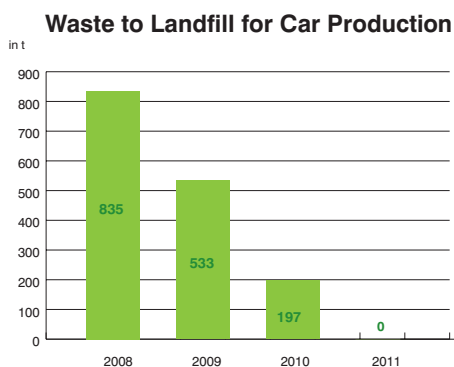


Waste

Special efforts by the production sites in cooperation with their suppliers resulted in a drop of the total waste volume by 54% compared to base year 2008.



Efforts to reduce waste sent to landfills started in 2009, but as from this reporting year, the goal to send nothing to landfills was achieved.



2 Motorcycles Production

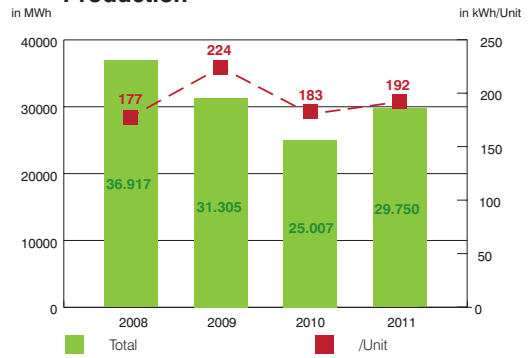
In the region motorcycles are being produced at Honda Italia Industriale and Honda Manufacturing Nigeria. The latter is being incorporated in the figures as from this reporting year. It is also important to identify that until 2010, Montesa Honda's main activity was motorcycle production. After this date the production was focused on plastic parts, not only for motorcycles but also bumpers, etc. Although some motorcycles were still produced (less than 10% of total turnover) the Montesa Honda data is not longer included in the graphs below, as from 2010 data.

Energy

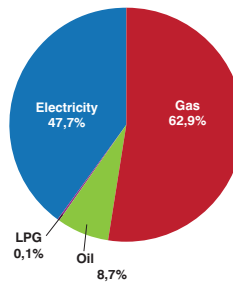
Because of the heating requirement related to painting activities, gas is the main energy source.

Emissions

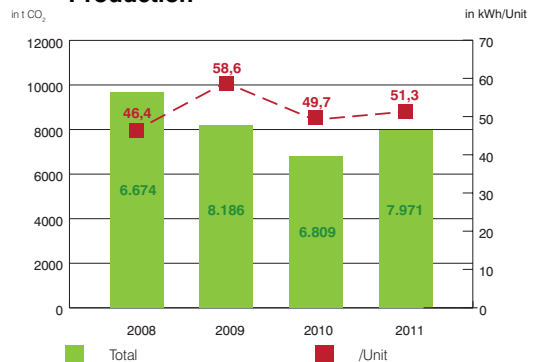
Energy Consumption for Motor Cycle Production



Energy by Source for Motor Cycle Production



CO₂ Emissions for Motor Cycle Production



IN-HOUSE PRODUCTION

Water Consumption

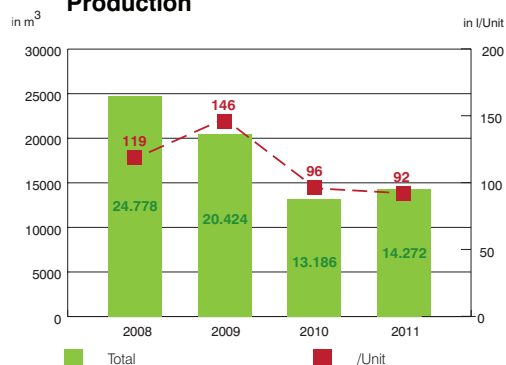
Although the painting activities require water, an improvement in the painting technology required less water per unit produced.

Waste

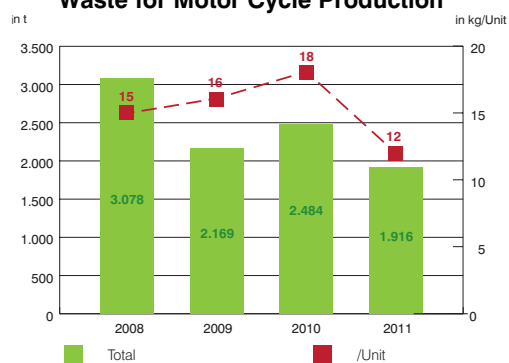
With suppliers, efforts have been made to reduce waste, especially packaging waste.

For the production for motorcycles the goal of no waste sent to landfills was also realised.

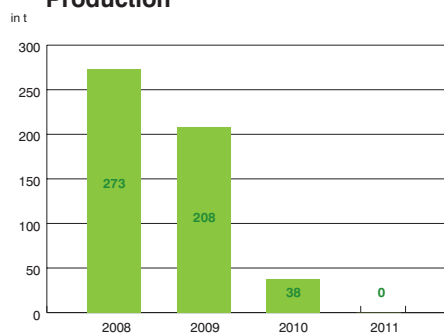
Water Usage for Motor Cycle Production



Waste for Motor Cycle Production



Waste to Landfill for Motor Cycle Production



3 Power Equipment Production

The power equipment production is shared by Honda Italia Industriale and Honda France Manufacturing (previously Honda Europe Power Equipment). In addition to engines for the site in Orléans, Honda Italia also produces engines for mounting on equipment from European equipment manufacturers. The distribution of these engines is organised by Honda Europe.

Energy

The reason for the increase of the energy used is the increased engine production at Honda Italia for the factory in France. This increased local share in the Honda France Manufacturing production also increased the used energy per unit (partly related to the floods in Thailand).

