

# ZEON

Zeon Group CSR Report 2021



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## Editorial Policy

Zeon Corporation and Zeon Group ("Zeon") publish a Corporate Report, which provides stakeholders with an overview of Zeon's business activities. In addition to the Corporate Report, which functions as an annual report and company profile, Zeon also publishes a CSR Report, which is intended to help stakeholders understand Zeon's approach to CSR and its environmental activities.

This is the only report that publishes the CSR Matrix in its entirety. Besides bringing together information about Zeon's CSR approach and CSR measures, this CSR Report is also intended to function as a communication tool, with the aim of fostering dialog with Zeon's stakeholders, so that Zeon can play an even more useful role in the world. We look forward to hearing your frank comments and suggestions regarding the CSR Report, which can provide a useful reference for us in our future activities.

### Reporting Period

April 2020 to March 2021 (includes some information relating to the period in and after April 2021)

### Reporting Scope

Zeon Corporation and Zeon Group companies inside and outside Japan.

Some data covers only Zeon Corporation.

### Reporting Scope for Environmental Data

Japan: Takaoka Plant, Kawasaki Plant, Mizushima Plant, Tokuyama Plant, Zeon Kasei Co., Ltd., Zeon Polymix Inc., Zeon Medical Inc., Zeon North Co., Ltd., Tokyo Zairyo Co., Ltd., RIMTEC Corporation, Zeon Yamaguchi Co., Ltd., Zeon Chemicals Yonezawa Co., Ltd., Optes Inc., Tohpe Corporation, Zeon Opto Bio Lab Co., Ltd.

Outside Japan: Zeon Chemicals L.P. (ZCLP), Zeon Chemicals (Thailand) Co., Ltd. (ZCT), Zeon Advanced Polymix Co., Ltd. (ZAP), Zeon Chemicals Singapore Pte. Ltd. (ZCS)

### Reference Guidelines

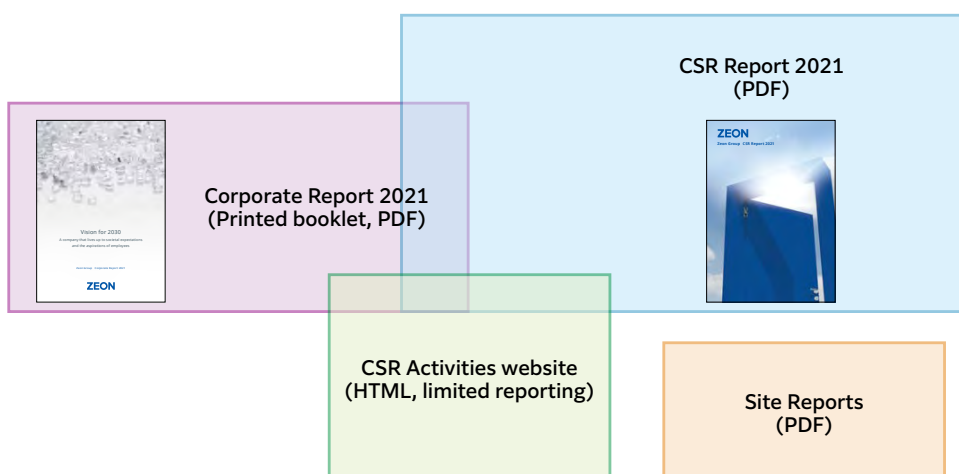
Determined with reference to the 2018 Environmental Reporting Guidelines promulgated by Japan's Ministry of the Environment (MOE), and with reference to ISO 26000.

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[http://www.zeon.co.jp/index\\_e.html](http://www.zeon.co.jp/index_e.html)

### Date of Publication

March 2022 (previously published in November 2020)

## CSR Communication Tools



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## Zeon CSR Policy

At Zeon, we regard CSR activity as all activities undertaken in order to continue being “a company trusted and valued by society.” With each employee acting in awareness of CSR, we will thoroughly enact compliance and contribute to the global environment and sustainable development through corporate activities.

