

# Sustainability Report

Sustainability Report

New Hampshire Ball Bearings, Inc.

HiTech Division



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HiTech Division

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### What Is Sustainability?

Sustainability is a business approach that creates long-term shareholder value. It embraces opportunities for managing risks resulting from economic, environmental and social developments. The potential outcome of this approach is growth that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. In response to the growing awareness of sustainability, many businesses have adopted the concept's three-pronged analytical framework – economic, social and environmental well-being – to measure their overall performance. Companies wishing to report on their sustainability can turn to organizations like Ceres for help. In 2003, Ceres launched the Facility Reporting Project (FRP) as a multi-stakeholder initiative to develop consistent, comparable and credible economic, environmental and social reporting guidance for individual facilities in the United States.



Friends,

Hanging on a wall in our training center is a poster with the words quality, integrity, partnership, social responsibility and education. These terms, which are our shared values and practices, are a reflection of who we are as a company. We encourage their use on a daily basis, as they are the foundation of strong relationships with our stakeholders, including the communities in which we live and work. These principles also guide us in our efforts to overcome the many challenges we face conducting business from this rural corner of New Hampshire. Some of these challenges include lowering the costs related to energy use, reducing the disposal of solid wastes, and attracting and keeping a highly skilled workforce.

As Operations Manager and the person responsible for the performance of the HiTech Division, I proudly present to you this report, which contains various facts and figures about New Hampshire Ball Bearings. In this document you will find information pertaining to our economic, environmental and social performance. The charts and graphs include data from our 2005 fiscal year as well as earlier fiscal years where available.

In the past, we have reported on various aspects of our performance, but this is our first attempt at reporting using the guidelines outlined by the Ceres Facility Reporting Project ([www.facilityreporting.org](http://www.facilityreporting.org)). We have used these guidelines to identify our largest impacts and stakeholder priorities to determine what to include in this sustainability report. For advice in preparing this profile, we turned to an environmental organization, a local green business network, corporate responsibility reporting experts at Ceres, a business non-profit and state and federal regulators.

We invite you to share in this profile in the hope that it will give you a new perspective on New Hampshire Ball Bearings. We trust the information collected in this report will provide insight into our company's progress and future challenges. Furthermore, we hope that, if you have any questions or ideas, you will share them with us, as we believe that open communication between NHBB and our community strengthens us both. Comments related to our report can be directed to [info@nhbb.com](mailto:info@nhbb.com) or by contacting Patti Carrier at 603.924.3311 x5554.

Sincerely,

Richard C. Reynells  
Operations Manager  
HiTech Division

## PART OF A LARGER WHOLE COMMITTED TO SUSTAINABLE GROWTH

This report focuses on the HiTech Division of New Hampshire Ball Bearings, Inc. We are one part of a larger whole with a consistent commitment to sustainability. With our other divisions and our sister companies worldwide under the Minebea Co., Ltd. umbrella, we share a common vision of our role and obligations. As is indicated by the quote at right from Takayuki Yamagishi, Representative Director, President and CEO of Minebea Co., Ltd., from Minebea's 2005 Environmental Report, our commitment starts at the highest level of our organization.

*"As concerns about the threats to our environment have grown in recent decades, the responsibility we all bear for ecological stewardship has become increasingly clear. This is true for corporations as well as individuals. Minebea has always approached environmental protection as a key management objective, and continues to implement a variety of initiatives aimed at minimizing the environmental impact of our various corporate activities. We have also formulated an environmental policy, based upon an unwavering basic philosophy, and an internal organization to govern our efforts to address crucial environmental issues and ensure their consistency regardless of location or country. We continue to operate with the belief that such efforts are essential to our ongoing viability of all corporations."*

*-Takayuki Yamagishi, Representative Director, President and CEO of Minebea Co., Ltd.*

## OUR STAKEHOLDERS

Stakeholders	Specific Groups	Engagement Process
Employees	All HiTech employees and contractors	Coordinate health and safety fairs, new employee orientations, training seminars. Seek input on performance improvements.
Community	Peterborough, NH and the Monadnock Region	Employee involvement in community affairs. Donate to local schools, emergency service providers, sports teams, United Way, etc.
Governmental Entities	Town of Peterborough, NH Dept. of Environmental Services, EPA New England	Participate in voluntary excellence programs. Report on compliance.
Customers	Purchasers of our product	Participate in industry-recognized quality and health and safety certifications.
Suppliers	Suppliers of parts, materials, and services to HiTech	Build collaborative partnerships to improve performance.
Corporate Owner	Minebea Co., Ltd.	Report on annual environmental, health and safety data.
NGOs	Monadnock Green Business Network, Clean Air—Cool Planet, Conservation Law Foundation	Donate to organizations. Volunteer on boards. Dialogue about future environmental policies.