Painting activities, especially at Honda France Manufacturing require heating to bake the paint. The use of gas for this activity is considered to be the most appropriate energy source.

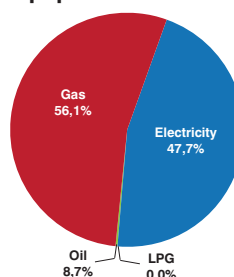
Emissions

As is the case for energy use, the related CO₂ emissions also increased relative to an increase in the locally-produced content of the factory output.

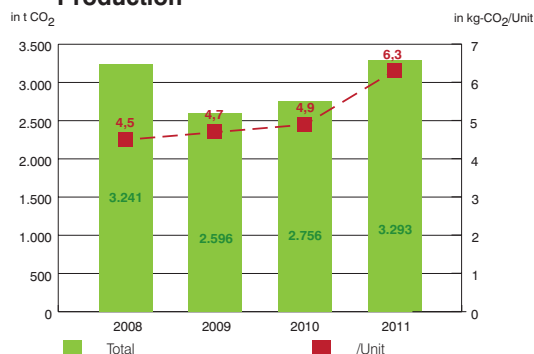
Energy Consumption for Power Equipment Production



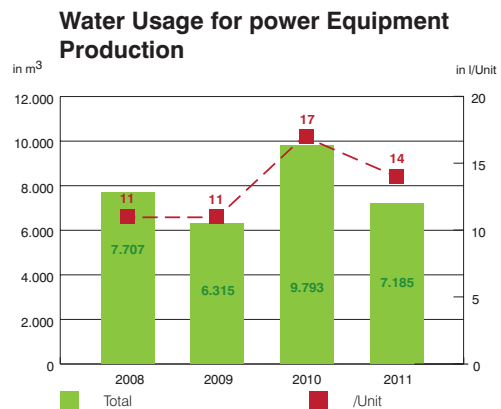
Energy by Source for Power Equipment Production



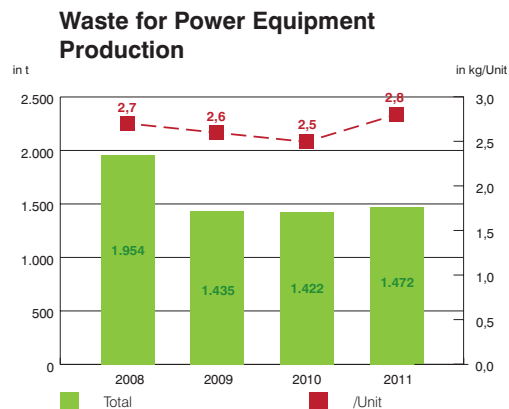
CO₂ Emissions for Power Equipment Production



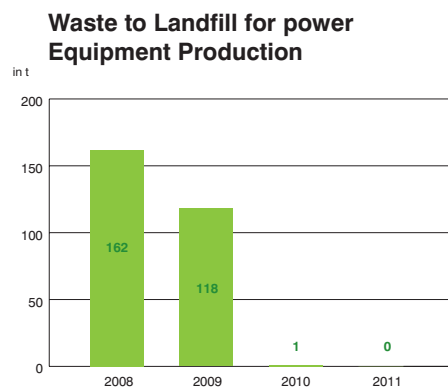
Water Consumption



Waste



We can practically say that in the power equipment production sites the goal for zero waste to landfill has been realised for the second consecutive year.



4 Parts Production

C.I.A.P. is the Honda specialist for producing camshafts and related assemblies. As of 2010, the main production at Montesa Honda switched from motorcycles to parts. From that year the Montesa Honda data is included in the graphs hereafter (and not longer in the motorcycle data).

The reference value in the parts business is turnover. However, as turnover is not a tangible data set, the related value in 2008 is set to 100 (%). This allows us to see the evolution of CO₂ emission reduction efforts in a standardised manner as well as in other reported performance indicators.

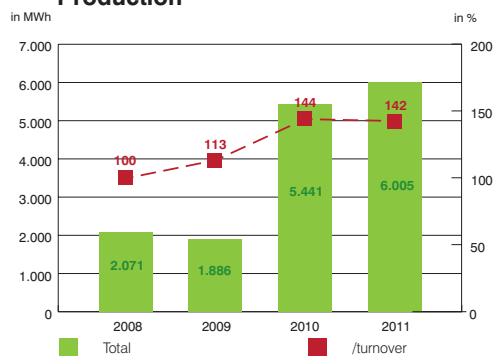
Energy

The added activities related to the operations of Montesa Honda are more energy-consuming than those of CIAP.

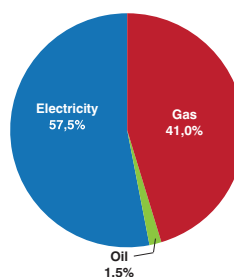
Emissions

Special efforts are being made to use more CO₂-efficient energy sources.

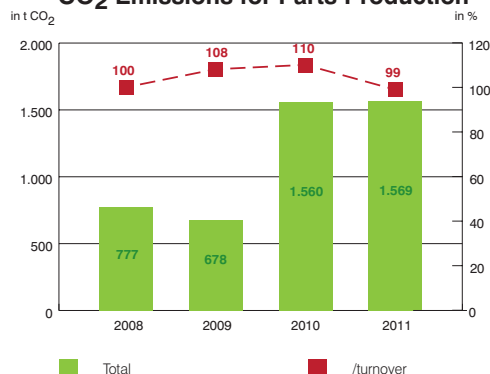
Energy Consumption for Parts Production



Energy by Source for Parts Production



CO₂ Emissions for Parts Production



IN-HOUSE PRODUCTION

Water Consumption

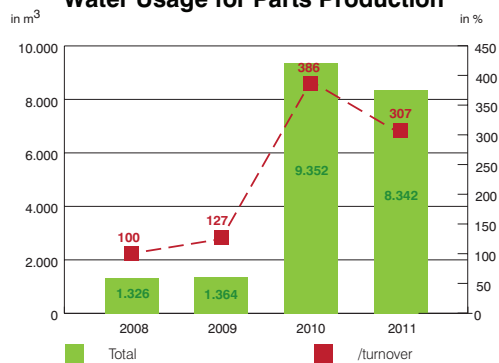
The activities at Montesa Honda include painting processes, requiring more water.