### Corporate Philosophy

**Corporate Philosophy (established April 1997)**

**“Zeon is contributing to the preservation of the Earth and the prosperity of the human race.”**

In keeping with its name, which derives from the Greek words “geo” (the Earth) and “eon” (eternity), Zeon will contribute to the sustainable development of people, society and the global environment through innovative world-class technologies.

### CSR Policy

**CSR Policy (established April 2010)**

1. We will ensure compliance and meet society's needs for safety and security
2. We will contribute to sustainably developing society and protecting the global environment through our corporate activities
3. We will ensure that each and every Zeon person is aware of CSR and acts accordingly

Each principle is further defined as follows.

#### First Principle

- We will comply with laws and regulations, firmly uphold the values and ethics required of a corporate member of society, and cause no distress to society
- We will undertake enterprise-wide environment and safety initiatives to prevent accidents and provide a sense of security to our employees as well as our local communities
- We will thoroughly address quality and product liability issues to avoid impairing the safety and security of society

#### Second Principle

- We will contribute to the realization of sustainable development and protect the global environment through our core business
- We will encourage proactive action across the world, refine innovative technology, and continually create new products.
- As an indispensable and valuable corporate citizen, we will enhance our corporate value and meet the expectations of society.

#### Third Principle

- We will establish Corporate Governance with CSR management as a pillar
- All employees will act with thorough awareness of CSR and meet the public's expectations
- All employees will fulfill Zeon's CSR with enthusiasm
- We will pursue environmental preservation as well as safety and quality assurance through the participation of every individual and in every corporate activity.

### CSR Code of Conduct

The CSR Code of Conduct specifies what kind of actions we should be working actively to implement, from the perspective of meeting society's expectations (the CSR Code of Conduct was revised in January 2018).

#### CSR Code of Conduct

<https://www.zeon.co.jp/en/csr/concept/pdf/000257956.pdf>

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## CSR Management

### Moving beyond ISO 26000 to promote SDGs-based sustainability

Up until FY 2020, the Zeon Group implemented CSR initiatives in accordance with a CSR Implementation Plan that was based on ISO 26000, the international CSR standard. Starting from FY 2021, we are aiming to realize

our Vision for 2030 through SDGs-oriented initiatives that are outlined in our new Medium-Term Business Plan, and we will be formulating and implementing a new Sustainability Promotion Plan.



### Setting the main SDGs-related targets

Zeon's new Medium-Term Business Plan has identified nine SDGs that are closely related to our business activities as SDGs that our company will focus on. We aim to realize our Vision for 2030 through SDGs-oriented initiatives.



We support the Sustainable Development Goals



### Sustainability Management

In order to transform our business activities in such a way that they are oriented toward achieving the targets set in the new Medium-Term Business Plan and toward sustainability promotion, we undertook a large-scale organizational restructuring in April and July of 2021. For example, we established the Carbon Neutral Endeavor office, reporting directly to the President, to promote the formulation and implementation of strategies and concrete plans for realizing our goal of becoming carbon neutral by 2050. We have also established a new Incubation Center under the Research & Development Center, as a dedicated organization for new product development and the incubation of new businesses.

In addition, our existing CSR Headquarters has been repositioned as the Corporate Sustainability Headquarters, to play a central role in sustainability promotion and management, and the Legal Affairs and

Quality Assurance departments, which were formerly under the CSR Headquarters, have been moved to a new Legal & Compliance division, thereby enhancing the objectivity of each function. We have also set up a new IR & SR office, with the aim of further expanding dialog and communication with investors and shareholders. As before, the CSR Conference, which is chaired by the President, exercises general oversight over sustainability promotion, and reports to the Board of Directors as necessary.

Going forward, we will continue to explore ways to make our organization and management systems more effective, to live up to the expectations of today's constantly changing society.

