

Honda Motor Europe Logistics

HMEL



HONDA
The Power of Dreams



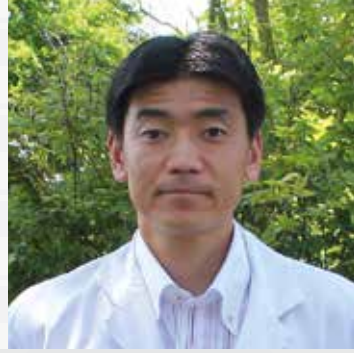
This slogan, which Honda uses worldwide, expresses our longing to share our dreams with others. Dreams of innovative products, challenges, knowledge and pleasure.

The **Power** of Dreams



HONDA

Mr Y. Ono
President
Honda Motor Europe Logistics NV



Logistics without borders

"Never before has logistics provided such a competitive advantage. To increase our customers' satisfaction and exceed their expectations, we must constantly review and improve our logistic operations in a cost-efficient and environment-friendly way. Achieving this in the Europe region is one of Honda Motor Europe Logistics' (H MEL) core aims. Naturally, we also apply this approach to every department of Honda Motor Europe Logistics, including the European Engine Center, Information Systems and our support services. In doing so, Honda Motor Europe Logistics wishes to contribute to Honda's ultimate global mission, which is to be a company that society wants to exist."

New ways

Honda was the first Japanese car manufacturer to establish itself abroad and is currently the largest manufacturer of engines and motorcycles. Honda is also one of the few remaining independent companies in the automobile industry. This independence sets us apart. We are able to maintain it thanks to our technical know-how and continuous search for new ways to surpass ourselves in the areas of quality, safety and respect for the environment.

As part of the European Honda network, Honda Motor Europe Logistics is responsible for:

- Logistics for cars, motorcycles, power products and accessories
- Purchase, client management and logistics for spare parts for all products
- Sales and logistics for industrial engines
- Development and management of IT systems

H MEL has the following management system certificates:

ISO 14001 (environment)

OHSAS (health and safety)

A few statistics on
Honda Motor Corporation

Founded in 1948

29 million units per year

5 million cars per year

18 million motorcycles per year

6 million power products per year

124 production facilities in **28** countries

208,400 associates

2017 figures



HONDA

Logistics without borders

European network

HMEL was born in early 2014, when Honda Europe in Ghent, Honda Belgium Factory in Aalst and 6 European branches (subsidiary companies of what was formerly HE) merged, to form a new company: Honda Motor Europe Logistics NV (HMEL).

Honda Motor Europe Logistics' European network has 6 European satellites that are managed centrally and coordinated from Ghent. These satellites were initially set up to optimize the integration of the parts business in Europe, but nowadays they also include several Honda logistics operations. Although their organization structure is identical, each HMEL satellite has its own specialization and responsibility.

Honda's philosophy is one of glocalization. This means that Honda takes a global approach, but locates production close to its sales markets for maximum integration into the local culture.



A few statistics on
Honda Motor Europe Logistics

Founded in **1978**
Company turnover: **560 million**
Warehouse surface: **300,000 m²**
Number of associates: **800**

2017 figures



Barcelona
(Spain)



Malmö
(Sweden)



Pniewy
(Poland)



Swindon
(VK)



Verona
(Italy)



Vienna
(Austria)



The **Power** of Dreams

Honda Associates

Our people (Honda associates) are our greatest asset. Together they make the difference and add value to Honda Motor Europe Logistics. They work hard to achieve our goals. They make Honda what it is.

The constant themes, present in all our daily activities, are:

- striving together to improve quality
- working creatively and innovatively
- always providing the very best service

Our associates stand out, thanks to their flexibility and drive. With their commitment and openness to fresh ideas, they make a vital contribution to optimizing operations. Honda Motor Europe Logistics also attaches great importance to development and training and together we work hard to create a safe, pleasant, environment-friendly and healthy working environment. This has earned us OHSAS certification.

New Honda Circles (NHC)

Associates are closest to the reality of the work place and are therefore well-equipped to solve problems and develop solutions. Every year, several associates get together in small teams (NHC) to work voluntarily on initiatives to improve their working environment. The resulting benefits for the associates include smoother communication, increased mutual understanding, creative development and more enjoyment in their work.

Total Quality Management (TQM)

Honda wants to stay efficient in a rapidly-changing world and turbulent automobile industry. This is why we introduced TQM, a systematic business approach: it strives for excellence through customer focus and continuous quality improvement.

