

## Specific Targets to Be Achieved and Progress

To give further impetus to its environmental conservation activities and achieve clear results in a more effective manner, Honda has set out its own voluntary targets as described below and is working toward their attainment. In fiscal 2005, we achieved all product targets for 2005 that we announced in 1999 and 2001. We will next implement measures to achieve CO<sub>2</sub> reduction targets for our products and production activities for 2010 that we announced in May 2006.

### ● Cleaner Exhaust Emissions by 2005 (Announced in 2001)

Specific Targets		Progress Made in Fiscal 2005	Reference
<b>Automobiles</b>	To have Honda passenger vehicles approved <sup>1</sup> as "★★★ low emission vehicle" and "★★★★ low emission vehicle" by the Ministry of Land, Infrastructure and Transport by 2005 <sup>2</sup>	In fiscal 2005, 50 types of 24 models attained the objective. Percentage of vehicles that attained the objective to total unit sales <sup>3</sup> : 85.2%	[Attained] ▶ Page 27

- The target was to have most Honda passenger vehicles approved as "Ultra" low emission vehicles by the Ministry of Land, Infrastructure and Transport by 2005 at the time when it was announced in 2001. However, because the Low Emission Vehicles' Approval—which corresponds to the 2005 exhaust emissions standards—was introduced in October 2003, we are promoting the attainment of "★★★ low emission vehicle" approval and "★★★★ low emission vehicle" approval that correspond to the 2005 exhaust emissions standards, which are stricter than conventional ones.
  - Target in Japan
  - From fiscal 2004, the progress is shown in the percentage to total sales units (of passenger vehicles).
- Notes: ★★★ low emission vehicle: Emissions are 50% lower than the 2005 exhaust emissions standards  
 ★★★★ low emission vehicle: Emissions are 75% lower than the 2005 exhaust emissions standards

### ● Targets to Be Achieved by 2005 by Improving Clean Exhaust Emissions and Fuel Economy (Announced in 1999)

Specific Targets		Progress Made in Fiscal 2005	Reference
<b>Automobiles</b>	Up to fiscal 2005: To reduce the total exhaust emissions of HC and NOx by approximately 75% for new vehicles (compared with fiscal 1995) <sup>1</sup>	HC: Reduced by 88.1% NOx: Reduced by 88.1%	[Attained] ▶ Page 27
	Up to fiscal 2005: To achieve the new fuel economy standards of Japan for fiscal 2010 for all weight categories <sup>1</sup>	Achieved for all 7 categories	[Attained] ▶ Page 29
	Up to fiscal 2005: To improve the average fuel economy by approximately 25% (compared with fiscal 1995) <sup>1</sup>	Improved by approximately 31.1%	[Attained] ▶ Page 29
<b>Motorcycles</b>	Up to fiscal 2005: To reduce the total exhaust emissions of HC to approximately 1/3 for new vehicles (compared with fiscal 1995) <sup>2</sup>	Reduced by approximately 77% (Reduced to approximately 23%)	[Attained] ▶ Page 32
	Up to fiscal 2005: To improve the average fuel economy by approximately 30% (compared with fiscal 1995) <sup>2</sup>	Improved by approximately 33%	[Attained] ▶ Page 33
<b>Power Equipment</b>	Up to fiscal 2005: To reduce the average exhaust emissions of HC and NOx by approximately 30% for new products (compared with fiscal 1995) <sup>3</sup>	Reduced by approximately 39%	[Attained] ▶ Page 34
	Up to fiscal 2005: To improve the average fuel economy by approximately 30% (compared with fiscal 1995) <sup>3</sup>	Improved by approximately 31%	[Attained] ▶ Page 35

- Target in Japan
- Target in Japan, the United States, Europe, and Thailand
- Global target

### ● Energy Saving and Reduction in Waste in the Production Domain (Announced in 1998)

Specific Targets	Progress Made in Fiscal 2005	Reference
Up to fiscal 2010: 30% reduction in energy unit (compared with fiscal 1990)	Reduced by 22.6%	▶ Page 39
Up to fiscal 2001: Achieving zero landfill disposal	[Attained]	▶ Page 40