## WHO WE ARE



New Hampshire Ball Bearings, Inc. (NHBB) is one of the world's leading manufacturers of precision bearings and bearing products. Founded in 1946 in a wooden warehouse on the banks of the Contoocook River in Peterborough, New Hampshire, the company now operates almost one million square feet of manufacturing space at three state-of-the-art facilities in New Hampshire and California, and employs more than 1,200 people. NHBB designs and manufactures a wide array of bearings for custom applications and enjoys revenues of approximately \$150 million.

HiTech supplies a variety of markets, including

military and civil aircraft (airframe and engine), missile systems and other defense programs, and biomedical and healthcare industries. Our products are used in a multitude of applications, including airframes, gas turbine engines, fuel pumps, actuators, gearboxes, medical analyzers and other industrial equipment.

NHBB is a member of the Minebea Co., Ltd. group of companies, the world's largest producer of miniature ball bearings and a major manufacturer of precision electromechanical devices. Minebea group companies include 44 subsidiaries in 14 countries, with 28 manufacturing plants and 43 sales offices and

branches around the world, employing approximately 48,000 people worldwide.

The HiTech Division of NHBB employs approximately 525 people and occupies a 240,000-square-foot facility on 35 acres in Peterborough, in the rural Monadnock Region of southwest New Hampshire. The facility sits on a 25-acre parcel, half of which is occupied by buildings and parking lots. An additional 10-acre parcel is adjacent to the facility and is not developed. A small unnamed brook runs across the northern part of the property and drains into a one-acre wetland at the eastern boundary.

As one of the largest employers and a member of our community for over 60 years, we at NHBB HiTech value highly our commitment to social and environmental responsibility and civic participation, which are important pillars of sustainability. Our efforts have been recognized by certification to the ISO 14001 standard for environmental management systems ([www.iso.org](http://www.iso.org)), election as an original participant in USEPA's Performance Track program ([www.epa.gov/performance-track](http://www.epa.gov/performance-track)), awards from the governor of the State of New Hampshire for pollution prevention, from the Business and Industry Association of New Hampshire for environmental excellence, and from the USEPA Performance Track Director for excellence in mentoring other businesses.

HiTech views sustainability reporting as an extension of our core value of social responsibility, and we are hopeful that this project will lead to broader participation in our group of companies.

## OUR BUSINESS AND THE ENVIRONMENT

We work and live where we do because of the quality of life. As a company, we are dedicated to preserving that quality of life for ourselves, our communities, our supply chain and our customers. New Hampshire Ball Bearings promotes an aggressive stewardship and sustainability policy that emphasizes pollution prevention, energy efficiency, regulatory compliance and continuous improvement.

HiTech has a history of environmental compliance and maintains a robust environmental management and compliance system that is certified by a third-party registrar. Our compliance status is assessed every other year by our parent company, Minebea Co., Ltd. If it discovers a significant finding, which is defined as any activity that is not in full compliance with environmental rules and regulations, an action plan is created, approved and implemented to address it. The resulting actions are subsequently verified by Minebea. The 2004 audit resulted in no significant findings. Our next compliance audit was scheduled for 2006.

HiTech's responsibility for environmental awareness



extends beyond our business boundaries. We take full advantage of opportunities to communicate with our employees and local residents about their personal environmental contributions, and we work hard to provide them with information through Earth Day-related activities and our own Energy Fair. Our employees are proud of their personal contributions to maintaining a cleaner environment, and they are proud to work for a company that values its community.

Each year we establish goals and objectives to improve our environmental performance. At the highest level, our objectives include:

- The reduction of waste and significant adverse impacts caused by new products or processes;
- The reduction and elimination of pollutants which may enter the environment; and
- The promotion of environmental awareness among our employees and the community.

### Metrics and Examples of Performance Through 2005\*

Parameters Measured	Units	2003	2004	2005	Trend
Normalized greenhouse gas emissions	Tons of CO <sub>2</sub> /unit of production	6.6	6.1	6.4	Favorable
Water consumption - manufacturing processes	Gallons (X 1,000)	2,428	2,258	2,122	Favorable
Non-hazardous solid wastes to landfill	Tons	165	181	171	Unfavorable
Purchased manufacturing fluid use	Gallons (X 1,000)	21	20	16	Favorable
Total facility water consumption	Gallons (X 1,000)	5,518	6,518	6,576	Unfavorable

\*The data contained in this report may differ from data reported elsewhere. In this document the data are calculated based on our fiscal year (April to March), whereas our EPA Performance Track data is based on a calendar year.

**FYI:** You can find additional information about our environmental compliance at <http://www.epa.gov/echo/index.html> and <http://www.des.state.nh.us/OneStop.htm>.