Honda's corporate culture is based on a number of core principles that are encapsulated in New Honda Circles, Total Quality Management and the Honda Philosophy. Honda's culture is one of creativity, openness, mutual respect and support for self-development.



There is more
to explore.



HONDA

HMEL Information Systems

Information systems

Our IT department provides services to all of Honda's European branches, business partners and dealers. These services consist mainly of:

- Developing innovative application systems for marketing, sales, stock management, distribution and after-sales for all Honda products, while taking the expected delivery date into account and staying within the estimated costs.
- Maintaining the existing application systems.
- Providing infrastructural and operational IT services in line with the expectations of Honda's branches in Europe.
- Ensuring helpdesk support for all users of Honda's IT services in Europe.
- Exchanging information, both on a global and European scale, between the various Honda branches.

All these services are provided by Honda's IT team which has one hundred associates. Working together with external IT partner companies they make sure that everything runs smoothly. Something that looks so simple to the users of these IT services is actually the result of the professionalism and hard work of an efficient, smooth-running organisation.



- Development and management of applications
- Providing European IT services
- Technological support of operations



Information Systems

HONDA

HMEL Original Parts

Parts warehouse

Our customers need spare parts to maintain their products. Fortunately, they can rely on our Parts department which processes around 10,000,000 customer orders each year. Our warehouse associates make sure that our customers quickly receive original Honda spare parts. Managing 1 million different spare parts, 230,000 of which are actually in stock, presents a fresh challenge to our associates every day:

- Parts handles more than 45,000,000 items each year
- Approximately 25,000 orders are processed every day

Honda Motor Europe Logistics strives to achieve an excellent price-quality ratio and on-time deliveries. Our goal is to provide an optimal parts delivery service to our customers and dealers:

- Independent distributors in Europe, Russia, Africa and the Middle East
- Directly to dealers
- Other foreign satellites

Honda Motor Europe Logistics also centralizes the following activities:

- Purchase of parts from European suppliers
- Sales and marketing support for selling replacement parts
- Customer service for Europe, Africa and the Middle East



A few statistics about Parts
(HMEL Ghent)

Spare parts warehouse: **70,000** m²
210,000 spare parts physically present
Management of **1 million** different parts
25,000 orders per day
10 containers/trailers of incoming goods every day
23 trucks filled with outgoing goods every day

2017 figures



Parts

HONDA

HMEL Car Logistics

Car logistics

The first thing you notice when visiting Honda Motor Europe Logistics is its enormous car park. With a surface area of 450,000 m² and storage capacity for more than 14,000 cars, you can hardly miss it. Cars are delivered to Ghent from our factories in Japan, the United Kingdom, the United States and Mexico. Cars from the United Kingdom are transported to Ghent by truck and train, whilst cars from the United States, Japan and Mexico are unloaded at Zeebrugge harbour and transported to Ghent by trucks.

When cars arrive at Honda Motor Europe Logistics we subject them to an intensive 'pre-delivery inspection' (PDI) and assemble any optional features that may be required. We leave nothing to chance! We make sure that only the cars that comply with Honda's strictest quality requirements leave our company to make our clients' dream come true.

We make every effort to ensure that our cars reach their final destination in Germany, the Benelux, Austria, Switzerland, the Czech Republic, Slovakia or Hungary in less than three days. In addition to our traditional strong points, such as technology, ergonomics and design, we also aim to excel in the areas of safety and the environment. Within car logistics this means making maximum use of recyclable protection materials for transport.



A few statistics about cars

Car park surface: **450,000 m²**
Parking capacity: **14,100 cars**
Production capacity: **480 cars per day**

2017 figures



CIVIC

Cars

HONDA

HMEL Motorcycles

First of all Dreams

Motorcycles have inspired many a youngster's dream. Our motorcycles range from 50 to 1800 cc and are made in Japan, the US, Italy, China, Vietnam and Thailand. 27,000 pass through Ghent on their way to the Netherlands, Germany and Austria. Honda is and remains the undisputed leader in the motorcycle market. Our motorcycles are stored in a warehouse with a surface area of almost 14,000 m². We pay great attention to managing the logistics process. We want to make sure that each and every motorcycle reaches its new owner in perfect condition. To prevent any logistic damage, we introduced 'returnable crates'. This reusable packaging provides more protection for motorcycles being transported to their final destination and also cuts costs. Environmental and safety aspects not only affect how we develop and produce goods, but also influence the logistics process.