Waste

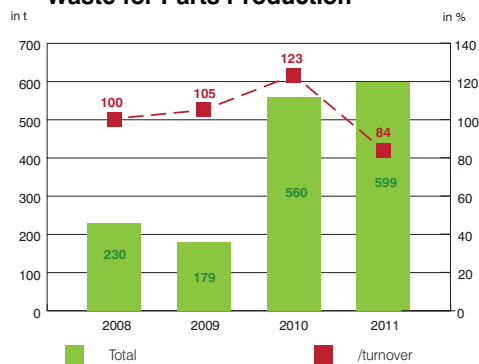
Continuous efforts to reduce waste have provided some results during the reporting year.

For parts production the goal of zero-waste to landfills has also been achieved.

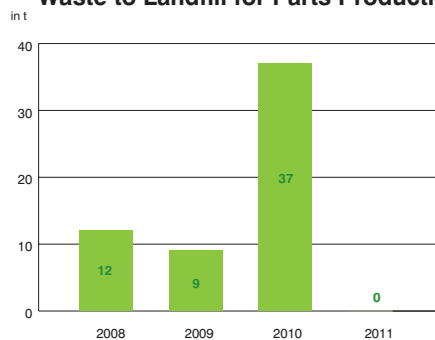
Water Usage for Parts Production



Waste for Parts Production

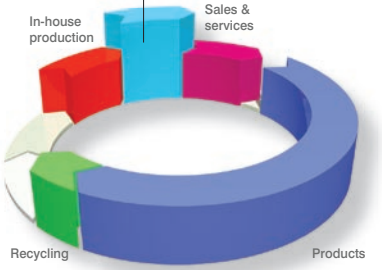


Waste to Landfill for Parts Production



Transport

TRANSPORT



For transport the following data is included: logistics inbound (transport from manufacturing site in Europe or the arrival port for deliveries outside the controlled region to Honda storage place), logistics outbound (transport from Honda storage place to dealers) and transport between the Honda storage places.

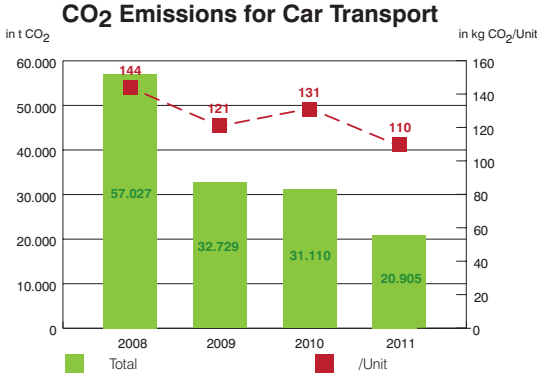
Specifically for outbound transport the data provided here covers the distribution to dealers in countries with a sales subsidiary. As the distribution is done by third parties, the distance travelled in-country to deliver a product to the dealer is estimated based on the number of required trucks and the surface of the country (or the considered area). Efforts are being done to optimise the truck load and to optimise the transport route to the dealer together with the transport company.

The transporters are requested to use the most fuel-efficient trucks for Honda deliveries.

1 Car Transport

Emissions

The decrease in CO₂ per unit was related to a shift towards Euro 5 and now Euro 6 truck units and more efficient load factors.

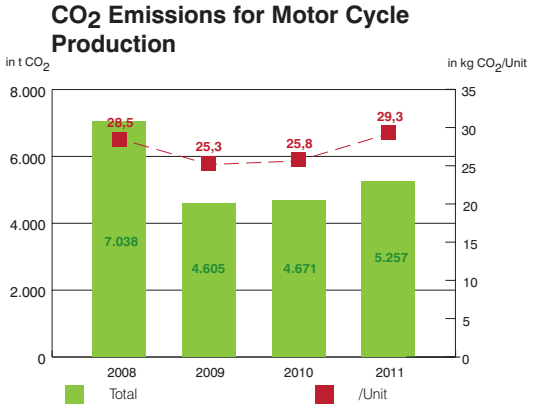


2 Motor Cycle Transport

For motorcycle transport the figures presented cover all transport as organised by Honda entities. The same limitations and similar estimation methods are being used as in car distribution.

Emissions

The increase of CO₂ per unit is related to an increased supply of motorcycles, but with quite stable sales. The resulting increased inbound CO₂ emissions are thus shared over the less-distributed motorcycles.



Case study Reorganising Car Stock Management

With the start of implementation of central stock during 2011, HME are now starting to enjoy less actual car swaps between the sales subsidiaries therefore reducing the need to move cars across Europe. Central stock has now started for UK-built units in France, Italy, Spain and Nordic nations.

Our contracts for truck suppliers now requires a minimum of Euro 5 equipment for Honda movement.



Case study Land transport improvement

In its constant effort to maximize the efficiency of land transportation, Honda extended the transportation of motorcycles without packaging in special double-deck trucks for the delivery from the warehouse to the main market regions in France. This transportation system has already been introduced in Italy, Spain, Portugal, Benelux and Germany and now 72% of the European market (sales volume-wise) is delivered with this transport system.



