

# Environmentally-friendly Automobiles

An Analysis of ISO Accreditation of Honda Motors



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***Abstract:***

World-wide concern about the Green House effect, environmental pollution, and global warming has led to the development of a series of standards and campaigns in the automobile industry, which is considered to be a major contributor to these problems. International Organization for Standardization (ISO), the world's largest developer and publisher of international industrial and commercial standards, is committed to developing standards that is aimed at the increasing the attention the automobile manufacturers and the consumers pay to the environment when they make or buy the automobiles. In 1996, the International Standards Organization launched a product called ISO 14001 which outlined a standardized environmental management system that could be applied in any industry and in any location. ISO certification is based on a set of established principles and criteria. Certified automobiles have the right to use the ISO 14001 standards, which help auto makers minimize how their operations or products negatively affect the environment (cause adverse changes to air, water, or land), comply with applicable laws, regulations, and other environmentally oriented requirements, and continually improve on the above. ISO 14001 Certification is performed by third-party organizations rather than by ISO directly. This report first provides a brief background on the automobile industry and environmental pollution campaigns before investigating ISO's organizational structure, certification process, and monitoring tools. Relevant case study of Honda Motors will be applied in support of credibility arguments, but shortfalls of the organization and certification will also be addressed.

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## **I. Background**

In the 21<sup>st</sup> Century, automobile industry is expanding exponentially as a result of global economic development, which has also caused serious environmental pollution. Pollutants derived from automobile operation have begun to pose environmental problems of considerable magnitude. About 70% of the carbon monoxide, 45% of the nitrogen oxides, and 34% of the hydrocarbon pollution in the world can be traced directly to automobile exhausts. In addition, rubber (which wears away from tires), motor oil, brake fluid, and other substances accumulate on roadways and are washed into streams, with effects nearly as serious as those of untreated sewage. A problem also exists in disposing of the automobiles themselves when they are no longer operable. These are the major corporate social responsibility problems in the industry. Many activists and NGOs have initiated campaigns to raise the awareness of the problem, pressure the automobile makers and make world-wide standards of environmental management and testing. To reduce pollution and protect the environment, the automobile industry needs standardization. The paper informs the readers of the processes and procedures of ISO 14001 standard development in the International Organization for Standardization, the world's largest developer and publisher of international industrial and commercial standards. The paper will look at the environmental management system and the accreditation process of the Honda Motors. The main goal is to find out how ISO standards are applied and how they monitor auto makers. The paper will also question the certification and monitoring process to give advice to the other NGOs on how to create an effective organizational structure and process to make standards, how to monitor their compliance, and finally, if violation occurs, how to punish the violators.

## **II. Awareness Campaigns**

Due largely to the failure of regulation by conventional politics to reverse the pollution caused by the automobile industry, market based strategies have gained momentum. The strategy is to increase awareness of Green House effect and pollution of the automobiles.

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Many environmental campaigns have gained momentums in the recent years. As the quality and quantity of incentives has matured, so too has the number of companies who are looking to capitalize in the new industry. This industry wide growth prompted the need for an industry wide standard that encompassed just what it meant to be environmentally friendly.

For example, the Clean Car Campaign is a national campaign coordinated by state, regional and national environmental organizations promoting a clean revolution in the motor vehicle industry. In particular, the campaign seeks to promote the development and sale of advanced technology vehicles that meet a high standard of environmental performance.

A key component of the campaign is to encourage the purchase of cleaner vehicles by consumers and fleet buyers. The campaign's "Clean Car Pledge" involves the collection of pledges from thousands of potential consumers indicating their interest in purchasing vehicles meeting the campaign's Clean Car Standard. These pledges will be used to demonstrate public support for cleaner vehicle choices. The campaign will also serve as an advocate for public policies to motivate automakers such as Honda Motors to invest in cleaner vehicle designs and manufacturing practices, including incentives that encourage consumers to "buy green."