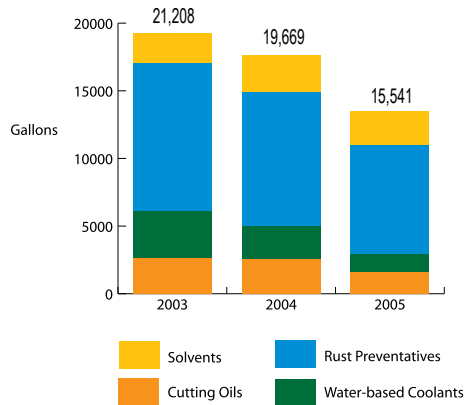
# MATERIALS

The terms “reduce, reuse, recycle” are very familiar at NHBB. To manufacture our products we use a fair amount of materials, such as steel, oils, coolants, solvents and packaging supplies. We aggressively strive to use each resource as efficiently as possible in order to reduce our costs and minimize waste. The following examples of pollution prevention initiatives, waste minimization efforts and recycling programs, which have yielded materials savings, serve to illustrate how efficient we have become:

## Manufacturing Fluid Use

Our manufacturing process consumes a lot of fluids. Every year, HiTech purchases large quantities of cutting oils, water-based coolants, rust preventatives and solvents. Even with an 18% increase in shipments, our fluid consumption has actually decreased. In 2003, our total consumption was 21,208 gallons. In 2005, this was reduced to 15,541 gallons. The reduction was due to an equipment upgrade, which led to the elimination of a group of cutting oils, and to better management of fluids that are still in use. The use of manufacturing fluids demonstrates our commitment to doing more while using less, all while maintaining the highest level of product quality standards.

**Manufacturing Fluid Purchases**

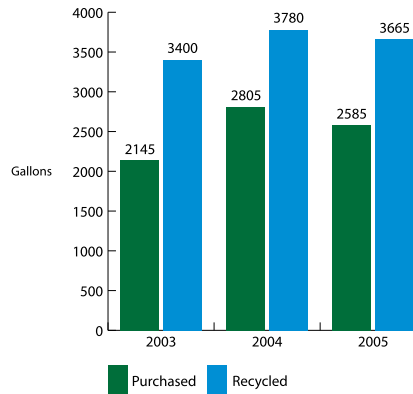


## Solvents

HiTech’s use of solvents is limited to cleaning our final assembled products. Through our on-site solvent recycling program we reclaim and reuse a significant percentage of these cleaning agents. Beyond the environmental benefits of such a program, reusing solvents enables us to reduce our costs (we have to buy less solvent each year) and cut back on the amount of waste we produce (the waste generated from the recycling program is negligible when compared to not recycling).

**FYI:** None of our solvents contain volatile organic compounds (VOCs), which contribute to smog formation.

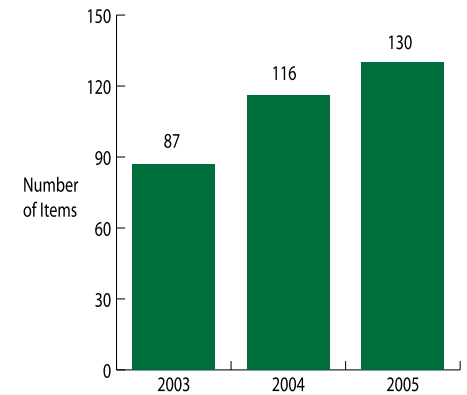
**Solvent Use**

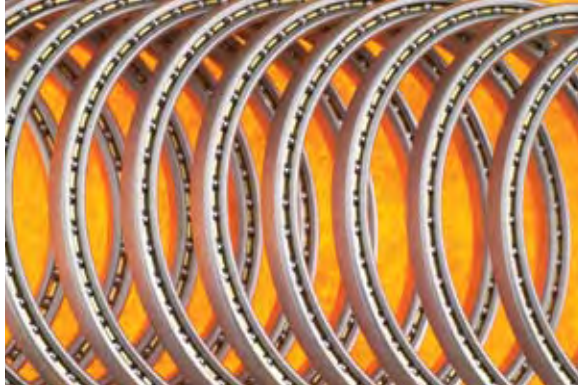


## Buy Recycled Program

Before our products are shipped to our customers they are packaged in cardboard containers of various sizes. The purchasing department has an aggressive Buy Recycled program that includes not only our packaging supplies but other commodities as well, including stationery, business cards, office products and paper towels. In 1998, when we originally started the program, we had no items that contained recycled content. The graph shown below illustrates our progress in adding items to our Buy Recycled program.

**Items Purchased With Recycled Content**





## Solid Waste

HiTech recycles a high percentage of solid waste generated from all aspects of our business activities. Our recycling rate for all of our solid waste has increased from 53% in 2003 to over 80% in 2005. A building expansion contributed to additional solid waste (both hazardous and non-hazardous) in 2004 and in the early part of 2005.