A few statistics about motorcycles

PAN-E

55,000 m² storage space

175,000 motorcycles on a yearly basis

2017 figures



Motorcycles

HONDA

HMEL Power Products

Green

Many people aspire to have a beautiful garden. To maintain it properly, good gardening equipment is a must. Honda has a complete range of products: lawnmowers, ride-on mowers, brush cutters, rotary hoes, tillers/cultivators engines, generators.....

The distribution for all power products is centralized in Ghent. From there, 220,000 products are sent to their new destination.

Marine

Honda's highly wanted outboard engines come straight from Japan. Honda has the world's largest range of four-stroke outboard engines, ranging in horsepower from 2hp to 250 hp.

Our engines, a stunning example of sheer power are delivered to 20,000 satisfied customers all over Europe each year.



A few statistics about power products

PAN-E

Storage space: **26,000** m²

Power products:

405,000 deliveries per year

Marine: **20,000** deliveries per year

2017 figures



Power Products

HONDA

HMEL European Engine Center

Industrial Engines

Honda is the largest manufacturer of power products worldwide. Widely in demand thanks to its excellent quality, Honda also started delivering engines to Original Equipment Manufacturers (OEMs) for use in their own products in the mid-1990s. Once more, Honda opted for a central sales organization, close to their sales market and with a direct communication line to Honda Research & Development in Japan.

The benefits are numerous: a close partnership between Honda and its OEMs makes us more aware of the market's need and also gives us insight into 'the market behind the market', i.e. the needs of our customers in Europe. Our dedicated service guarantees the functionality and environmental friendliness of our products, whilst our associates focus continuously on managing delivery times, safety and accuracy. These are factors that make all the difference for our industrial partnerships – and for Honda.



Honda engines are used in numerous products in sectors including:

- Industry and construction
- Agriculture and horticulture
- Generators and welding equipment
- Lawn and garden equipment
- Leisure sector (carting)



HONDA
ENGINES



Engines

HONDA

HMEL Bumper Production

Bumper production

Aalst has a flexible production apparatus. Operating in 3 shifts, it has the capacity to process 620 bumpers and 60 accessories in more than 200 colours on a daily basis. We use a manual painting process that demands highly-skilled and experienced associates who make sure that the bumpers are delivered on time and according to Honda's high quality standards.

The unique combination of production, storage and distribution ensures that our customers can receive their delivery within 24 hours - anywhere in Europe.

The environmental impact of these processes has been reduced to an absolute minimum thanks to the use of specific packaging techniques, types of paint and painting methods that cut down on emissions.

Bumper production in Aalst is also EMAS & OHSAS certified.



HMEL bumper production in Aalst

Main activity: painting bumpers for the after-sales market

Production: **620** bumpers per day

Available surface: **4700 m²**

2017 figures



Bumpers

HONDA

HMEL Support services

Support services

HMEL's support services help our core departments to function optimally.

The Business Support (BS) department consists of Human Resources, Accounting and Purchase (non-product-related goods).

The Engineering department is responsible for the maintenance of installations, buildings and premises.

The Safety & Environment (S&E) department ensures that processes are conducted safely and in the most environment-friendly way possible.



A few statistics on
Honda Motor Europe Logistics

Founded in **1978**
Company turnover: **560 million**
Warehouse surface area: **300,000 m²**
Number of associates: **800**

2017 figures

“We only have one future,
and it will be made of
dreams, if we have the
courage to challenge
convention”

- Soichiro Honda

“We hebben maar één toekomst en die is gemaakt van dromen,
als we de moed hebben de conventies te tarten.”

“Es liegt nur eine Zukunft vor uns, und zwar die, die aus unseren
Träumen besteht – sofern wir den Mut haben, mit Konventionen zu brechen.”

“Abbiamo un solo futuro, e questo sarà fatto dei nostri sogni,
se avremo il coraggio di sfidare le convenzioni.”

“Solo tenemos un futuro, que vendrá determinado por nuestros sueños,
si somos capaces de superar los desafíos.”

“Mamy przed sobą tylko jedną przyszłość, którą zbudujemy z marzeń,
jeśli wystarczy nam odwagi, by rzucić wyzwanie utartym konwencjom.”

“Vi har bara en framtid, och den kommer att skapas av drömmar, om vi vågar
utmana invanda konventioner.”





HONDA



www.hondamotoreuropelogistics.com