HONDA

Honda Green Purchasing Guidelines



December 2001 – First edition
October 2018 – Revised edition

Honda Motor Co., Ltd.

【Table of Contents】

I. Introduction 2

II. Honda's Environment Statement / Honda Environmental and Safety Vision 3

III Honda Green Purchasing Policy 4

IV. Request for Suppliers

1. Environmental Management 5

(1) Environment management structure for each company, factory and office

(2) Environment management structure focused on business areas and products

2. GHG Emissions Reduction 6

(1) Understanding and Reduction of GHG Emissions

(2) Reduction of Chlorofluorocarbon Emissions

3. Environmental Preservation of Air, Water and Soil 6

4. Effective Utilization of Resources and Waste Reduction 7

5. Chemical Substances Management 7

(1) Management of Chemical Substances in Products

(2) Management of Chemical Substances in Processes

6. Environmentally Friendly Products Development 8

7. Biodiversity Conservation 9

Inquiry 10

I. Introduction

Ever since the 1960s, Honda has actively endeavored to solve environmental problems. We developed the low-pollution CVCC engine that successfully reduced carbon monoxide, hydrocarbon and nitrogen oxide (NOx) emissions, while we were the world's first automaker to comply with the U.S. Clean Air Act in the 1970s, a regulation through at the time to be the most stringent in the world.

In 1992, Honda's Environmental Statement was released to serve as the Company's guideline for all environmental initiatives. The statement articulates the basic stance we had developed until then to reduce environmental impact at every stage in the life cycle of our products, from resource procurement to design, development, production, transportation, sales, use and disposal stages.

In addition, for Honda to further promote the above-mentioned environmental initiatives and continue to be a company that society wants to exist, the Honda Environmental and Safety Vision was established in 2011.

Honda aims at the realization of the Vision by sharing and engaging in the Honda's Environment Statement not only within the company or group companies but also with everyone who is involved with Honda such as suppliers and vendors.

These Guidelines have been revised and updated according to social needs since the first edition in 2001. We would like our suppliers to strive to minimize environmental footprint in corporate activities based on Honda Green Purchasing Guidelines.

II. Honda's Environment Statement / Honda Environmental and Safety Vision

Honda's Environment 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 world.

We should pursue our daily business under the following principles;

1. We will make efforts to recycle materials and conserve resources and energy at every stage of our products' life cycle - 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 life cycle 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 regional environment and society, and endeavor to improve the social standing of the company.

Established and released in June 1992

Honda Environment and Safety Vision

Realizing the joy and freedom of mobility and sustainable society where people can enjoy life

III. Honda Green Purchasing Policy

For Honda, activities to conserve the global environment establish an important pillar in our corporate policies. Our goal is to reduce our environmental footprint through corporate activities (*1) at every stage in the entire life cycle from resource procurement to design, development, production, transportation, sales, use and disposal stages.

To carry out these activities effectively, we are continuing to take strong measures to reduce our environmental footprint, together with our suppliers. We are also adding E (Environment) to our supplier evaluation categories (*2) of Q (Quality) , C (Cost), D (Delivery) and D (Development) to allow us to more actively encourage purchasing environmentally friendly parts and materials.

For Honda's environmental initiatives such as GHG emissions reduction, the overall purchasing activities of sharing policies with suppliers and achieving targets together are called Honda Green Purchasing activities.

<Supplement>
These Guidelines cover all suppliers for parts, materials, indirect materials, accessories, service parts and logistics.
Products refer to completed products of motorcycles, automobiles and power products produced by Honda.
Parts and materials refer to parts, materials, indirect materials, accessories, service parts and logistics purchased by Honda.

(*1) Corporate activities cover all activities related to Honda products including not only first-tier but also sub-tier suppliers.

(*2) The result of activities at each supplier in response to these guidelines may be evaluated.

IV. Request for Suppliers

1. Environmental Management

Honda's existing global vehicle assembly and product assembly plants had acquired ISO14001, an international certification for environmental management systems. We encourage each supplier to establish an environmental management structure conforming to laws and regulations in each country and region in order to implement a wide variety of environmental activities, and along with promoting continuous efforts to improve environmental performance..