Corporate Profile: Organizational Chart  
<https://www.zeon.co.jp/en/company/profile/>

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**The relationship between the new Medium-Term Business Plan and the SDGs that Zeon is focusing on**

Vision for 2030	Directions for 2030 (what we want to be)	Strategies	Key Policies (2021-22) and Related SDGs	Targets for 2030
<b>Living up to societal expectations</b>	Continuing to contribute to a sustainable society	1 Promote a transformation of <i>monozukuri</i> to realize a carbon neutrality and circular economy	Formulate a master plan for achieving carbon neutrality looking toward the year 2050 <span style="color: orange;">7</span> <span style="color: red;">9</span> <span style="color: orange;">12</span> <span style="color: green;">13</span> <span style="color: blue;">17</span>	To be set based on published guidelines including those of the Japan Chemical Industry Association
	Providing products and services indispensable to society	2-1 "Polish up" existing businesses	Strengthen COP <span style="color: green;">3</span> <span style="color: red;">8</span> <span style="color: orange;">9</span> <span style="color: orange;">12</span> <span style="color: green;">13</span>	Sales ratio of products that contribute to the SDGs: 50%
			Strengthen battery materials <span style="color: orange;">7</span> <span style="color: red;">8</span> <span style="color: orange;">9</span>	
			Ensure the survival of existing SBUs <span style="color: green;">3</span> <span style="color: red;">8</span> <span style="color: orange;">9</span> <span style="color: orange;">12</span>	
		2-2 "Explore" new businesses	Focus resources on key areas <span style="color: green;">3</span> <span style="color: orange;">7</span> <span style="color: orange;">9</span> <span style="color: green;">13</span>	Net sales of new businesses: +60.0 billion yen (compared to FY 2019)
		Build a digital infrastructure to create value for customers <span style="color: red;">5</span> <span style="color: red;">8</span> <span style="color: purple;">10</span> <span style="color: orange;">12</span> <span style="color: blue;">17</span>	I. Build a digital infrastructure II. Reform corporate management and business management III. Create customer value	
<b>Living up to the aspirations of employees</b>	Take vigorous action with the steps "Let's try first," "Let's connect," and "Let's polish up"	3 Work together to create "stages" to be active on	Provide a greater variety of life choices <span style="color: green;">3</span> <span style="color: red;">5</span> <span style="color: red;">8</span> <span style="color: orange;">9</span> <span style="color: purple;">10</span> <span style="color: blue;">17</span>	Employee engagement: 75% Ratio of foreign-national and female directors: 30%

## Timeline of CSR Initiatives

### CSR Activities

- 1995: Joined the Japan Responsible Care Council and declared our commitment to Responsible Care  
Established Zeon's Responsible Care Policy
- 1996: Revised the group-wide safety management system and established the Plant Technology Audit System
- 1997: Established the Safety Philosophy  
Held the first Zeon Safety Month and the All-Zeon Safety Conference (subsequently held each year in April)  
Established the Code of Conduct (Zeon's Seven Articles)
- 1998: Established the Responsible Care Policy
- 1999: Established the Risk Management Rules
- 2000: Published the first Responsible Care Activity Report (1999 edition)
- 2001: Established the Environmental Philosophy
- 2003: Amended the Risk Management Rules and renamed them as the Risk Management and Compliance Rules  
Established Zeon's Seven Articles Code of Conduct
- 2004: Established the Internal Reporting System  
Published the Compliance Textbook I
- 2005: Published an English version of the Responsible Care Activity Report  
Conducted third-party verification for the Responsible Care Activity Report  
Published the Compliance Textbook II (Q&A Edition)
- 2006: Switched from publishing the Responsible Care Activity Report to publishing the CSR Report
- 2008: Published the Compliance Textbook I (Revised Edition)
- 2009: Signed the Responsible Care Global Charter
- 2010: Established the CSR Policy and CSR Code of Conduct  
Published the Compliance Textbook (Q&A Edition)  
Revised the CSR Implementation System and established a new System  
Published the CSR Textbook
- 2011: Began using the CSR Matrix
- 2012: Started the CSR Core Projects (comprehensive Zeon social contributions package)
- 2013: Switched from publishing the CSR Report to publishing the Corporate Report
- 2017: Revised the CSR Matrix based on ISO 26000  
Along with publishing the Corporate Report, also published a PDF version of the CSR Report on the corporate website
- 2018: Revised the CSR Code of Conduct
- 2019: Became a signatory to the United Nations Global Compact  
Established the Human Rights Policy
- 2020: Expressed its support for the TCFD

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## Progress Made in the CSR Implementation Plan as of FY 2020

### CSR Matrix

Based on the CSR Matrix used since 2011, we have established our goals for 2020 in each area and have worked to address CSR issues as a group.