**For global 2010 CO<sub>2</sub> reduction targets announced in May 2006, please refer to page 13.**

### ● Recyclability Rate for New Models of Automobiles and Motorcycles (Announced in 1998)

Specific Targets	Progress Made in Fiscal 2005	Reference
<b>Automobiles</b> 90% or more from 2000 onward	[Attained]	▶ Page 49
<b>Motorcycles</b> 90% or more	[Attained]	▶ Page 51

### ● Reduction of Substances of Concern in All the Models Produced in Japan (Announced in 2005)

Specific Targets		Progress Made in Fiscal 2005	Reference
<b>Automobiles</b>	Hexavalent chromium	To be totally abolished by the end of December 2005*	Abolished except for use in rustproof black/green chromate coating ▶ Page 50
	Cadmium	To be totally abolished by the end of December 2005	[Attained] ▶ Page 50
<b>Motorcycles</b>	Hexavalent chromium	To be totally abolished by the end of December 2005	Abolished except for use in aluminum rust prevention and rustproof black/green chromate coating ▶ Page 51
	Cadmium	To be totally abolished by the end of December 2005	[Attained] ▶ Page 51
<b>Power Equipment</b>	Hexavalent chromium	To be totally abolished by the end of December 2006	[Now under way] ▶ Page 51

\* Excluding some parts for the S2000

### Activities Already Successfully Completed (Targets Achieved)

The following activities not featured in this report have already been completed successfully.		Time completed	
<b>Automobiles</b>	Abolition of CFC12 in favor of HFC134a	End of 1994	1. Sodium azide: Sodium azide's chemical symbol is NaN <sub>3</sub> . It was the primary ingredient in the gas generator for automotive air bag systems. When an automobile that contains an air bag system that has not been activated is crushed, for example, the sodium azide is released into the atmosphere, where it forms a potential hazard to workers' health. 2. Wire harnesses: An automobile contains a huge number of wires (approximately 1,000) that form the wiring networks. Wire harnesses are used to systematically run the wires between terminals and connectors and facilitate their installation on vehicles. 3. Target in Japan 4. Slight amounts contained in discharge headlights and liquid crystal panels for navigation systems
	Discontinuing the use of sodium azide <sup>1</sup> (Mass-produced vehicles sold in Japan)	End of 1998	
	Reducing the lead content in the covering of wire harnesses <sup>2</sup>	End of 1998	
	Up to fiscal 2002: To achieve a clean performance that exceeds the 2000 exhaust emissions standards of Japan by 50% or more for all vehicles <sup>3</sup>	End of 2002	
	Reducing the lead content in all the models produced in Japan to one-tenth or less (target set by JAMA)	May 2004	
<b>Motorcycles</b>	Totally abolishing the use of mercury for all the models produced in Japan (excluding some parts) <sup>4</sup>	Achieved by 2001	
	Reducing the lead content in the covering of wire harnesses	End of 1998	
	Reducing the lead content in all the models produced in Japan to 60 grams or less (target set by JAMA)	January 2005	
<b>Power Equipment</b>	Totally abolishing the use of mercury for all the models produced in Japan (excluding some parts) <sup>4</sup>	Achieved by 2001	
	Reducing the lead content in the covering of wire harnesses	End of 1998	
	Reducing the lead content in all the models produced in Japan (pursuant to the target set by JAMA)	—	
	No use of mercury for all the models produced in Japan	—	
<b>Production Domain</b>	Totally abolishing the use of cadmium for all the models produced in Japan	—	
	15% reduction in energy consumption unit by 2001 (compared with fiscal 1990)	March 2002	

# Results for Fiscal 2005 and Targets for Fiscal 2006

We continued our efforts of the previous year in fiscal 2005, with a commitment to achieving the high targets set for all domains in the life cycle of our products. Some activities achieved the stated objectives while others failed to attain the respective goals for various reasons, including changes in business conditions. The outcomes of all activities whether "on target" or not were analyzed, and the findings were fed back to the targets and programs set for fiscal 2006, in our commitment to further reduce the environmental impact of our products and production activities.