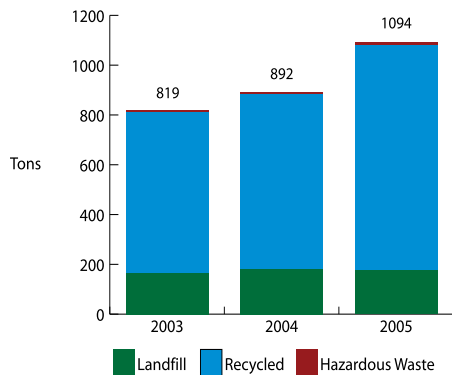
Trash and non-hazardous industrial waste sent to the landfill has been a recent focus of targeted reductions. In order to set reasonable targets, we have spent considerable time and energy understanding the processes that contribute to this waste stream. Certain components of this stream are directly related to the

increase in shipments and productivity. We still need to identify and implement additional programs to manage trash and industrial waste, so this issue will remain a priority next year.

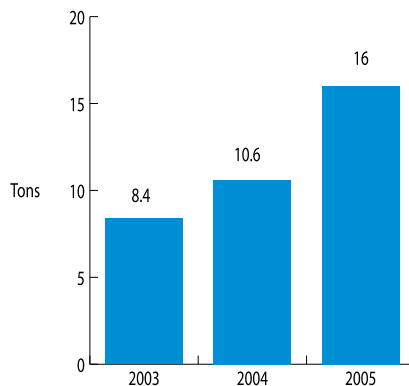
The hazardous wastes generated from our manufacturing processes have steadily declined since 1992, when we started a major focus in this area. In 1992, our hazardous waste generated was equal to 302 tons. In 2000, we reached a milestone when we generated under 20 tons of hazardous waste, a level HiTech has maintained to this day. These dramatic results are attributed in part to materials substitutions, where a material that contained toxic or hazardous

components was replaced with one that did not have those characteristics. Today, all new materials coming into the facility go through a rigorous materials review prior to their approval and ultimate acceptance. This procedure ensures that we keep our focus on this pollution prevention practice. One final note, all hazardous waste is sent off site for proper disposal.

**Tons of Solid Waste Generated**



**Tons of Hazardous Waste Generated**



**FYI:** HiTech did not experience any chemical, oil or fuel spills in 2005, nor have we received any complaints, notifications or concerns about odor, dust, noise or vibration resulting from our manufacturing operations. Regardless, NHBB is prepared to address such instances in a proper and timely fashion. We have a formal procedure in place to ensure that incidents and concerns are fully addressed with responses made to the interested party.

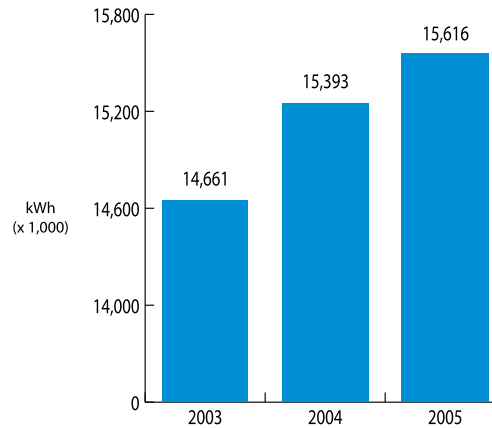
# ENERGY



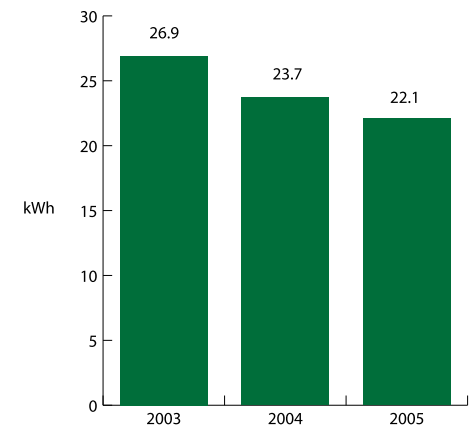
## Energy Consumption

Energy consumption, especially of electric power, is perhaps the most significant environmental impact associated with NHBB's operations. And since energy use is also a major line item in our operating budget (by several percentage points of total sales, in fact), we work hard to manage our business operations efficiently, and we constantly search for additional ways to save energy. Over the years, we have adopted numerous demand-side energy management practices that have yielded positive results. Since 2003 our business has increased by 18% in shipments while our total energy use has increased by only 6%. In our quest to reduce our consumption even further, we shall look to the next generation of energy-efficient products, integrating them into our business operations once they become viable.