In 2017, we revised the CSR Matrix based on ISO 26000. We have defined our areas of activity in light of social circumstances, and have incorporated related initiatives into our Medium-Term Business Plan. The progress made in related measures as of FY 2020 is outlined below.

Starting from FY 2021, based on the new Medium-Term Business Plan, we have been looking at how we can contribute to the United Nations' Sustainable Development Goals (SDGs), evaluating new measures and KPIs, and incorporating CSR into our business activities.

#### 1. Corporate Governance: Decision-making as an organization

Correlation with SDGs: Goal 16 (Peace, Justice and Strong Institutions) and Goal 17 (Partnerships for the Goals)



Enterprise Blueprint for 2020 To meet the expectations of society	Details of current activities (■: Completed, △: Ongoing)	Future initiatives and targets for the period from 2021 onwards
<b>Decision-making with accountability and transparency</b> <ul style="list-style-type: none"> <li>Organizational decision-making is conducted appropriately based on internal regulations</li> <li>Business divisions carry out their operations using the PDCA cycle based on policies</li> <li>The process of decision-making takes into consideration social and environmental impacts</li> </ul>	<ul style="list-style-type: none"> <li>△ Operations address corporate governance (details of results below)                             <ul style="list-style-type: none"> <li>Zeon Corporation's Basic Policy on Corporate Governance (Japanese version only) <a href="https://www.zeon.co.jp/csr/concept/pdf/200281514.pdf">https://www.zeon.co.jp/csr/concept/pdf/200281514.pdf</a></li> <li>Corporate Governance Report (Japanese version only) <a href="https://www.zeon.co.jp/csr/concept/pdf/200325073.pdf">https://www.zeon.co.jp/csr/concept/pdf/200325073.pdf</a></li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>Continue implementing our CSR framework, and periodically revise its operations based on society's expectations</li> </ol>
<b>Ensuring corporate governance</b> <ul style="list-style-type: none"> <li>Corporate governance                             <ul style="list-style-type: none"> <li>Corporate governance functions effectively and reasonably</li> </ul> </li> <li>Risk management                             <ul style="list-style-type: none"> <li>Established a global crisis management structure</li> </ul> </li> <li>Business continuity                             <ul style="list-style-type: none"> <li>Independent business continuity management (BCM) activities (establishing a BCM system, periodically revising BCM through drills and other means, etc.) are conducted throughout the Zeon Group, and have become established and reinforced</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>△ Report corporate governance reports (status of system for ensuring appropriateness of business affairs)</li> <li>△ Regularly revise risks using the risk table and evaluate risks across the Zeon Group (Japan/global)</li> <li>△ Operate an internal reporting system</li> <li>■ Establish business continuity management (BCM)</li> <li>△ Create and periodically revise various business continuity plans (group-wide BCP, division BCP, raw materials procurement BCP, etc.)</li> </ul>	<ol style="list-style-type: none"> <li>Improve internal control level at Zeon Group companies</li> <li>Evaluate the risk table and give guidance for improvements at divisions and Group companies, and horizontally implement successful cases</li> <li>Consider business risks broadly and manage them in view of demands and society's expectations. Promote actions in consideration of the TCFD's long-term view of climate change risks</li> <li>Update the BCP together with revising risks</li> </ol>

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**2. Human Rights: Protect basic rights granted to all people**

Correlation with SDGs: Goal 1 (No Poverty), Goal 2 (Zero Hunger), Goal 3 (Good Health and Well-being), Goal 5 (Gender Equality), and Goal 10 (Reduced Inequalities)