The Clean Car Standard was developed by the campaign as a practical, short-term performance-based standard achievable by automakers. The standard promotes increased fuel efficiency, reduced tailpipe emissions and clean production practices. Meeting this standard compliments other important values of practicality, affordability and safety.

The Campaign is coordinated by a unique coalition of national, state and regional organizations, including: American Council for an Energy Efficient Economy, Ecology Center, Environmental Defense, Great Lakes United, Michigan Environmental Council and Union of Concerned Scientists. Consumers Union (CU) and other consumer and environmental groups have had a longstanding public concern about the national need to require better vehicle fuel economy across the fleet of passenger vehicles.

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### **III. International Organization of Standardization (ISO): Identity and Structure**

#### *A. About ISO*

ISO (International Organization for Standardization) is the world's largest developer and publisher of International Standards. ISO is a network of the national standards institutes of 157 countries, one member per country, with a Central Secretariat in Geneva, Switzerland. It is a non-governmental organization that forms a bridge between the public and private sectors. On the one hand, many of its member institutes are part of the government, or are mandated by their government. On the other hand, other members have their roots uniquely in the private sector, set up by national partnerships of industry associations. Therefore, ISO enables a consensus to be reached on solutions that meet both the requirements of business and the broader needs of society. ISO forms a bridge between the public and private sectors.

#### *B. Governance and Operations*

ISO's orientation is guided by a Strategic Plan approved for a five-year period by the ISO members. The ISO members, ultimate representatives of ISO for their own countries, are divided in three categories: member bodies (full members), correspondent members and subscriber members.

A member body of ISO is the national body "most representative of standardization in its country". Only one such body for each country is accepted for membership of ISO. Member bodies are entitled to participate and exercise full voting rights on any technical committee and policy committee of ISO.

A correspondent member is usually an organization in a country which does not yet have a fully-developed national standards activity. Correspondent members do not take an active part in the technical and policy development work, but are entitled to be kept fully informed about the work of interest to them.

Subscriber membership has been established for countries with very small economies. Subscriber members pay reduced membership fees that nevertheless allow them to maintain contact with international standardization.

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The General Assembly, which meets annually, consists of a meeting of the Principal Officers of ISO and delegates nominated by the member bodies. Correspondent members and subscriber members may attend as observers. The Principal Officers include the President who is a prominent figure in standardization or in business, the Vice President (policy), the Vice President (technical management), the Treasurer, and the Secretary-General. The General Assembly's agenda includes, inter alia, actions related to the ISO annual report, the Strategic Plan with financial implications, and the Treasurer's annual financial status report on the ISO Central Secretariat.

The ISO Statutes stipulate that, while the General Assembly is the ultimate authority of the Organization, most of the governance functions of ISO are performed by the Council in accordance with the policy laid down by the member bodies. The Council meets twice a year and its membership is rotated to ensure that it is representative of ISO's membership. All member bodies are eligible for appointment/election to the Council. Under the Council, there are a number of policy development committees to provide strategic guidance for the standards' development work on cross-sectoral aspects. They are: CASCO (conformity assessment); COPOLCO (consumer policy), and DEVCO (developing country matters). The policy development committees are open to all member bodies and correspondent members.

The Technical Management Board (TMB) reports to Council, and is itself responsible for the overall management of the technical work, including for a number of strategic and technical advisory groups. Member bodies are eligible for appointment/election to the TMB in accordance with a set of criteria established by the Council.

Operations are managed by the Secretary-General (chief executive officer) who reports to the Council. The Secretary-General is based at the ISO Central Secretariat in Geneva (Switzerland) with a compact staff which provides administrative and technical support to the ISO members, coordinates the decentralized standards' development program, and publishes the output. The ISO Central Secretariat also acts as the secretariat of the governing bodies, policy development committees and their subsidiary bodies.