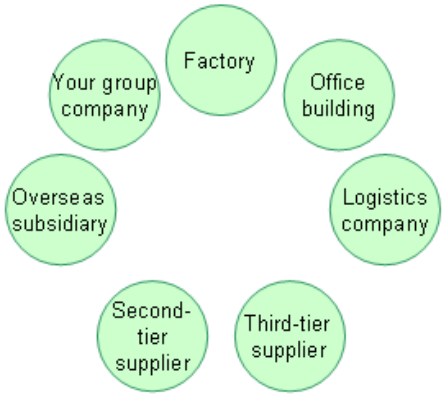
(1) Environment management structure for each company, factory and office

We encourage each supplier to establish an environmental management structure conforming to ISO14001, or other certification systems approved by third-party certification organizations, and actively obtain certifications.

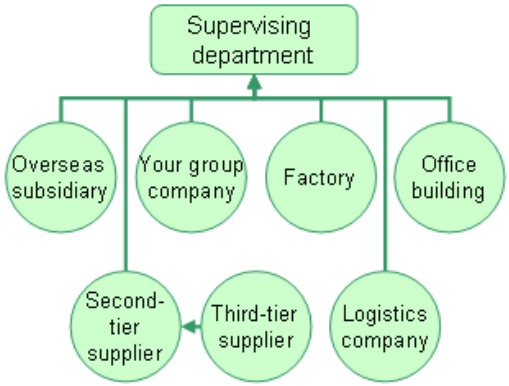
(2) Environment management structure focused on business areas and products

We encourage suppliers to establish an environmental management structure from viewpoint of the products (parts and materials) life cycle, by reinforcing coordination focused on each business area. This should include providing guidance to second-tier and sub-tier suppliers on how to establish an effective environmental management structure.

<Environmental management structure for each company, factory and office>



<Environmental management structure focused on business areas and products>



In some cases, we may need to view or request suppliers to submit related documents and data.

2. GHG Emissions Reduction

Honda is moving forward with its response to climate change through initiatives that link Honda's business strategy. The Company announced its aim to cut total corporate CO2 emissions in half by 2050 compared with 2000 levels. Honda also will continue with activities to reduce CO2 using science-based target setting using the latest information.

We encourage suppliers to control GHG emissions in corporate activities, and to implement reduction activity as well as effective use of energy.

(1) Understanding and Reduction of GHG Emissions

Please implement GHG emissions reduction activities over the entire life cycle, such as understanding of GHG emissions and effective use of energy.

In some cases, we may need to view or request suppliers to submit related documents and data. Relevant suppliers will receive notifications separately in supplier conference and so forth.

(2) Reduction of Chlorofluorocarbon Emissions

For suppliers who using chlorofluorocarbons in plants, or parts or materials, please change it to non-chlorofluorocarbon and with low GWP(※1)

(*1) GWP (Global Warming Potential)

3. Environmental Preservation of Air, Water and Soil

Honda recognizes that air pollution has been a critical issue since the 1960s when pollution issues escalated and believes that worsening air pollution in cities has a negative effect on people's health, which hinders the realization of the "joy and freedom of mobility and a sustainable society where people can enjoy life." Honda has sought to resolve this issue through the development of technologies that clean the gas emitted from products. In addition, we recognize through corporate activities that upstream and downstream river would affect water resources, and to focus on minimization of water usage, proper effluent processing and preservation of water resources.

We encourage suppliers to comply with laws and regulations on pollution preservation of air, water and soil in each country and region, and monitor continuously as well as reduce contaminants and water usage for environmental preservation.

* In some cases, we may need to view or request suppliers to submit related documents and data.

4. Effective Utilization of Resources and Waste Reduction

Honda considers the efficient utilization of resources one of the critical issues and actively promoting 3R (*1) activities as well as proper processing when disposing of end-of-life products. Honda is tackling this issue aiming at the elimination of risks related to resources and disposal that occur in various stages ranging from resource procurement to disposal and recycling.

We encourage suppliers to comply with regulations on proper processing and recycling of disposals in each country and region, and understand the importance of enhancement of resource efficiency in order to strive continuously to reduce quantity of waste generated and establish a management structure for resource recycling.

*In some cases, we may need to view or request suppliers to submit related documents and data.