Enterprise Blueprint for 2020 To meet the expectations of society	Details of current activities (■: Completed, △: Ongoing)	Future initiatives and targets for the period from 2021 onwards
<p><b>Sharing respect for human rights within Zeon Group and in the supply chain</b></p> <ul style="list-style-type: none"> <li>The section on respect for the <b>Zeon Group Human Rights Policy</b> has been shared with all Zeon Group companies and Zeon Group business partners, and compliance with the prohibitions on child labor and forced labor are confirmed</li> </ul>	<ul style="list-style-type: none"> <li>■ Become signatory to the United Nations Global Compact</li> <li>■ Establish the Zeon Group Human Rights Policy</li> <li>△ Continue conducting CSR education including holding CSR informational sessions and confirming understanding through e-learning</li> </ul>	<ol style="list-style-type: none"> <li>Promote activities aligned with the Ten Principles of the UN Global Compact and the Zeon Group Human Rights Policy throughout Zeon Group</li> </ol>

**3. Labor Practices**

Based on Japanese law and international standards, fulfill not only our minimum obligations but also establish better work environments and systems for organizations and employees

Correlation with SDGs: Goal 3 (Good Health and Well-being), Goal 4 (Quality Education), Goal 5 (Gender Equality), and Goal 8 (Decent Work and Economic Growth)



Enterprise Blueprint for 2020 To meet the expectations of society	Details of current activities (■: Completed, △: Ongoing)	Future initiatives and targets for the period from 2021 onwards
<p><b>Balancing individuals' work and private life</b></p> <ul style="list-style-type: none"> <li>Balance is achieved between individuals' work and personal life.</li> <li>Create workplace environments in which people are motivated to perform by promoting diversity, implementing fair hiring and personnel systems, and encouraging dialogue</li> </ul>	<ul style="list-style-type: none"> <li>■ Introduce flex-time systems</li> <li>■ Advancement of measures to support raising the next generation</li> <li>■ Childcare support systems (shortened working hours, overtime restrictions and exemptions, sick care leave, working daycare hours, etc.)</li> <li>■ Introducing a teleworking system</li> <li>△ Return-to-work program for employees taking childcare and caregiving leave</li> <li>△ Promoting women's participation (including active hiring and promotion of women), active recruitment of mid-career hires, and active recruitment of non-Japanese employees</li> <li>△ Implementation of employment for people with disabilities</li> <li>△ Support for employee skills and career development</li> <li>△ Initiatives for harassment prevention</li> <li>△ MD Committee activities</li> </ul> <p><b>Results as of June 1, 2021</b> Percentage of employees with disabilities: 2.72%</p>	<ol style="list-style-type: none"> <li>Further pursue dynamic work styles</li> <li>Create an environment that encourages taking of child and family care leave</li> <li>Further expand the teleworking system</li> <li>Promote diversity-oriented management                             <ul style="list-style-type: none"> <li>Further expand employment not tied to gender, nationality, race, age, disability, or other attribute</li> <li>Appoint more women employees to higher positions</li> <li>Initiatives to prevent harassment and improve communication competence</li> <li>Advance employment of older persons</li> </ul> </li> <li>Develop an educational system and expanded curriculum</li> </ol>
<p><b>Promise of feelings of reward, safety, and security at work</b></p> <ul style="list-style-type: none"> <li>Health management Place priority on individuals' physical and mental well-being, and support improved health</li> <li>Disaster prevention All worksites have earned public trust by maintaining a safety record of zero incidents and accidents</li> <li>Safety education Every employee is aware of the importance of following basic rules and putting safety first</li> </ul>	<ul style="list-style-type: none"> <li>Health management                             <ul style="list-style-type: none"> <li>△ Promotion of health management</li> <li>Ensure labor hours management to prevent excessive work</li> <li>Provide guidance on preventive measures and stress checks for employees who are at high risk of developing lifestyle diseases</li> <li>Endeavor to protect employees from infection (with COVID-19 or influenza)</li> </ul> </li> <li>Disaster prevention                             <ul style="list-style-type: none"> <li>△ Conduct emergency drills and other initiatives such as concluding disaster cooperation agreements</li> <li>△ Implement the Safety Management Improvement Master Plan</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Health management                             <ol style="list-style-type: none"> <li>Further promotion of health and productivity management (Enhance mental health education, implement further health promotion initiatives)</li> </ol> </li> <li>Disaster prevention                             <ol style="list-style-type: none"> <li>Continue to implement four safety activities conducted throughout Zeon Group in the supply chain</li> </ol> </li> </ul>