Major Policies	Procedures		Fiscal 2005 Targets	Fiscal 2005 Results	Level of Attainment	Fiscal 2006 Targets	Reference	
Clean exhaust emissions	Automobiles	Expansion of low emission vehicles	Expansion of "★★★ low emission vehicles" and "★★★★ low emission vehicles"	Six additional models (11 types) were approved as "★★★ low emission vehicles" and "★★★★ low emission vehicles" (24 models [50 types] in total)	⊙	Expansion of "★★★ low emission vehicles" and "★★★★ low emission vehicles"	▶ Page 27	
	Motorcycles	Expanded use of FI technology	To be successively expanded	Attained for three models released in Japan in fiscal 2005	⊙	Future extensions	▶ Page 32	
	Power equipment	Comply with regulations in advance		Attained for all 6 models released in fiscal 2005	⊙		▶ Page 34	
Improvements in fuel economy	Upgrading efficiency by employing new technologies	Automobiles	Improvements in the average fuel economy by weight	Attainment of the fiscal 2010 fuel economy standards of Japan for all 7 categories	⊙	Further improvements in fuel economy	▶ Page 29	
		Motorcycles	Improvements in fuel economy for new models	33.1% improvement in the average fuel economy (compared with fiscal 1995)	⊙		▶ Page 33	
		Power equipment	Further improvements in fuel economy	IGX 440 engine-equipped models: 15% or more improvement <sup>1</sup>	⊙		▶ Page 35	
Development of alternative energy vehicles	Automobiles	To be successively expanded		Starting leasing of fuel cell vehicles	⊙	Future extensions	▶ Page 31	
	Power equipment			Expanded sale of cogeneration units	⊙		▶ Page 35	
Promotion of Green Purchasing	Reduction of chemical substances contained in the products of suppliers (parts and materials)	Promoting changeover in compliance with Honda's chemical substance guidelines		Changeover from lead and lead compounds to other materials completed	⊙	Changeover in accordance with Honda's chemical substance guidelines must be promoted	▶ Page 37	
				Changeover from hexavalent chromium, except for use in rustproof black/green chromate coating, to other materials almost completed	△		▶ Page 37	
	Management of environmental impacts in suppliers' manufacturing process	Reduction of suppliers' CO <sub>2</sub> emissions	Reduction of suppliers' CO <sub>2</sub> emissions		Carbon intensity was reduced 6.6% compared with that in fiscal 2000 (for affiliated companies).	⊙	Reduction in suppliers' CO <sub>2</sub> emissions	▶ Page 37
					Reduction of suppliers' landfill waste	96% reduction as compared with fiscal 2000 (regarding affiliated companies)	⊙	Reduction in suppliers' landfill waste
Introduction of environmental management systems to suppliers	Promotion of the acquisition of ISO 14001 certification by all suppliers	Promotion of the acquisition of ISO 14001 certification by all suppliers	Acquisition by 396 companies (96%)	⊙	Promotion of the acquisition of ISO 14001 certification by all suppliers	▶ Page 37		
Promotion of Green Factories	Improvements in energy efficiency			Energy unit: 22.5% reduction <sup>2</sup>	⊙	24.0% reduction	▶ Page 39	
				CO <sub>2</sub> emission volume: 456,000 CO <sub>2</sub> -tons <sup>2</sup>	CO <sub>2</sub> emission volume: 470,000 CO <sub>2</sub> -tons	△	500,000 CO <sub>2</sub> -tons <sup>3</sup>	▶ Page 39
	Zero landfill disposal	(Continuance of zero landfill disposal)	(Continuance of zero landfill disposal)	⊙	(Continuance of zero landfill disposal)	▶ Page 40		
	Reducing waste (by-products)	Recyclability rate 98%	Recyclability rate 98%		Recyclability rate 98.9%	⊙	Recyclability rate 99%	▶ Page 40
					Internally incinerated waste: 85% reduction compared with fiscal 1998	Internally incinerated waste: 85.7% reduction compared with fiscal 1998	⊙	Internally incinerated waste: 89% reduction compared with fiscal 1998
Reducing VOC emissions	VOC emissions from 1 m <sup>2</sup> of coating (automobiles): 35.0 g/m <sup>2</sup> <sup>4</sup>	VOC emissions/Automobiles: 34.3 g/m <sup>2</sup>	⊙	VOC emissions/Automobiles: 34.8 g/m <sup>2</sup> <sup>3</sup>	▶ Page 41			