**Total Electricity kWh Use**



**kWh Per Hour of Direct Labor**



The above charts illustrate our total electricity use and how we are using energy more efficiently. We are actually using less energy per direct labor hour of production. Direct labor is a measure of how much labor we expend when we manufacture our product.

## Energy Reduction Projects

Lighting efficiency is the focus of this year's energy-use reduction initiative. In 2006, we planned to replace over 600 metal halide lamps found throughout the manufacturing areas with more efficient compact fluorescent lights. Once completed, we expect to see an annual energy savings of over 450,000 kWh. At today's energy prices, we should realize an annual savings of at least \$64,000.

### Additional Energy Savings Projects

Project	Savings
Office area lighting upgrades in 2001 (T-12 to T-8 lamps with electronic ballasts and occupancy controls)	Daily savings of over 20,000 kWh
Replaced and upgraded compressed air system in 2002. Added sensory controls to sense uneven factory demand	18% energy savings in compressed air system
Procurement policies for NEMA premium motors and Energy Star® office equipment	Lower operating costs over the life of the equipment

## Energy Fair

On behalf of our employees and members of our community, HiTech regularly hosts an Energy Fair. Designed to be educational, visitors to the Fair can learn how individual choices affect energy use and how energy consumption impacts the environment. They can also pick up valuable tips on how to reduce their own energy use. Guests are encouraged to visit the display booths, which showcase Energy Star® appliances, alternative fuel vehicles, energy-efficient light fixtures and alternative heating systems. After hosting the Fair in 2004 and again in 2005, HiTech is already busy planning the next one, which is scheduled for 2007.



*"HiTech's Energy Fair has been a very successful educational opportunity for the leaders from surrounding town governments, non-profit groups and local businesses. We appreciate NHBB's generous outreach as a local corporate citizen and role model for other organizations that want to move to a more environmentally friendly, resource efficient and sustainable approach."*

*-Jim Hassinger, Monadnock Green Business Network*

## Greenhouse Gas Emissions

GHG emissions are a consequence of energy production and use, including both fuel and electricity consumption. Despite an increase in power consumption, we have been able to lower emissions. Since 1999, we have reduced our gross greenhouse gas emissions by 23% and, looking ahead, we expect to lower them even further. As a member of EPA's Performance Track Program, we have joined USEPA New England's Energy Challenge. NHBB, along with other New England participants, is committed to reducing greenhouse gas emissions by 5% for the region.

### Gross and Normalized Greenhouse Gas Emissions

Year	Gross Emissions*	Normalized Emissions**
1999	10,800	8.2
2000	10,331	8.1
2001	9,531	8.2
2002	8,192	7.6
2003	8,753	6.6
2004	8,209	6.1
2005	8,353	6.4

\*Gross emissions are in metric tons of CO<sub>2</sub>.

\*\*Normalized emissions are in pounds of CO<sub>2</sub> per unit of production.

**FYI:** In the near future, we plan to test biodiesel as an alternative fuel to #2 heating oil.

# WATER



*"HiTech's responsibility for environmental awareness extends beyond our business boundaries. We take full advantage of opportunities to communicate with our employees and our local residents with regard to their personal environmental contributions, and we work hard to make information available to them whether through Earth Day related activities or specific functions such as our Energy Fair. Our employees are proud of personally contributing to a cleaner environment, and they're proud to work for a company that values their community."*

*-Dick Reynells, Operations Manager*

**FYI:** Periodic examinations of storm water runoff from our building and parking lot have yet to uncover the presence of odor, oil sheen, floating solids and turbidity. If storm water tests were to reveal any of these abnormalities, we would immediately investigate and correct the problem.

## Non-Production Water Use

Our water is supplied by the Town of Peterborough, and the majority of it fulfills non-production (non-process) needs. Due to a 7% increase in manpower at HiTech and the recent expansion of our facility,\* water use has increased over the past few years. In 2003, 56% of the water used in our facility was non-process related. In 2005, that percentage increased to 68%.

In response, we initiated water-savings projects to reduce our non-production use of water: We purchased water saving fixtures for the sanitary waters used; we also instituted a program to minimize and efficiently use waters in the compressed air system cooling towers. With the completion of these activities, we expected our total water consumption to drop in 2006.

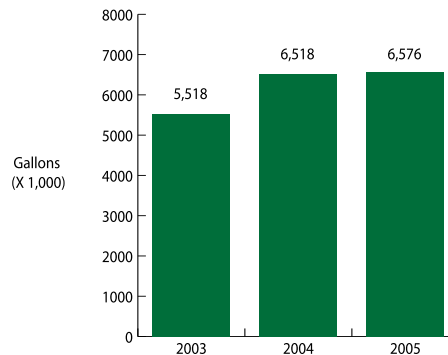
\*Equipment moves and relocations necessitated the use of non-contact cooling water that was not on our closed loop system. All equipment has now been relocated and is operating on the closed loop system.