(*1) Reduce, Reuse, Recycle

5. Chemical Substances Management

Honda works to ensure the appropriate management and reduction of chemical substances contained in automotive components from the product design and development stages in order to reduce those materials that impact the environment. Our stringent chemical substances management covers not only parts and materials but all highly hazardous components used in processes and transportations,

While supply chains become further complicated across national borders, each supplier must ensure the management of chemical substances in parts and materials for second-tier suppliers and to the end of the supply chains. We encourage suppliers to provide safe management of chemical substances having a possibility that environmental pollution will occur, and guarantee that parts and materials do not contain any chemical substances prohibited under the laws and regulations in each country and region.

(1) Management of Chemical Substances in Products

・Management structure and chemical substances management conforming to Honda Chemical Substance Management Standard

・Submission of conformity declaration to Honda Chemical Substance Management Standard

・Data entry for chemical substances contained in products, parts and materials into a system specified by Honda (target products, parts and materials are to be specified by Honda.)

(2) Management of Chemical Substances in Processes

We request suppliers to enter the data into a system specified by Honda or submit Safety Data Sheet (hereafter referred to as SDS (※1)) by a method agreed separately. (Applicable products, parts and materials are obligated to submit to SDS by laws and regulations, and specified by Honda.)

・In order to maintain the latest data in SDS, please enter or submit the latest data promptly at the time of change of contents when laws and regulations are revised.

・Suppliers are notified when applicable products, parts and materials specified by Honda are changed. In such cases, please enter or submit SDS promptly.

(※1) SDS: Safety Data Sheet defined by United Nations GHS (The Globally Harmonized System of Classification and Labelling of Chemicals)

6. Environmentally Friendly Products Development

Through Honda's proprietary technologies and business activities, Honda will work to deal with climate change issues, energy issues, effective utilization of resources and preservation of clean air, which are continued as challenges in the materiality matrix, with an aim to realize a zero-environmental impact society in the future.

We encourage our suppliers to give us proposals on products (parts and materials) and services to be supplied from a perspective of fuel efficiency improvement (lightweight, low resistance, power-saving, etc.), especially weighted on environmentally friendliness, for developing environmentally friendly products.

7. Biodiversity Conservation

Recognizing that its business activities can have an impact on biodiversity, Honda has long been putting a great deal of effort into activities that have led to the conservation of biodiversity. In 2011, the Company established the Honda Biodiversity Guidelines. As the basic statement, it stipulates as follows: “We recognize, under the Honda’s Environment Statement, that biodiversity conservation initiatives are an essential part of our commitment to the preservation of the global environment. We will continue to work toward harmony between this commitment and our activities.” We encourage each supplier to understand the importance of biodiversity conservation and give the maximum consideration to it.

Honda Biodiversity Guidelines

【Basic Statement】

We recognize, under the Honda’s Environment Statement, that biodiversity conservation initiatives are an essential part of our commitment to the preservation of the global environment. We will continue to work toward harmony between this commitment and our activities.

Priority Activities

1. Development of Environmental Technology

We will contribute to the conservation of biodiversity by developing and disseminating technologies for fuel-efficient vehicles, next-generation cars, and energy-production and other technologies for the reduction of environmental impacts.

2. Initiatives Based on Corporate Activities

We will work to reduce environmental impacts and ensure the effective use of resources through efficiency improvements.

3. Cooperation with Communities

We will implement community-based activities in cooperation with stakeholders, using expertise accumulated by Honda through its initiatives to protect ecosystems, such as the Community Forests and Hello Woods initiatives.

4. Disclosure and Sharing of Information

We will share information with society by disclosing the outcomes of our activities.

Established in May 2011

Inquiry

Target supplier	Responsible department	Contact	Annex
Suppliers for parts, RM and automobile accessories	Sustainability Management Dept., Purchasing Planning Division, Purchasing Operations	Resp. for environment 028-677-7033	O
Suppliers for indirect materials	MRO dept., Purchasing Division – II, Purchasing Operations	048-452-0202	O
Suppliers for service parts	<Service parts> Supply Planning Dept., Spare Parts Division, Regional Operations (Japan)	048-452-0432	N/A
	<Motorcycle accessories> MRO Supply Dept., Business Planning Division, Motorcycle Operations	096-293-1063	
Suppliers for logistics and packaging materials	ESG Operation Dept., SCM Planning Division, Production Operations	03-5412-1534	N/A



(Issued by)

Environment and Safety Planning Division, Corporate Planning Supervisory Unit

Purchasing Planning Dept., Purchasing Planning Division

Honda Motor Co., Ltd.