



20 November 2020

Mr. Francis Scarpaleggia, M.P.  
Chair, House of Commons Standing Committee on  
Environment and Sustainable Development  
Sixth Floor, 131 Queen Street  
House of Commons  
Ottawa ON K1A 0A6  
Canada  
[ENVI@parl.gc.ca](mailto:ENVI@parl.gc.ca)

By Email

**RE: Written brief to the House of Commons Standing Committee on Environment and Sustainable Development – Study on Zero Emissions Vehicles**

Dear Mr. Chair, dear Committee members,

As our company was mentioned during one of the witnesses' testimony, we at Honda Canada Inc. wanted to send you this brief to correct the information that was mischaracterized and clarify Honda's plans and position on electrification.

The witness referenced a recent announcement by Honda Europe and their plans to sell exclusively zero-emission vehicles in 2022. This is not entirely true. Honda Europe has indeed announced that 100% of its mainstream European sales would be electrified by 2022 but we would like to highlight that the term "*electrified*" for Honda encompasses a wide array of technologies and includes what is commonly known as traditional hybrids (without a plug to an external power source). This is consistent with Honda's global direction as battery gasoline hybrid electric vehicles (which will be referred to in this document as "hybrids") are a step on Honda's pathway to carbon-free technologies, playing an important role in fuel efficiency and reducing greenhouse gas emissions fleet-wide.

As the automobile industry undergoes a once-in-one-hundred-years period of great transformation, Honda has decided to strive for the realization of carbon neutrality by 2050 in order to realize a sustainable society. To this end, Honda will aim to electrify two-thirds of global automobile unit sales by 2030.

As a company aware of its responsibility to society, now and in the future, we are working diligently to reduce all environmental impacts from our products and business activities. Globally, we are working to develop products with reduced CO<sub>2</sub> emissions through efforts such as improvements in

Honda Canada Inc.  
180 Honda Blvd.,  
Markham ON L6C 0H9  
[www.honda.ca](http://www.honda.ca)



the efficiency of engines, diversification of energy types, and the use of renewable energy sources. These efforts to decarbonize society will be made through the deployment of a suite of advanced technologies that include hybrid, plug-in hybrid, battery electric and fuel cell vehicles.

Honda has always believed that promoting the sales of specific technologies through zero emission vehicle (ZEV) mandates that represent a fraction of the overall on-road fleet will not “move the needle” appreciably to reduce atmospheric GHG levels. In fact, according to the most recent GHG report by Environment and Climate Change Canada<sup>1</sup>, **Honda Canada’s fleet is among the lowest emitting in Canada.** Despite Honda’s low use of zero emission and plug-in vehicles, we have been leaders in GHG reductions as we were the only company to comply on tailpipe emissions alone in both segments of Passenger Automobiles and Light Trucks. In other words, our fleet outperforms most other vehicle manufacturers, including those who sell zero-emission vehicles.

**Honda believes that focusing on reducing GHG emissions is *the* key to addressing tangible climate change.** This is why we do not support a zero emission vehicle mandate as they tend to skew the market and penalize automakers who achieve GHG goals but without using the “preferred” technology. We believe that each company should choose how to achieve targets and as mentioned, Honda has a long-term multi-pathway approach to deliver significant CO<sub>2</sub> reductions, including through the deployment of advanced hybrid technologies. Our results in the 2018 GHG report are a testament of our commitment and success in reducing tailpipe emissions.

We would also like to point out that, as a Canadian manufacturer, members of the Committee should keep in mind Canadian competitiveness, especially vis-à-vis US plants. Honda’s manufacturing operations in Alliston (Ontario) already face a great challenge in light of the more stringent rules of origin under the Canada-US-Mexico Trade Agreement (“CUSMA”) and we would like to avoid environmental regulations such as a ZEV mandate that would make manufacturing in Canada more expensive and less competitive given that over two-thirds of our production is exported to the United States.

Mandating ZEV sales in Canada to force ZEV manufacturing in the country is currently not a sustainable business model as the cost of manufacturing battery electric vehicles is still too high and these vehicles cannot currently be exported duty-free to the United States. We will get there eventually but we need more time. In the short-term, a Canadian ZEV mandate will not address short term supply issues. If anything, it will encourage the sale of non-Canadian made vehicles, which will ultimately hurt Canadian manufacturing facilities.

To conclude, we believe that to help Canada reach its climate objectives, measures that have benefits fleet-wide should be examined as well as policies incentivizing carbon emissions reductions from any powertrain technology.

---

<sup>1</sup> *Greenhouse Gas Emissions Performance for the 2018 Model Year Light-Duty Vehicle Fleet*, Environment and Climate Change Canada, September 2020

# HONDA

Thank you for your time and consideration. We hope our comments will be taken in consideration in your study and deliberations. We would be grateful if you and the Clerk of the Committee would arrange for translation of our submission and for distribution to all Committee members.

We remain at your disposal should you have any questions.

Sincerely,

Honda Canada Inc.

c.c. Alexandre Roger, Clerk of the Committee