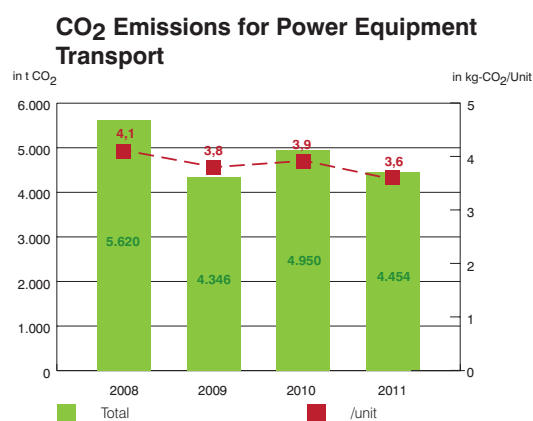
3 Power Equipment Transport

Only Honda-controlled transport is included in the data used. Contradictory to what is happening for cars and motorcycles, it often happens that full truckloads (especially with engines) are directly delivered to the producer who makes use of the Honda engine. This not only is easier to control but is also very efficient, especially from a service perspective.

Emissions

In 2011 Honda implemented a Power Equipment business model with common stock, in which all the stock in Europe is owned by the headquarter company Honda Motor Europe instead of by each country subsidiary.

This has enabled a more efficient distribution and sharing of the available stock and offers flexibility to deploy the production to the destination where it is most needed at the moment of production. This concept has resulted in an optimization of logistics flow, avoiding transporting products to places where they will not be sold and having to transport them again to a new location where they can be sold.



4 Parts Transport

For Parts Transport following data was included : Logistics Inbound (transport of parts from local supplier or port to Honda warehouses), Logistics Outbound (transport of parts from Honda warehouses to dealers) and transport between the warehouses.

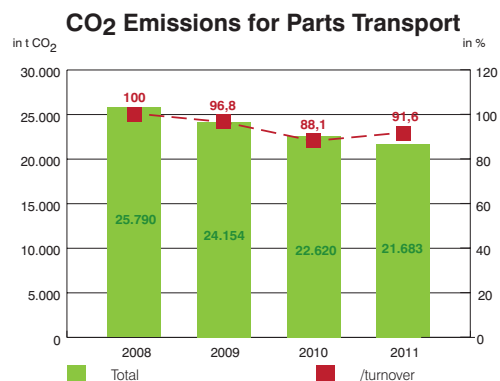
The reference value in the parts business is turnover. However, as turnover is not a tangible data set, the related value in 2008 is set to 100 (%). This allows us to see the evolution of the performance made in CO₂ emission reduction efforts in a standardised manner.

Emissions

The transport of parts is a very complex network and is mainly driven by our commitment to the customer to give him fast service (most of the parts are delivered within 48 hours).

Due to the continuous follow up of transport flows and the improvement of energy-consumption in the transport sector, a decrease in our CO₂ emissions during last year has been realized.

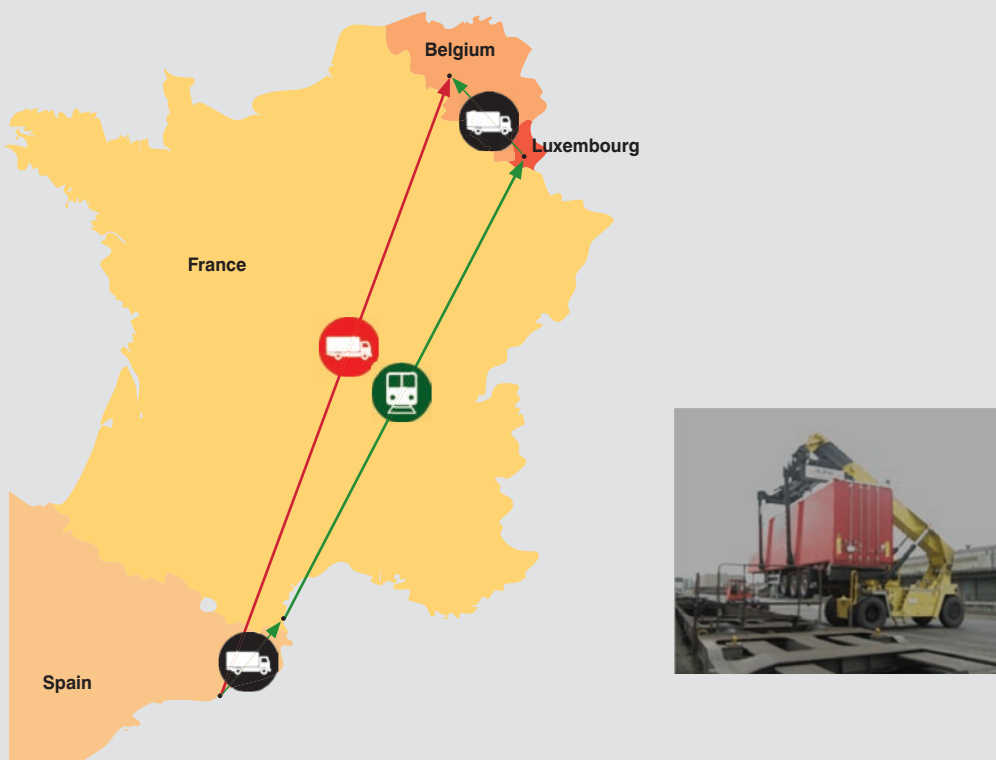
The graph shows an increase of the CO₂/turnover in 2011. This is due to a decrease in turnover (-8% compared to 2010).