Promotion of Green Logistics	Implementation of environmental management system for distribution companies	Joint environmental management by the four major companies	Regular organization of exchange meetings with major transportation companies	⊙	Continuance of joint implementation of the environmental management system by the four main companies	▶ Page 43		
	Improvements in shipping efficiency	CO <sub>2</sub> emission volume: 115,332 CO <sub>2</sub> -tons (Transport of completed automobiles)	CO <sub>2</sub> emission volume: 105,820 CO <sub>2</sub> -tons (Transport of completed automobiles)	⊙	CO <sub>2</sub> emission volume: 110,650 CO <sub>2</sub> -tons <sup>5</sup> (transport of completed automobiles)	▶ Page 43		
Promotion of Green Dealers/Green Distributors	Automobiles	Introduction of environmental management systems to dealers	Expansion of the Best Green Dealer-certified stores	Acquisition of the Best Green Dealer certification by 2,489 stores	⊙	Further expansion of the Best Green Dealer-certified stores	▶ Page 46	
	Motorcycles	Introduction of environmental management systems to distributors and dealers	Expansion of the Honda Dream Stores	Launch of 19 environmentally friendly Honda Dream Stores (66 stores in total)	⊙	Expansion of Honda Dream Stores	▶ Page 47	
	Power equipment	Promotion of environmental conservation activities for dealers	Expansion of Green Dealers for power products	Certification acquired by 3 stores of 1 dealer (6 stores of 2 dealers in total)	⊙	Expansion of Green Dealers for power equipment (increased environmental awareness among dealers)	▶ Page 47	
Improved recyclability	Improvement of recyclability	Automobiles	Improvement in recycling rate	90% or more achieved for models newly released or models whose design was changed	⊙	Improvement of recyclability	▶ Page 49	
		Motorcycles		95% or more achieved for models newly released or models whose design was changed	⊙	Improved recyclability	▶ Page 51	
		Power equipment		95% or more achieved for models newly released or models whose design was changed	⊙		▶ Page 51	
Increasing the recovery, recycling, and reuse of parts	Integration of the remanufacturing business and reuse business	Expansion of recycled parts; expansion of models for which reused parts can be applied	The number of items for recycled parts was not increased, and recycled parts were not applied to additional models. The number of models for which reused parts can be applied was not increased either.	△	Greater number of items for recycled parts and expanded recovery of parts	▶ Page 52		
Technical support for proper disposal and recycling of end-of-life vehicles	Technical support for proper disposal and recycling of end-of-life vehicles	Entrenchment of recycling systems for automobiles and motorcycles	Stable operation of recycling systems for automobiles and motorcycles	⊙	Maintenance of stable operation of recycling systems for automobiles and motorcycles	▶ Page 54		
Promotion of Green Office	Cooperation in reducing environmental impact of offices	Improvement in energy efficiency	CO <sub>2</sub> emission volume: 11,557 CO <sub>2</sub> -tons <sup>6</sup>	⊙	CO <sub>2</sub> emission volume: 11,326 CO <sub>2</sub> -tons <sup>6</sup>	▶ Page 58		
		Reduction in waste	Waste generated: 522 tons <sup>6</sup>	⊙	Waste generated: 512 tons <sup>6</sup>	▶ Page 58		

1. IGX 440 engine-equipped products sold in fiscal 2005

2. The numerical target differs from that shown in the previous annual environmental report because the coefficient used in the fiscal 2005 calculations has been changed.

3. The fiscal 2006 targets for CO<sub>2</sub> and VOC emissions have increased compared with the fiscal 2005 results due to increased production and the launch of new businesses.

4. The numerical target differs from that shown in the previous annual environmental report because the calculation method used in fiscal 2005 has been changed.

5. Based on Honda's own calculation criteria, including recovered energy

6. Total emissions from four office buildings, one each in Aoyama, Wako, Shirako, and Yaesu

Notes: ★★★★★ low emission vehicle: Emissions are 50% lower than the 2005 exhaust emissions standards

★★★★★ low emission vehicle: Emissions are 75% lower than the 2005 exhaust emissions standards