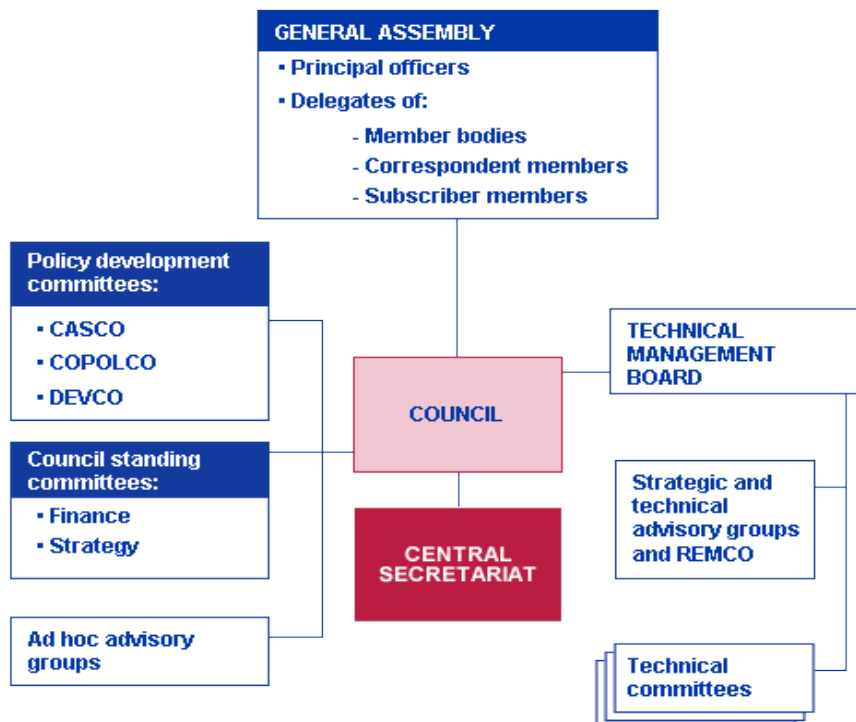
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However, the ISO is actually not purely an NGO, since its membership is by nation, and each nation is represented by what the ISO Council determines to be the 'most broadly representative' standardization body of a nation. That body might itself be a nongovernmental organization; for example, the United States is represented in ISO by the American National Standards Institute, which is independent of the federal government. However, other countries can be represented by national governmental agencies; this is the trend in Europe.

The ISO has the professional member base that is willing to pay them thousands of dollars annually and the consensus voting system that is viewed as fair and democratic. Members are able to vote on the development of standards.

Another integral element to the structural foundation of the ISO is its commitment to remain entirely independent. ISO does not allow corporations to serve on its governing board.

## ISO's organizational structure



#### **IV. ISO 14001 Goals and Standards Development Process**

##### *A. ISO 14001 and CSR Goals*

###### What is ISO 14001?

ISO 14001 is a series of internationally accepted standards for Environmental Management Systems(EMS), which includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy. ISO14000 elevates Environmental Management to a Strategic Level that can be applied to any organization, from any industry, anywhere in the world.

###### CSR goals

ISO 14001 enables an organization (in this case, Honda Motors) to develop and implement a policy to minimize pollution, understand the impacts of its activities on the environment, comply with legal requirements, and continuously improve its Environmental Management System. These processes are to be based on the *Plan-Do-Check-Act* cycle.

##### *B. The Stakeholders in International Standardization*

The stakeholders include all those groups who have different incentives in setting international standards because they are affected by them or contribute to the development process. Stakeholders participate in the technical work of ISO through national delegations appointed by the member bodies of ISO or, if they are organized in international or broadly-based organizations, through liaison organizations. National delegations are normally composed of a mix of the stakeholder groups listed below and represent national positions.

The following main groups of stakeholders can be discerned. When we decide whether an ISO certificate is credible, we should be able to find out the incentives of different parties.