Case study Intra company bumper transport

One of the activities of Honda Belgium Factory in Aalst has in addition to its warehousing function is the activity of painting bumpers, mainly for car repairs and other specialised painting applications. The paint division at Honda Belgium Factory being very specialised, the materials to be painted come from different origins. Some bumpers are coming from the Montesa Honda factory near Barcelona. These are then transported in bulk by truck to Aalst.

By reorganising the transport route from road-only to a combination of road and rail a significant amount of CO₂ emissions can be avoided.



In doing so, Honda not only contributes to a reduction in the traffic density on roads, but also reduces significantly the CO₂ emission for its transport by about 20 tons per year.

Case study Truck load efficiency

To reduce the impact of the transport of parts, Honda set up actions to increase the filling ratio of containers/trucks. Several returnable crates were designed, and are now used for transports between Honda factories and warehouses. Filling rates of 100% are possible when using the returnable crate. Use of returnable crates also influence the stability of the trucks in a positive way (improvement of road safety) and the packaging waste (returnable crates instead of wooden pallets and plastic stretch foil).

5 Warehousing

Honda has an extensive network of dealers in Europe. To provide continuous and fast delivery of our products and parts, several warehouses are run by Honda.

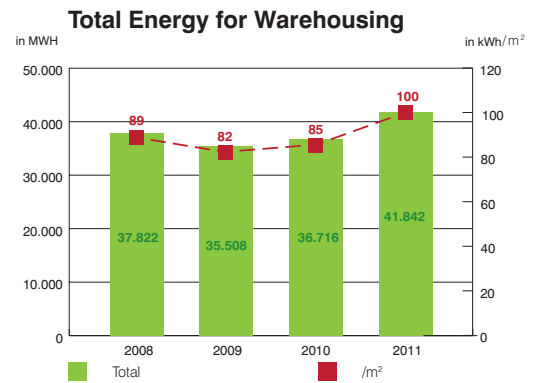
The data in the graphs provided include the in-house energy consumption of the warehouses. The major energy consumers in the warehouses are lighting, heating and cooling.

Energy

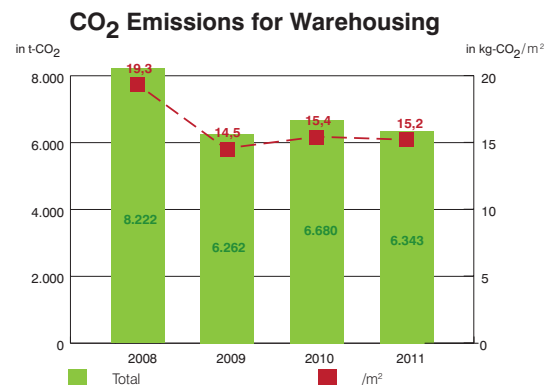
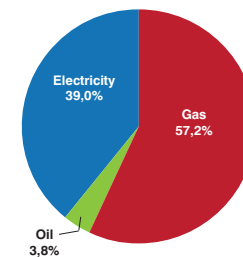
The increase of the energy consumption is due to extra warehouses. Until 2010, the paint operations at Honda Belgium Factory (painting of bumpers) were seen as factory-activities. For 2011 the decision was made to include all operations of Honda Belgium Factory (located in Aalst, Belgium) in the Warehousing graphs. Painting operations are responsible for almost 8000 MWh of energy (gas+electricity).

Emissions

To reduce the CO₂ impact, warehouse management promotes the use of energy from renewable resources. Dedicated production (by solar cells) is already realised at the warehouse in the UK and Belgium (Aalst). Several other warehouses buy certificated energy from renewable sources.



Energy Source for Warehousing



Case study Energy saving actions

To reduce energy consumption in the warehouse, several actions are taken.

Awareness campaigns for the employees were set up.

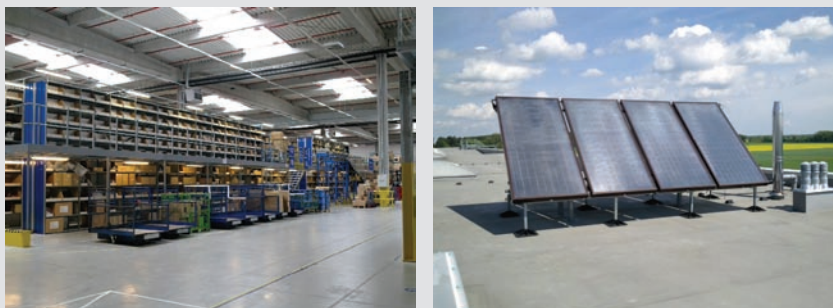


Replacement of installations: go for “less” (energy)

In 2009 a new installation for cooling the computer server rooms in Honda Europe was installed. A constant temperature and humidity is very important for the optimal operation of the servers. The new installation uses the principle of free-cooling (use low external air temperatures to assist in chilling water). This results in the reduction of electricity consumption by up to 10% for the installation.

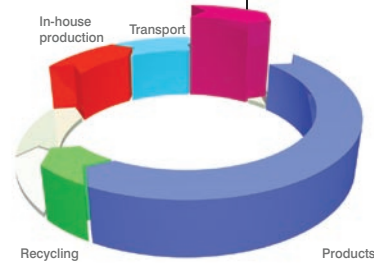
New installations: go for “less” (energy)

In 2010 a new warehouse was built in Poland. For this warehouse several energy-saving options were chosen: automatic dimming of lights; there are roof windows so natural light can be used; and a solar boiler is used for heating water.



Sales & services

SALES AND SERVICES



Honda continues to proactively promote environmental activities in the sales and service domain. Through these efforts, Honda can bring enhanced value to customers and communities, and earn their trust.

