

# Managing Chemical Substances

Complying with laws and regulations and ensuring proper management

## Managing environmentally-hazardous substances throughout the entire supply chain

### Green procurement and customer audits

The NTN Group has established a “Green Procurement Standard” and is working with suppliers to preserve the environment and improve the environmental performance of products.

Promoting green procurement was a priority for our environmental activities policy in fiscal 2008. Particularly to comply with restrictions, laws, and regulations related to environmentally-hazardous substances such as the European Union’s RoHS Directive\*1, ELV Directive\*2, and REACH\*3, we have created analytical systems for incoming parts and materials, and specialized internal auditing systems for environmentally-hazardous substances. We have trained 55 auditors who will carry out internal audits related to environmentally-hazardous substances throughout the NTN Group; we have also started to monitor suppliers.

On the other hand, we also respond positively to requests for customer audits. In fiscal 2008, eight operating sites received audits related to the management of environmentally-hazardous substances. Every site passed. One of the customers, Konica Minolta Business

Technologies, Inc., audits all suppliers, and sites that obtain a good score are recognized as a “Certified environmental collaboration site.” All five NTN operating sites that were audited received this certification. Going forward, seven internal auditors were trained and certified by Konica Minolta Business Technologies and will be carrying out self-directed audits to renew this certification.

- \*1 RoHS Directive: This directive prohibits the use of designated hazardous substances in electrical and electronic devices.
- \*2 ELV Directive: This directive aims to limit hazardous substances from vehicles by mandating recyclable materials.
- \*3 REACH: This regulation deals with the Registration, Evaluation, Authorization, and registration of Chemical substances.



An audit by Konica Minolta Business Technologies, Inc.

## Our response to REACH

### We have finished pre-registering the targeted chemical substances

REACH is a European Union (EU) regulation that came into effect in June 2007 that requires manufacturers and importers to register and evaluate the safety of chemicals in any product in the EU. The NTN Group exports over a ton of chemical substances in the form of grease to the EU each year, so we created a list of all chemical substances used in 19 varieties of grease and confirmed that all of our manufacturers have been pre-registered.

In October 2008, the European Chemicals Agency announced a list of 15 substances of very high concern (SVHCs) that are carcinogenic, tend to bioaccumulate, etc. Starting June 2011, if a company imports products into the EU containing 0.1% SVHCs and these SVHCs total 1 ton or more, REACH requires this company to report these products. Because there is a possibility that rubber seals and grease contain these substances, NTN investigated the documentation related to these substances at companies that supply us with these products.

## Reducing substances designated by the PRTR Law

### Working to find substitutes for a complete phase-out

The NTN Group works continuously to reduce the amount of designated chemicals that we emit into the environment and ship-substances that we are required by the PRTR Law to track and report. To this end, our fiscal 2008 target was to achieve a 33.5% reduction over the fiscal 2006 level in the use of these substances, and our fiscal 2010 target is a 40% reduction. In fiscal 2008, we were able to meet our target with a 39.5% reduction.

Though there are many substances that need to be reported, the substances that NTN uses the most are amine-based additives used in grinding fluids and anticorrosion agents. We have been working toward completely phasing out these substances, starting in applications where such a change will not affect quality. In fiscal 2008, we almost completely phased out these amine-based additives and they are currently used only in one location. We plan to next reduce the use of xylene by regenerating used cleaning fluid (kerosene), which contains xylene.