## Manufacturing Process Water Use

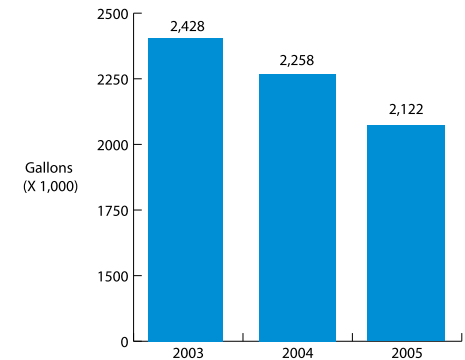
HiTech's previous efforts to reduce water use focused on our manufacturing process (process waters). Process water discharges are permitted by the Town of Peterborough, and HiTech is consistently within compliance to our permitting requirements. Our discharges, if not controlled and monitored, could result in unacceptable levels of metals that could impair the efficient operation of the Peterborough Wastewater Treatment facility.

Process water conservation programs, including prolonging the life cycle of wash baths, reducing the flow of counter-flowing rinses, installing cycle control buttons and recycling waste waters for reuse, have resulted in decreased process water consumption.

**Total Plant Water Use**



**Process Water Use**



# INVESTING IN OUR EMPLOYEES AND OUR COMMUNITY

Investing in the quality of life of our employees and the communities where we live and work is essential to NHBB's continued success. HiTech makes these investments by managing the safety and health of our employees and through our community involvement, charitable giving, volunteerism and education. What follows are some highlights and metrics we use to evaluate our performance:

## EMPLOYMENT

### Benefits Packages

We provide employee benefits well beyond the legally mandated minimum. Our programs include:

- Medical and dental insurance
- 401(k) retirement plan with a 50% company match
- Company-funded pension plan
- Company-paid short- and long-term disability
- Company-subsidized long-term care insurance
- Flexible spending accounts
- Employee Assistance Program (EAP)
- Incentive bonus plan
- Attendance awards
- Tuition assistance and reimbursement

Image courtesy of the Town of Peterborough.



### Work-Life Balance

Employees at HiTech are given ample supervision and continual training along with opportunities for work-life balancing. HiTech currently maintains a management to non-management compensation ratio of about 2.5 to 1. The average yearly salary ratio for non-hourly to hourly employees is 2 to 1. Turnover in non-leadership positions was 11%. We conduct ongoing training and development programs, such as basic math classes, in order to build upon our employees' competencies. Leadership skill development is also ongoing. Mandatory overtime is rarely imposed on employees. In addition, HiTech attempts to help

our employees balance work and home by offering non-traditional work hours that provide better quality of life. For instance, we have created weekly work schedules comprised of four 10-hour days or three 12-hour days, resulting in longer strings of days off. HiTech currently offers four different shift arrangements to accommodate most employees' work-life needs.

### Average Hours Worked Per Week Per Employee

Category	1 <sup>st</sup> Shift	2 <sup>nd</sup> Shift	3 <sup>rd</sup> Shift
Team Leaders	53.8	51.4	48.0
Specialists	51.7	46.1	50.1
*Non-Specialists	49.4	48.4	50.1

\*Non-Specialists include all other manufacturing positions such as Machine Operators and Inspectors.

## Health and Benefits Fair

Every other year, HiTech hosts a Health and Benefits Fair for its employees. We bring together all types of health and wellness information, offer massage therapy sessions and fitness clinics, and administer a number of health screenings, including blood pressure, cholesterol, glucose, PSA and bone density. The Health Fair screenings are a convenient way for our employees to monitor their health. Screenings can lead to early detection of health problems, which enables our employees to address potential problems before they become serious and to take preventative measures to reverse their effects. During our 2005 Health Fair, several employees who took advantage of the health screenings found they were in risk categories and were subsequently referred to their physicians.

**FYI:** In 2005, five employees took advantage of the tuition assistance and reimbursement benefit to enroll in 14 classes. Of the five, three are enrolled in degree programs with degrees expected within two to three years.



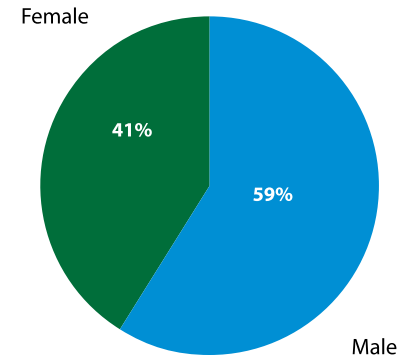
## Human Rights

HiTech seeks to create a tolerant and safe work environment for every employee. We have zero tolerance for harassment based on race, religion, ethnicity, gender and sexual preference. HiTech also has a zero tolerance policy for any retaliation, and our company policy firmly states that retaliation is prohibited and is punishable with severe disciplinary action. HiTech has adopted strict company policies that cover applicable laws, chain of command, management and employee responsibilities, and procedures for conflict resolution. Through our new employee orientation program and periodic refresher training sessions, we ensure compliance with policies and laws that address human rights issues.