1 Sales subsidiaries

Energy

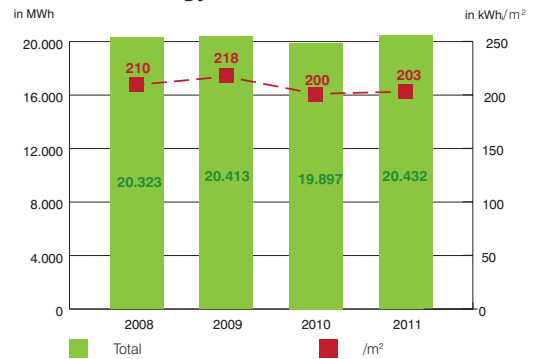
Even with the quite stable energy consumption at the sales subsidiaries, including the European headquarters, the energy per surface is slightly decreasing. New locations of some sites are certainly contributing to the decrease, maintaining energy consumption levels while increasing their surface area.

The Honda sales subsidiary in Sweden is using steam coming from a Combined Heat Power Generation Plant for heating purposes.

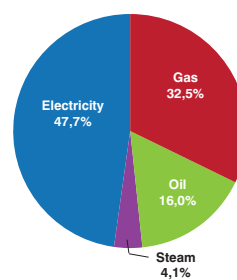
Emissions

Apart from looking for energy-efficiency improvement, some sales offices have chosen an energy supplier distributing more renewable energy or even only renewable energy.

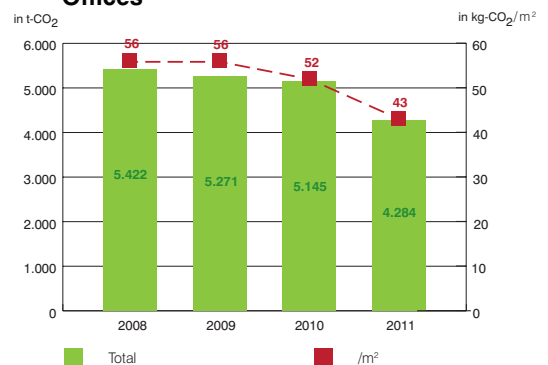
Total Energy National Sales Offices



Energy by Source for National Sales Offices



CO₂ Emissions for National Sales Offices



Case study Renewable energy

Solar Panels, hydropower and wind energy all contribute already to lower emissions at Honda facilities in Austria, Sweden and Germany.

Solar panels

With the construction of new facilities in Sweden and Germany, Honda has chosen to immediately apply the solar panels Honda is producing themselves.



Other renewable energy

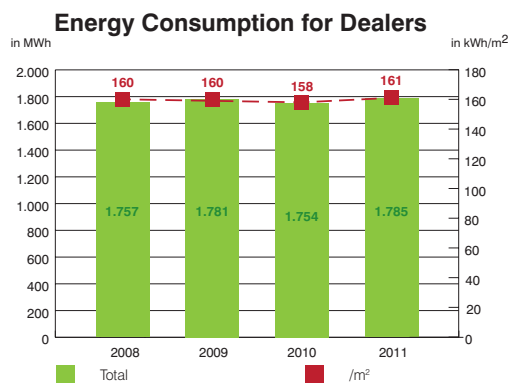
With the review of the energy contract, Honda Austria GmbH and Honda Logistic Centre Austria both decided to sign a contract for the purchase of electricity generated for 100% by hydropower.

2 Dealers

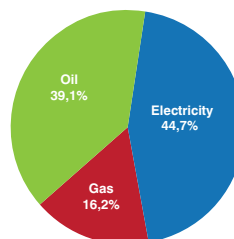
In this report we only include consolidated Honda sites. Six dealers in Switzerland are historically owned by our Swiss sales subsidiary and they are thus the only basis for the reporting in this section.

Energy

A stable energy consumption is being observed at the Swiss dealers.

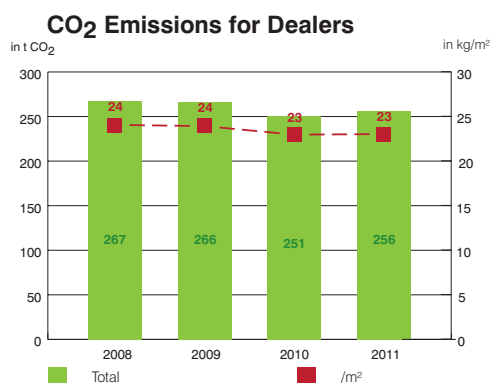


Energy by Source for Sales Dealers



Emissions

Already using low CO₂ emission electricity, further improvement of the CO₂ emissions has been achieved using bio fuel for heating.



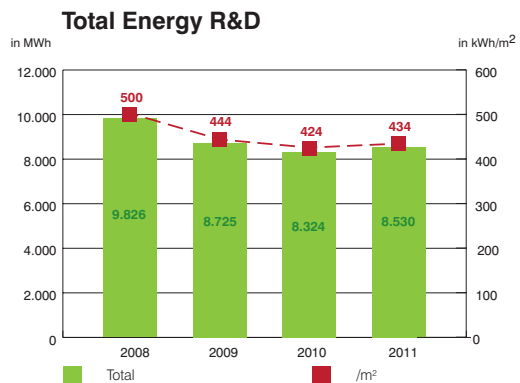
3 Research and Development

Energy

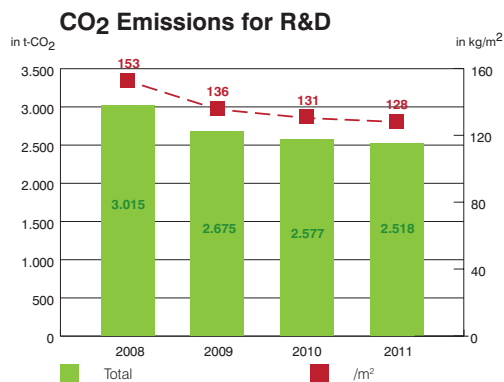
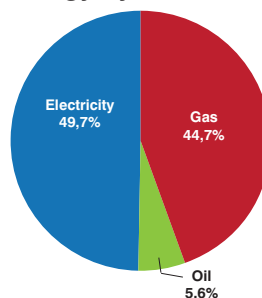
Efforts have been made to be more energy-efficient. As from 2011 data, the fuel usage for testing purposes has been included in the graph.