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<b>Stakeholders</b>	<b>Incentives to comply</b>	<b>Incentives not to comply</b>
<i>Automobile Makers</i>	Improve PR, reputation and EMS	Reduce costs
<i>Industry Associations</i>	Improve reputation	Appease the members
<i>Consumers</i>	Pursue a healthy life; Get praise; Religious belief	Buy cheaper products
<i>Governments</i>	Provide public goods to win more local voters	Get more tax revenue or bribes
<i>Certifiers</i>	Improve reputation; Improve environment	Get more dues or bribes
<i>Consulting firms</i>	Improve reputation, long-term development of business	Get more fees for consulting

*C. Development of International Standards*

International Standards are developed by ISO technical committees (TC) and subcommittees (SC) by a six-step process:

Stage 1: Proposal stage

The need for a standard is usually expressed by an industry sector, which communicates this need to a national member body. The latter proposes the new work item to ISO. The next step is to confirm that a particular international standard is needed. A new proposal is submitted for vote by the members of the relevant TC or SC to determine the inclusion of the work item in the program of work.

The proposal is accepted if a majority of the members of the TC/SC votes in favor and if at least five members declare their commitment to participate actively in the project. Then, definition of the technical scope of the future standard is given and a project leader responsible for the work item is normally appointed.

Stage 2: Preparatory stage

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Once the need for an International Standard has been recognized and formally agreed, a working group of experts, the chairman (convener) of which is the project leader, is set up by the TC/SC for the preparation of a working draft. It comprises technical experts from countries interested in the subject matter. Successive working drafts may be considered until the working group is satisfied that it has developed the best technical solution to the problem being addressed. At this stage, the draft is forwarded to the working group's parent committee for the consensus-building phase.

Stage 3: Committee stage

As soon as a first committee draft is available, it is registered by the ISO Central Secretariat. It is distributed for comment and, if required, voting, by the Members of the TC/SC. Successive committee drafts may be considered until consensus is reached on the technical content. Once consensus has been attained, the text is finalized for submission as a Draft International Standard (DIS).

Stage 4: Enquiry stage

The Draft International Standard (DIS) is circulated to all ISO member bodies by the ISO Central Secretariat for voting within a period of five months. This is a consensus-building phase during which member countries can negotiate the detailed specifications within the standard. It is approved for submission as a final draft International Standard (FDIS) if a two-thirds majority of the Members of the TC/SC are in favor and not more than one-quarter of the total number of votes cast are negative. If the approval criteria are not met, the text is returned to the originating TC/SC for further study and a revised document will again be circulated for voting and comment as a draft International Standard.

Stage 5: Approval stage

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The final draft International Standard (FDIS) is circulated to all ISO member bodies by the ISO Central Secretariat for a final Yes/No vote within a period of two months. If technical comments are received during this period, they are no longer considered at this stage, but registered for consideration during a future revision of the International Standard. The text is approved as an International Standard if a two-thirds majority of the Members of the TC/SC is in favor and not more than one-quarter of the total number of votes cast are negative. If these approval criteria are not met, the standard is referred back to the originating TC/SC for reconsideration in light of the technical reasons submitted in support of the negative votes.

Stage 6: Publication stage

Once a final draft International Standard has been approved, only minor editorial changes, if and where necessary, are introduced into the final text. The final text is sent to the ISO Central Secretariat which publishes the International Standard.

In addition, ISO has established the general rule that all International Standards should be reviewed at least three years after publication and every five years after the first review by all the ISO member bodies. A majority of the members of the TC/SC decides whether an International Standard should be confirmed, revised or withdrawn.

To date, ISO's work has resulted in over 16 000 International Standards, representing more than 620 000 pages in English and French (terminology is often provided in other languages as well). ISO standards list appears in the ISO Catalogue.

