

Substances of Environmental Concern

***1 REACH Regulation**
Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals. It is a comprehensive chemicals regulation for manufactured or imported substances and substances contained in products, effective from 2007 in the EU.

***2 IMDS**
International Material Data System that collects information on materials used and substances contained in approximately 30,000 automobile components

***3 JGPSSI**
Japan Green Procurement Survey Standardization Initiative. A council comprising voluntary electrical and electronic equipment manufacturers aiming to share surveys on chemical substances contained in components and materials

***4 AIS**
Article Information Sheet provided JAMP (Joint Article Management Promotion Consortium), used to convey information on chemical substances contained in products

***5 ELV Directive**
End-of-Life Vehicle Directive. Directive stipulating recycling rate of end-of-life vehicles and regulated substances, effective from 2002 in the EU.

***6 RoHS Directive**
Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment. Became effective in 2006 in the EU.

***7 PRTR substances**
Chemical substances designated in the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof. This Act stipulates a system for determining and notifying the amounts of specific chemical substances released into the environment.

Basic Philosophy

We have a three-step management system for handling substances of environmental concern: ①Answering requests from customers, ②Handling within the Group, and ③Procurement from suppliers.

Naturally we ensure compliance with laws and fulfill customer requests. More than that, we aim to reduce the use and emission of substances of environmental concern so as to minimize their effect on the environment and human health.

Customers

With the reinforcement of regulations on chemical substances contained in products, requests from customers in the automobile, electrical and electronics industry regarding improved compliance are increasing. The REACH Regulation*1 of the EU has triggered an increase in the status of chemical substances contained in products; we are taking all the appropriate measures including submission of Non-Containing Declarations, IMDS*2 and JGPSSI*3 survey and response tools, submission of various data with AIS*4, etc., and handling investigations and audits regarding our management systems.

Voice

Restrictions regarding substances of environmental concern are becoming increasingly severe. To cope with this situation, it is essential for all employees in the Group to have the same level of awareness; one mistake could result in a grave quality and/or environmental problem.

The Environment & Safety Management Department maintains the mechanism to cope with legal restrictions and customer requests, and shares information mainly through the Chemical Substance Subcommittee. We will continue to enhance our management methods to ensure that we can handle a variety of possible scenarios safely.



Hidetoshi Ogawa
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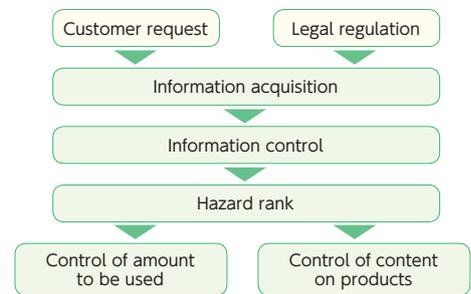
Group

We conduct non-containment substances of environmental

Non-containment management for products

To satisfy customer requests and regulation such as the ELV Directive*5, RoHS Directive*6 and REACH Regulation of the EU, we assign hazard ranks to substances of environmental concern. With handling standards for each rank, we carefully manage non-containment and reduce their use.

Management system



Managing use in factories

Our factories aim to reduce emission of PRTR substances*7. Eco Vision 2010 aimed for emissions of 36 tons or less, but despite the increase in production from fiscal 2002 (standard year), implementation of the toluene recovery equipment did not progress smoothly, and we did not achieve the target. The target in Eco Vision 2015 is set at emissions of 43 tons or less (80% reduction over fiscal 2007).

PICK UP

Reducing emissions by substituting xylene - Komaki Factory

Komaki Factory has been trying to reduce emissions of toluene and xylene, and in the efforts to reach their targets, the challenge was to reduce emissions of xylene in the solder printing process of the organic package.

After thorough testing to stop the use of xylene, we were able to find a chemical that can be used as a substitute, and completed the substitution process at the end of January. With this, the volume of toluene and xylene emitted by the Komaki Factory was reduced to 2.5 tons, and our target was achieved.

management for products and control the use of concern in our factories.

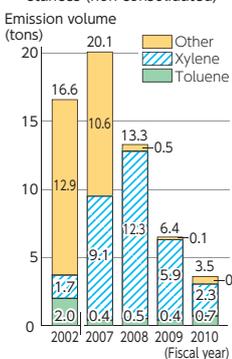
Hazard rank

Hazard rank	Handling standard	Substances covered
Prohibited substances	Use is prohibited.	Substances prohibited from use or strongly restricted by regulations.
Restricted substances	Safer substitutes will be sought, while making efforts to reduce the use of current substances.	Hazard level and toxicity are equivalent to prohibited substances, but an immediate changeover is impossible due to its special characteristics.
Monitored substances	Supplies need to be examined to find existence/non-existence of applicable substances.	Those not prohibited or restricted but that require monitoring.

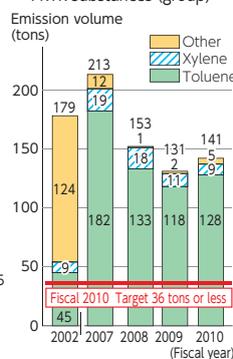
In-house analysis of substances of environmental concern

To confirm the containment status of substances of environmental concern in our products, our in-house analysis center conducts a partial analysis of substances of environmental concern contained in products to prevent the release of nonconforming products.

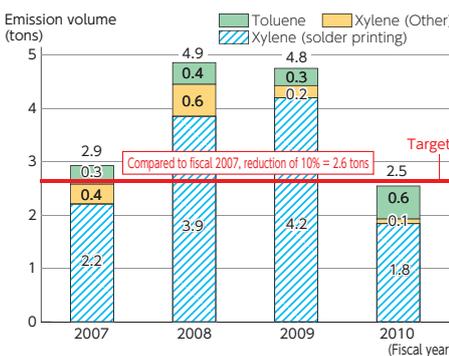
Emission volume of PRTR substances (non-consolidated)



Emission volumes of PRTR substances (group)



Volumes of toluene and xylene emitted by Komaki Factory



Suppliers

To manage chemical substances contained in products appropriately, it is imperative that we gain the cooperation of our suppliers. For this reason, we issue our Green Procurement Guidelines to request that our suppliers manage substances carefully and cooperate with green procurement.

Green Procurement Guidelines (Japanese Only)



The green supplier system

We certify suppliers that meet system standards and material standards as green suppliers, and give them priority. In fiscal 2010, we re-screened our raw material suppliers, components and packaging materials for certification or renewal; we now have 270 certified suppliers.



Certification

Certification standards

System standards	Material standards
<ul style="list-style-type: none"> Third-party certification under the environmental management system 	<ul style="list-style-type: none"> Non-containment of designated substances on our prohibited list (Raw materials, components, packaging materials) Reporting on containment status of prohibited substances (Facilities, tools) Implementing measures to prevent commingling of hazardous materials (Outsourced operations)



Green suppliers

Support for our suppliers

We support our suppliers in establishing their environmental management systems. So far, we have received requests from 34 companies, and of those, 33 acquired ISO 14001 or EcoAction 21*1 certification. We will continue to support the remaining one company.

Web Green Procurement Guidelines (Japanese Only)

Web PRTR data for each business site

*1 EcoAction 21 An environmental management system. This system is designed by the Ministry of the Environment for small to medium businesses to provide ISO14001 accreditation at a lower cost as well as inspection/consultation.