Fuel for testing cars in the UK is included as of 2009

Emissions

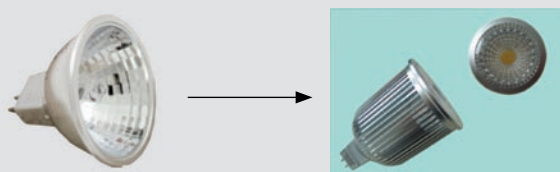


Energy by Source for R&D



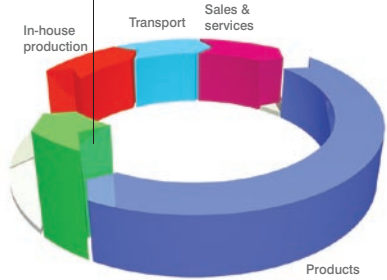
Case study Lighting improvement

During 87ki HRE-UK implemented a lighting project to put most of our communal lighting on to movement-detection sensors. This also included changing many 75 W spotlights in washroom areas to 8 W LED Type bulbs. The light replacement costs are compensated by the guaranteed LED bulb life of seven years.



Recycling

RECYCLING

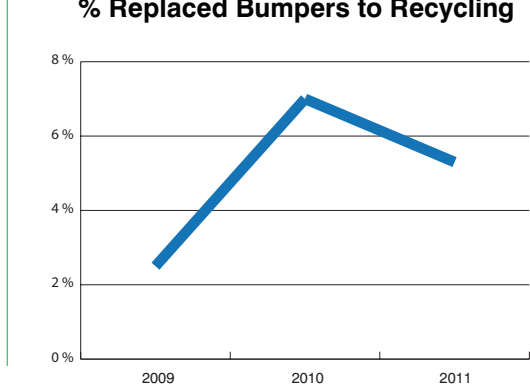


1 Bumper collection

UK

Honda Logistics Centre-UK is collecting bumpers that have been replaced by dealers. These are then sent to the plastics processor and broker 'what-A-waste' who will sell the material to compounders, processors and manufacturers. From there the plastics pellets are brought on the market for appropriate applications.

% Replaced Bumpers to Recycling



2 End-of-Life Vehicles

In Europe Honda is active to ensure the environmentally-sound treatment of collected cars. For that reason sales subsidiaries, local importers or their dealers have agreements with management systems or with economic operators. The achieved recycling and recovery rates in a country are mainly dependent on the availability of the recycling infrastructure in the respective countries. Honda advocates a chain evaluation system for calculating recycling results (how is the waste at each step in the treatment chain processed until it becomes a new product, it enters carbon oxidation heat recovery systems [i.e. incineration], or is going to a landfill (inclusive mine filling).

Honda is also cooperating with national ELV systems. As member of the mother company IG Altago.at, Honda was initiator and co-founder of the ÖCAR GmbH collection and reporting entity in Austria for contracted car importers.

Honda is also active in the creation of a market for recycled plastics. The bumpers collected in the UK are not sufficient for the use of recycled plastics in our cars produced in the Honda of the UK Manufacturing. More post-consumer recycled plastics are purchased from a plastics recycler to be used among others for underbody covers for the Civic, the Jazz and the CR-V.



In addition to the field approach, Honda is very active in the development of the system helping the dismantlers accurately depollute end-of-life cars (in this case 'IDIS', standing for International Dismantling Information System, the system promoted by the automotive industry for global information provision to dismantlers). An important element in the car's depollution phase includes the removal of the battery driving the Honda IMA system. Instead of developing a document that is very difficult to read by persons working at a dismantling station, Honda in Europe developed a comprehensive picture sequence approach for the dismantler to remove the hybrid car battery when the vehicle is end-of-life.

Philanthropy

As part of the Honda philosophy to be accepted by the community, activities demonstrating its local involvement are being promoted. For this reason Honda Türkiye organized an environmental week.

Case study

Honda Türkiye organised an environment week from 6 to 10 June, 2011 to point out environmental pollution, improve environmental sensibility and awareness of its associates. In the scope of the Environment Week several activities were planned. One of them was performed on 5 June on World Environment Day. A volunteer team from Honda Türkiye joined the organization Boğazımıza Takılanlar (Choked in Our Throats) organized by Carat Media as a corporate social responsibility project. The team collected waste from Istanbul Bosphorus with boats. The activity lasted for about three hours and at the end 30 kg waste was collected by the Honda Türkiye team.



PHILANTHROPY

Secondly a Tree Planting Activity was organized during the Honda Türkiye Environment Week. A Donation Box was placed in different areas of the factory for volunteers wanting to help in the planting of trees in collaboration with TEMA (Turkey Erosion Fighting, Planting and Natural Wealth Protection Foundation). An area for the planting of walnut trees was selected in Kargalı Village (located an hour from Honda Türkiye) by local authorities, TEMA and Honda Türkiye. After the trees mature, the income from walnuts will be used to provide for the needs of the village, especially for education. This Environment & Corporate Responsibility Project was supported by the seminar given by Kocaeli TEMA Representative on 7 June, 2011. Approximately 400 associates from production and other departments attended the seminar. During the seminar the aim is to improve the environmental awareness of participants and different environmental problems are discussed. Associates are also informed about the projects done by TEMA Foundation. One hundred walnut trees were planted on 24 October, 2011 by 40 associate Honda Türkiye Team, TEMA representatives and villagers. This activity was also covered in local newspapers.