*D. Standards Driven by the Market*

ISO 14001 has become the market-oriented instrument to direct consumers' purchasing behavior and its application to the automobile industry is growing rapidly. ISO 14001 aims to educate consumers about the environmental and social effects of automobile production and consumption in order to advocate changes in purchasing behavior and reduce negative environmental impacts. Companies are induced to use environmentally and socially preferred production with the expectations of gaining a greater market share and higher profits.

## **V. Honda and Its Environmental Policy**

### *A. Overview*

Along with the establishment of organization-wide environmental management, each of Honda's facilities is introducing environmental management systems to continuously improve their ability to protect the environment and to more thoroughly mitigate the environmental impact of substances of concern. Honda has been proactive in acquiring environmental management ISO 14001 certification for its production and other facilities. In Japan, all of Honda's production facilities had acquired certification by Fiscal Year 1998. Further, the Honda Motor headquarters building acquired certification in 1999, followed by six other regional offices in 2001. Honda is also working toward certification of all major facilities all over the world. Honda's ISO 14001-certified facilities total 56 sites as of the end of 2007.

There are several reasons why Honda chooses ISO 14001 Certification. First, Honda is undergoing a transition from a multi-national company to a global company. It needs a series of widely accepted standards in the world to market its products globally. Having its products ISO 14001 certified helps remove trade barriers of some countries, especially the developed countries. Second, Honda wants to enhance its image as a responsible company and increase public credibility, which may become a potential competitive advantage. Third, adopting unified standards helps Honda establish a single management system, standard and process for its diverse international and domestic markets. It will be more productive. Fourth, third party certification provides advice for improvement, which may reduce some costs. Finally, if ISO certified, Honda will improve relations with government.

Honda's EMS manages the primary environmental issues through objectives for improvement, assignment of responsibilities, emergency response capability, self correction and assessment, and internal reviews. To minimize its impact on the environment, Honda has established the World Environmental Committee. Its duties are carried out by the heads of different business operations, regional operations and functional divisions. This means that

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the whole company is involved in the operation of the EMS. The duties are distributed among specific departments, making the committee more effective.



Source: <http://world.honda.com/environment>

Honda also introduces environmental management systems at every stage of product lifecycles. In North America, 13 of the 14 Honda plants operating in Fiscal Year 2007 were third-party certified to the ISO14001:2004 standard. The remaining new plant will be certified by December 2009.

### *B. Green Purchasing*

Honda has Green Purchasing Guidelines, and is working with its suppliers to maximize procurement of materials and parts with minimal environmental impact. In 2001 Honda asked its 1<sup>st</sup> Tier suppliers and Honda joint ventures to introduce ISO 14001-certified environmental management systems. Honda is now attempting to assist the suppliers and other plants in their efforts to implement an EMS. It has also requested other suppliers to seek registration.

### *C. Green Dealers*

Honda also developed the Green Dealer certification system to verify implementation of Honda's EMS. Good Green Dealer Certification is awarded to dealers that comply with environmental regulations and Best Green Dealer certification is awarded to dealers that have improved their environmental practices.

## **VI. Certification Process of Honda**

*A. ISO 14001 Certification of Honda includes five phases:*

Phase 1: Preliminary Environmental Evaluation

Phase 2: Systematic Documents Preparation

Phase 3: Trial Operation of EMS

Phase 4: Internal Evaluation

Phase 5: External Evaluation

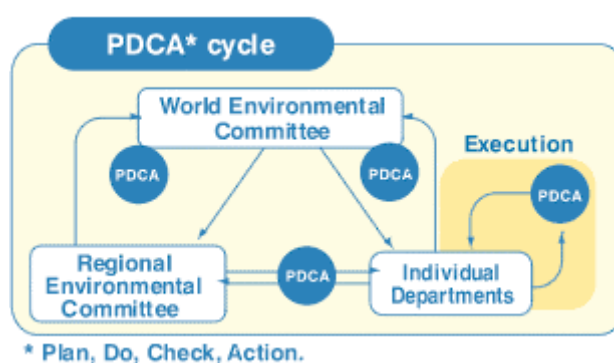
The internal evaluation includes a continuous PDCA circle led by the World Environmental Committee and internal auditor training. This graph shows that both the Regional Environmental Committees and Individual Departments go through the four phases. The latter put them into daily work because they have a direct impact on the environment. Participation throughout the organization makes the EMS more effective.