Although we are a non-union facility, we have a formal Employee Conduct policy that outlines expected behavior, compliance procedures and problem-resolution guidelines. Whenever a situation arises, the HR

Manager conducts a formal investigation, and any disciplinary action is discussed between the HR Manager and the Department Manager. Our Affirmative Action Plan and policy dictate responsibilities in hiring and employment practices that include non-discrimination regardless of race, religion, ethnicity, gender or sexual orientation. These policies are also outlined in the employee handbook, which is given to each new employee on his or her first day of employment.

## Workforce Diversity



# SAFETY AND HEALTH

## Compliance

HiTech complies with all OSHA rules and record-keeping requirements that apply to our business. Specific topics covered in HiTech's overall Safety Program include Hearing Conservation, Blood-borne Pathogen Training, Emergency Response and Notification Training, CPR and First Aid, Electrical Safety, Hazard Communication, Machine Guarding and Personal Protective Equipment. Our Integrated Contingency Plan outlines the action steps and reporting requirements that are necessary for responding to hazardous materials releases, natural disasters, civil disturbances and violence in the workplace.



**FYI:** In 2005 our workers compensation claims, medical expenses and costs incurred totaled approximately \$108,000.

## Recordable Injuries and Illnesses

Year	# OSHA Recordable Injuries/Illnesses	Total # Hours Worked	NHBB Incidence Rate	**Metal Product Mfg. Incidence Rate	**Aerospace Parts Mfg. I.R.
2003	22	935,682.89	4.7	7.5	4.7
2004	18	1,059,739.91	3.4	7.6	4.1
2005	20	1,157,591.12	3.4	*TBD	*TBD

Incidence rates are calculated as follows : ( # injuries & illnesses/total hours worked) X 200,000.

\*These figures are not yet available from OSHA. \*\*Source: U.S. Department of Labor, Bureau of Labor Statistics.

## Active Loss Prevention

HiTech maintains an active Joint Loss Prevention and Safety Committee whose charge is the continual improvement in the safety performance of our operation. All accidents and injuries are reported and reviewed monthly. In 2005, our lost time injury frequency was 228 lost work days involving 20 employees. This translates to an incidence rate of 3.4 (the table shown here benchmarks HiTech's injury and illness incidence rates against other related manufacturing). HiTech's incidence rates consistently remain at or below levels in the general metal fabrication industry and the aerospace parts fabrication industry. Additionally, our own rates have dropped despite a year-after-year increase in head count and hours worked. John Teixeira, Manufacturing Engineer and member of the NHBB Safety Committee, attributes the improvement to a greater level of focus on training new employees on the importance of adhering to safety rules and regulations. "Our training program heightens the awareness of safety at a very early stage of employment," said Teixeira. "Our 6S program has increased the level of overall shop cleanliness, which has resulted in much fewer accidents and injuries."

## THE HEALTH OF OUR BUSINESS

One of the most significant contributions NHBB can make to our community is to provide a stable economic base. Having been a part of the Monadnock Region for six decades, we are proud of our long-standing contributions to the economic well-being of our community, and we hope to remain a source of strength as the town continues to grow.

HiTech continues to be a vital source of new jobs. In 2005, our local payroll was approximately \$29,000,000, and overall employment increased to over 525 employees with the addition of 36 full-time direct and indirect manufacturing positions.

In 2005, no fines were levied against the company for non-compliance related to federal, state or local environmental, health and safety laws and regulations. Furthermore, there were no instances of non-compliance with regulations or corporate policies concerning product quality, safety or labeling.

In 2004, we added 11,000 square feet of manufacturing space, which serves as the new wing for an expanded and upgraded heat treatment facility. All



expansion plans were submitted to the Peterborough Planning Board for discussion and approval during publicly held planning board meetings. In 2005, we purchased an abutting 10-acre parcel as a hedge for future expansion of the current building. This acreage also serves as a buffer between our facility and surrounding residential areas of our community.

As a taxpayer, HiTech has been a long-standing asset to the community. The company does not receive any subsidies or government-assisted financing. Plus, our 2005 tax payment to the Town of Peterborough totaled in excess of \$145,000.

HiTech is dedicated to the on-time delivery of quality products. We maintain current certifications,

including ISO 9001, ISO 14001, Boeing D6-82479 and AS9100 Rev. B. Additionally, HiTech is NADCAP accredited for special production processes.