Another activity planned during Honda Türkiye Environment Week was the contest for waste battery collection. An announcement was made that there would be a present for the associate who brings in the highest number of batteries. At the end of the week the total number of waste batteries collected was 1,584. The winner of the contest was from the QD department with 564 waste batteries. His present was given by Honda Türkiye President Mr. Hideto Yamasaki. Batteries collected during Environment Week were sent to a Hazardous Waste Storage area for recycling.



The last activity continued for a whole month for associates who gave environment-related suggestions. These were evaluated by the Suggestion System Committee. Sixteen associates were awarded for attending the activity by Purchasing Director Mr. Katsunori Kinpara.

Honda Sites

included in Report

Production

Name	City	Country
Honda of the UK Manufacturing Ltd (cars)	Swindon	UK
Honda Türkiye A.S. (cars)	Gebze	Turkey
Honda Italia Industriale S.P.A. (motorcycles and power equipment)	Atessa	Italy
C.I.A.P. S.P.A. (parts)	Bologna	Italy
Montesa Honda S.A. (motorcycles)*	San Perpetua de Mogoda (Barcelona)	Spain
Honda France Manufacturing S.A.S. (power equipment)	Ormes (Orléans)	France
Honda Mfg. (Nigeria) Ltd (motorcycles)	Lagos	Nigeria

* included in motorcycle production data until 2009.

Logistics – Distribution

Name	City	Country
Honda Europe NV	Gent	Belgium
Honda Belgium Factory N.V.	Aalst	Belgium
Honda Logistics Center Austria GmbH	Guntramsdorf	Austria
Honda Logistics Center Central Europe Sp.z.O.Z.	Pniewy	Poland
Honda Logistics Center Spain AS	Barcelona	Spain
Honda Logistics Centre Italy SPA	Collognola Al Colli	Italy
Honda Logistics Center Sweden AB.	Arlöv	Sweden
Honda Logistics Centre UK Ltd	South-Marston	UK
Honda Motor Company South Africa*	Midrand	South Africa
Honda Gulf Fze	Dubai	United Arab Emirates
Honda Motor Rus LLC*	Moscow	Russia
Honda Ukraine LLC*	Kyiv	Ukraine

* Data split from total site data



Barcelona, Spain



Malmö, Sweden



Pniewy, Poland



Swindon, UK



Verona, Italy



Wenen, Austria



HONDA

Honda Europe NV

HONDA

HONDA

Honda Akademie

Sales subsidiaries (Administration)

Name	City	Country
Honda Motor Europe Ltd	Slough (London)	United Kingdom
Honda Belgium – Sales Office	Zellik	Belgium
Honda Nederland BV	Schiphol-Rijk	The Netherlands
Honda Nordic AB	Malmö	Sweden
Honda Motor Europe Ltd – Norge	Drammen	Norway
Honda Motor Europe Ltd - Denmark	Kolding	Denmark
Honda Motor Europe Ltd – Finland	Helsinki	Finland
Honda Motor Europe - Estonia	Tallinn	Estonia
Honda Motor Rus LLC*	Moscow	Russia
Honda Ukraine LLC*	Kyiv	Ukraine
Honda Turkey AS	Kocaeli	Turkey
Honda Motor Co., Middle East Office	Jebel Ali South Free Zone	United Arab Emirates
Honda Motor Company South Africa*	Midrand	South Africa
Honda Portugal SA	Sintra	Portugal
Honda Automoviles España SA	Barcelona	Spain
Montesa Honda SA	Barcelona	Spain
Honda France SA	Marne la Vallée	France
Honda Italia Industriale - Atessa	Atessa - chieti	Italy
Honda Italia Industriale Spa - Roma Office	Roma	Italy
Honda Automobili Italia Spa	Verona	Italy
Honda (Suisse) SA	Vernier Geneve	Switzerland
Honda Automobile Suisse SA	Satigny-Geneve	Switzerland
Honda Deutschland GmbH	Offenbach	Germany
Honda Austria Gesellschaft Mbh	Wiener Neudorf	Austria
Honda Hungary	Budaörs	Hungary
Honda Slovakia	Bratislava	Slovakia
Honda Ceska republika, spol. s r.o.	Praha 5	Czech Republic
Honda Poland Ltd	Warszawa	Poland

* Data split from total site data

Research and Development

Ref.	City	Country
Honda Research Institute Europe GmbH	Offenbach am Main	Germany
Honda R&D Europe (Deutschland) GmbH	Offenbach am Main	Germany
Honda R&D Europe (U.K.) Ltd	South Marston (Swindon)	United Kingdom
Honda R&D Europe (Italia) S.r.l.	Roma	Italy

Dealers

Name	City	Country
Garage du golf	Aigle	Switzerland
Garage city servette	Geneve	Switzerland
Garage de belleaux	Lausanne	Switzerland
Garage des jordils	Neuchatel	Switzerland
Garage de villars chandolan	Fribourg	Switzerland
Letzigraben garage	Zurich	Switzerland

GRI Reference List

Based on the G3 GRI Reporting recommendations, please find here the information where the GRI topic can be found in the report:

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3.3	Report cycle	3
3.4	Contact	3
3.6	Boundary of report	3
3.7	Specific limitations on the scope or boundary of the report	30
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, etc...	3
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EN28	Incidents of non-compliance	none to report
EN29	Impacts of transport	42-45







HONDA

Honda Motor Europe Ltd - EESPO

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