Phase 1: Establishing the environmental goals and the elements of the EMS (Plan)

Phase 2: Implementing the EMS (Do)

Phase 3: Checking for any problems and correcting them (Check)

Phase 4: Evaluating the effectiveness of the EMS and improving it, and launching into a new cycle of improvement (Act)



Source: <http://world.honda.com/environment>

### B. ISO 14001 Internal Auditor Training

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

Honda pays the consulting firms to train key personnel to be successful internal auditors. Every factory and office develops plans for training programs based on their EMS and holds regular training events for all personnel, operators engaged in environmental operations, and internal auditors. Besides, immediately after joining Honda, new associates visit Honda plants to receive presentation about Honda's environmental philosophy, initiatives, and ISO 14001 Certification and to get experience. After the training and internal auditing, the specialists recommend the company on which external certification body to choose.

Honda has realized many benefits from their EMS. Employees realize the effect their routine tasks have on the environmental factors of the plant's operation. They find ways to improve the things they do. The departments and different lines now work together on waste issues and process improvements. They take into consideration how their material and waste fits into the overall production and take responsibility for finding solutions which won't cause greater problems for another department. In 2007, the internal environmental audits led to 77 recommendations and advisories, and 195 findings.

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Honda conducts product recalls in accordance with the guidelines of the Quality Committee. In Fiscal Year 2007 no environment-related product recalls were required. In anticipation of accidents or emergencies that could cause environmental pollution, each factory and department has clearly defined procedures for the prevention or mitigation of pollution. Emergency drills and training events are held regularly to increase emergency preparedness. There were no environment-related emergencies in Fiscal Year 2007.

<b>1. Training Topics:</b>	<b>2. Learning Outcomes:</b>
The requirements of ISO 14001	Better understanding of the ISO 14001
How to plan, perform and report on an audit	Tips for Effective Auditing
How to take corrective action.	Preparing and Using Checklist
Architecture of the ISO 14001 Documentation	How to Seek Objective Evidence
Preparation of Checklists	Hands-on/Practical Experience
Nonconformities – Major and Minor	Internal Auditor Certificate
Seeking Objective Evidence Through Documentation	Identify opportunities for improvement

## **VII. External Evaluation & Monitoring**

To verify that the environmental management systems are appropriately implemented and are continuously being improved, environmental audits and inspections by external certifiers are conducted at Honda's factories and offices. The external evaluation is carried out by external certifiers in several steps.

1. The certifiers give Honda a questionnaire about its EMS several weeks before the on-site inspection. Only some key managers participate in the survey.
2. Honda is required to submit its EMS documents before the on-site inspection
3. The certifiers interview with the employees. They pick the employees by their ID and ask the factory manager to notify them to come to the interview.



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4. The certifiers conduct on-site certification. The external certifiers are always accompanied by the internal certifiers.

The external surveillance inspections led to 21 minor recommendations and 122 findings. Honda responded with corrective action. Further, the Inter-Facility Environmental Audit is conducted by engineers and auditors from other factories under the instructions provided by the Environmental Administrators Committee.

After a Honda facility gets the accreditation, the ISO will usually monitor it once or twice a year. Several days before the monitor comes, the ISO certifier will notify the head of the environmental committee at the factory. Then they consult with each other to decide the date of inspection. After that, Honda often announces the closure of the factory for economic reasons. ISO does not prove that the reason for closure was true or not.

To keep the ISO Certification, Honda would be required to source a certain percentage of their parts only from those factories which received an ISO 14001 certificate. This could limit Honda from purchase products from uncertified or undesignated suppliers.