These and other developments are largely due to HiTech's success in maintaining a strong position within the bearing marketplace. During the two-year period between fiscal year 2003 and 2005, HiTech realized an 18% increase in shipments.

**FYI:** Since HiTech has been in operation for many decades, we confront a number of legacy environmental issues that we have addressed head-on. Over the past 12 years, NHBB has cleaned in excess of 1.5 billion gallons of groundwater as part of our ongoing South Well project. The goal of the project is the ultimate restoration of the resource as a drinking water supply. HiTech has almost completed the cleanup of a local landfill, and in 2004, we completed a clean-up at a local septage lagoon that had received our waste in the distant past. HiTech is committed to seeing these projects through to their respective positive conclusions.

*"The Town of Peterborough has worked closely with NHBB for many years on difficult water supply and environmental issues, including the South Well cleanup. We have always found NHBB to be conscientious and committed to doing the right thing, and willing to listen to and consider the concerns and point of view of the Town. We look forward to success in our ongoing partnership with NHBB to restore the use of the South Well."*

*-Pamela Brenner, Peterborough Town Administrator*

## SUPPORTING OUR COMMUNITY

HiTech supports education at every level — from elementary schools through post-secondary institutions — by offering mentoring, job shadowing, apprenticeship and internship programs. We actively encourage our employees to volunteer in the community, and many employees have set a good example for others through their active support of many local non-profit groups. HiTech employees serve on the boards of local charitable organizations, such as Monadnock Day Care, the Family Center, Monadnock Worksource and the Rotary Club. Additionally, HiTech is actively involved in supporting the Greater Peterborough Chamber of Commerce and the WasteCap Resource Conservation Network, both through board and committee involvement. Since 1998, and with the assistance of employee volunteers, we participate in the Adopt-A-Highway Program to maintain a section of roadway in our community. During our tenure, we have picked up over 860 bags of trash.

HiTech also supports charitable giving to our community, both through direct and in-kind donations. In



2005, contributions from our facility to the local community were approximately \$49,000. Donations go to organizations such as the United Way, Monadnock Community Hospital and other local charities. HiTech also donates the use of its facility to local non-profit groups for community meetings and fund-raising events.

**FYI:** For more information about WasteCap Resource Conservation Network, please visit it online at [www.wastecapnh.org](http://www.wastecapnh.org).

*"The management of New Hampshire Ball Bearings understands that the reach towards sustainability cannot be met within the confines of their facility. The leadership they have brought to WasteCap, a resource conservation program of the BIA, has helped many New Hampshire businesses make significant environmental strides towards a sustainable future."*

*-Barbara Bernstein, Executive Director, WasteCap*

## A SPECIAL THANKS

Thank you for taking the time to read through this report. We hope that, if you have comments or questions, you will share them with us. Please direct your comments to [info@nhbb.com](mailto:info@nhbb.com).

NHBB HiTech and the members of the Sustainability Report Group would like to thank everyone who helped put this report together. We are especially grateful for the contributions of the following individuals:

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FOV.13: Since this is our first year at sustainability reporting, policies and procedures utilized to ensure transparency for this report are still being developed. We look to our stakeholders to help us finalize these policies.

FEC.1: HiTech was not able to determine the cost and percentage of all goods, materials and services purchased locally. This is extremely labor intensive. We are working on methods to capture this information more efficiently in an effort to provide this information for future reports.

FEC.6: HiTech did not contribute any money to non-core business infrastructure development.

FEN.2: Because of the nature of our product applications, HiTech is not permitted to use materials that are wastes (processed or unprocessed) from sources external to our facility to manufacture our products.

FEN.6: HiTech does not directly withdraw groundwater or surface water for its water needs.

FEN.7: Total recycling and reuse of water is not being reported this year due to the start up of our water recycling system. Meters are in place and we plan to report on this indicator in future reports.

FEN.9: There have been no changes to natural habitats resulting from activities and operations.

FEN.11: The use of ozone-depleting substances is extremely limited. HiTech currently purchases a Class

II ozone depleting product for final product cleaning. An alternative non-ozone-depleting product has been identified, tested and qualified as a replacement. A time line to switch to the alternative still needs to be determined.

FLA.19: In 2005, there were no open management or supervisory positions vacant.

FHR.3: HiTech does not have any freedom of association programs or procedures.

FHR.4: HiTech follows all of the labor practice laws associated with the State of New Hampshire including the exclusion of child labor from all operations.

FHR.5: HiTech abides by all New Hampshire and OSHA regulations. We do not force labor on any employee.

FHR.8: There are no populations of indigenous people located near HiTech's facility. Regardless of race, all HiTech employees receive respect and fair treatment.

FSO.3: HiTech did not pay any political parties or institutions whose prime function is to fund political parties, candidates or their Political Action Committees.