### **VIII. Critiques of ISO**

Some features of ISO might make it and its certification less credible. When we buy ISO-labeled products, we have to think twice to make a better decision.

#### *A. Financial Sources*

The ISO is a non-profit organization and their financial records are available for public view in their annual report. Theoretically, ISO is primarily dependent on donations from charitable trusts for their activities and do not derive income from the companies certified or undergoing certification for their operational costs. However, the ISO also has a professional member base that is willing to pay them thousands of dollars annually. Honda pays fees to the certifiers for certification, though not ISO directly. It could leverage their donations for decision making that would favor it. There are some indicators that Honda even “bribes” the

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certifiers in various names. In 2006, it is reported by the media that Guangzhou Honda in China gave the local environmental protection bureau twenty “Environmental Inspection Cars”. It was publicly applauded as Honda’s “commitment to environmental protection”. Since China’s press has a “reputation” for corruption, who knows Honda’s relationship with the reporters and the certifiers? If Honda’s cars are ISO 14001 certified, are they reliable? The relationship between the consulting firms and the ISO certifiers is unclear. Since Honda pays the consulting firms, they may help develop connections between Honda and the certifiers. The consulting firms recommend Honda on which certifier to choose. It is in their common interests to let Honda pass the test.

ISO is not a pure NGO. Its members are governments. Member bodies, correspondent members and subscriber members make different contributions to the ISO. Government agencies in richer nations pay more and become member bodies which have the right to vote for the principal officers. They can influence the decision of ISO. This puts poorer nations at a disadvantage in obtaining certification. ISO might be biased toward different members.

### *B. Problems with Monitoring*

ISO inspections of Honda are actually conducted after notification, especially in some countries where there are too many loopholes in the law. Only selected sites in a factory are inspected. Certification is narrow, but application is wide. Honda can often take advantage of the lack of oversight and only implement their EMS when a certified monitor is present.

The employees interviewed are under the pressure not to criticize his own factory because his boss knows that he is chosen for the interview. When they are interviewed, they just do a survey. The public do not know about the content. The design of the survey is questionable.

### *C. Conflict of interest in case of Violations*

Noncompliance should lead to decertification. But there is a conflict of interest. The certifiers are paid by Honda. They also hope that Honda can pass the certification in order to maintain a profitable member and potential future partner. Decertification is rare. ISO 14000 is hard to get but even harder to lose. Once certification status is granted, certification bodies

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are required to return to audit Honda only once a year and never randomly. ISO has limited ability to monitor the daily processes, and has little information about what the certification bodies are doing.

*D. Lack of Employee Awareness and Publicity*

To my surprise, when I called Honda America, the operator had not heard of ISO 14001. She even did not know who to ask. She put me through to a Corporate Affairs person. Also ignorant of ISO, that lady said that there is no special Environmental Department. Up to now, she has not found anyone in charge of ISO 14001. She will keep me posted. On the other hand, ISO 14001 standards are sometimes too professional for the consumers to understand. Information is not transparent. ISO does not publicize how they select the certifiers to inspect a particular company. ISO does not regularly communicate with any automobile associations to get advice for its standards and make its standards concise and meaningful to the non-professional stakeholders.

*E. The real benefits of ISO 14001 are questionable.*

The improvement of EMS is a long-term process with few immediate benefits. Honda might only look at its short-term interests and do not strictly follow the ISO 14001 standards. The author does not find any evidence that ISO certified automobile makers are making more money than they would have if they had not undergone the process. For example, Honda's rival, Toyota, does not use ISO standards because it considers the dues to be an unnecessary outlay and its own standards have already earned it a high reputation. If Honda's original EMS generates more profits, why does it accept ISO 14001? Honda might have to spend a lot of money and resources on accreditation over a short period of time while it can devote these resources to R & D. In addition, Honda should also have outside assistance, and finding a consulting firm who met their needs was also a challenge. Getting ISO accreditation is possibly just for show-off or Honda's activities now are not environmentally friendly at all.

ISO 14000 will not help companies understand what the most important subject in management is. How should Honda have an effective organizational structure to comply with

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the ISO 14000 standards and improve its performance? ISO 14000 is more technical than managerial. It provides few feasible solutions and suggestions.

**IX. Suggestions**

Questioning the ISO helps people find solutions to the problems. The problems with ISO 14001 today make it less credible. However, because there are few alternatives to it now, it can make improvements in several areas.

First, the main problem is its financial resources. ISO and its certifiers should not receive any forms of donations from the companies. Its financial reports must be more detailed and must be audited by an independent accounting firm. Second, it must regularly monitor its certifiers and make the whole process public. Third, the biography of its certifiers should also be posted on its website so that people will know about their background. Fourth, it can cooperate with other NGOs to make it known to the public, especially the consumers. The businesses to be certified must also agree to educate its employees about ISO. Otherwise, it cannot get the certificate even if its EMS meets the requirements. Fifth, it must not announce its inspection date. Last, the correspondent members and subscriber members should also take the responsibility to monitor ISO to make it more impartial.

**X. Suggested Items for Further Research**

1. What, exactly, are the ISO 14001 standards for the automobile factory? What is the range of variation? How does the implementation of EMS according to ISO 14001 guarantee the production of “environmentally-friendly” automobiles?
2. Is Honda’s Green Dealer certification system designed to encourage eventual ISO 14001 certification? Or is it an environmental management system unto its own?
3. Have any of Honda’s factories ever been sanctioned?
4. What is the relationship of “external certifiers” with the ISO and with Honda? How big is a certification team? What are their credentials and how are they trained? Who pays them? What steps does a typical certification entail?
5. Is Honda a participant a subscribing member of the ILO? Is Honda involved in setting the ISO 14001 standard for automobiles?
6. Which consulting firms does Honda use for training its own internal auditors? How credible is this form of self-monitoring? What metrics does Honda employ to evaluate its own EMS performance and compliance?

**XI. Discussion Questions**

1. Does Honda seem more environmentally-friendly than Toyota because it adopts the ISO 14001 standard in implementing environmental-management systems? Do you, as a consumer, believe it makes much of a difference?
2. In what ways does the implementation of ISO 14001 benefit Honda? Do you think ISO 14001 is just a baseline signal of Honda's environmental commitment? Or do you believe it to be a comprehensive strategy that is a core part of its business process?
3. Apply Kristyn Wilcox's case study, "ISO 14001: An Analysis" to Honda's case. How robust and effective do you find the standard in Honda's context? What other programs does Honda implement to demonstrate its environmental differentiation? To what extent do you believe these programs to be "greenwashing"?
4. The author states, "*ISO 14001 aims to educate consumers about the environmental and social effects of automobile production and consumption in order to advocate changes in purchasing behavior and reduce negative environmental impacts.*" To what extent are you familiar with ISO 14001? Have you heard of it in relation to the automobile industry? Will it affect your decision to purchase a vehicle?

**XII. References**

1. International Organization for Standardization(ISO) [www.iso.org](http://www.iso.org)
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4. Quality Management International <http://www.qmi.com/registration/iso14001>
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6. Matthew C. Owens, "Sustainable Seafood Labeling: An Analysis of the Marine Stewardship Council", 2007
7. James Snavelly, The U.S. Green Building Council: Designer of the Green Building Industry, 2007
8. Kristyn Wilcox, "ISO 14001: an analysis", 2007
9. Laura Tierney, "The Center for Resource Solutions: Can CRS Monitor the Voluntary Greenhouse Gas Offset Market?", 2007
10. Eric Engelman, "Market Transformation: How the U.S. Green Building Council revolutionized the building industry", 2007