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	<p>△ Fully implement deterioration countermeasures and identify foolproof measures, and horizontally implement measures arising from cases of accidents at other companies and plants</p> <p>△ Eliminate safety incidents: Regularly conduct plant safety evaluations and audits</p> <ul style="list-style-type: none"> <li>• Safety education</li> </ul> <p>△ Provide education to enhance accident prevention awareness, including education using accident case studies</p> <p>△ Promote the 5S's→3S's</p> <p><b>FY 2020 results</b></p> <ul style="list-style-type: none"> <li>● Plant safety evaluations conducted 100%</li> <li>● Implement RC audits conducted (once/year or more for all 4 plants)</li> <li>● Eliminate safety incidents: 6 safety incidents</li> <li>● Eliminate occupational accidents: 3 occupational accidents resulting in lost work time</li> <li>● Zero serious accidents without lost work time</li> <li>● Improve safety in logistics: 0 accidents in logistics</li> </ul>	<ul style="list-style-type: none"> <li>• Safety education</li> </ul> <ol style="list-style-type: none"> <li>1. Continue to implement the safety education and 3S's conducted throughout Zeon Group in the supply chain</li> </ol>

**4. Environment: The organization takes responsibility for the environment, and promotes preventive measures**

Correlation with SDGs: Goal 6 (Clean Water and Sanitation), Goal 7 (Affordable and Clean Energy), Goal 9 (Industry, Innovation and Infrastructure), Goal 12 (Responsible Consumption and Production), Goal 13 (Climate Action), Goal 14 (Life Below Water), and Goal 15 (Life on Land)



Enterprise Blueprint for 2020 To meet the expectations of society	Details of current activities (■: Completed, △: Ongoing)	Future initiatives and targets for the period from 2021 onwards
<p><b>Further improving how society sees us by reducing our environmental impact and promoting energy conservation</b></p>	<p>△ Reduce emissions of hazardous substances, reduce impacts on atmospheric and water environments, and conduct PRTR activities</p> <p>△ Improve energy conservation in Responsible Care audits, the Safety Management System, the Environment Management System based on ISO 14001, and the Energy Conservation Implementation Committee</p> <p>△ Develop and launch products that contribute to reducing environmental impacts and conserving energy (including S-SBR for fuel-efficient tires, low-temperature fixing toners, cleaning solvents and etching gases with zero ozone depletion potential, and binders for lithium-ion rechargeable batteries)</p> <p>△ Green procurement activities (check whether substances contain banned substances and substances that are regulated by laws and regulations and the RoHS Directive, etc.)</p> <p><b>FY 2020 results</b></p> <ul style="list-style-type: none"> <li>● Zero environmental incidents</li> <li>● Reducing environmental impacts                             <ul style="list-style-type: none"> <li>• Per-unit energy consumption: -8% over the previous fiscal year -37% compared with FY 1990 (annual average of -1.2%)</li> <li>• Per-unit CO<sub>2</sub> emissions: -12% over the previous fiscal year -49% compared with FY 1990 (annual average of -1.6%)</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>1. Implement activities group-wide to reduce environmental load</li> <li>2. Conduct environmental management using the multiple systems noted on the left</li> <li>3. Research and development that address environmental issues faced by society</li> <li>4. Examine the sustainability of resource procurement including oil and water</li> </ol>

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Climate change mitigation and adaptation	△ Respond to the CDP and improve response to raise CDP evaluation	1. Set environmental impact reduction targets based on scenario analysis in the TCFD response, and take actions to realize the targets

**5. Fair Operating Practices: Ethical organizational conduct in interactions with other organizations**

Correlation with SDGs: Goal 10 (Reduced Inequalities), and Goal 16 (Peace, Justice and Strong Institutions)



Enterprise Blueprint for 2020 To meet the expectations of society	Details of current activities (■: Completed, △: Ongoing)	Future initiatives and targets for the period from 2021 onwards
<p><b>Ensuring compliance and ethical corporate activities</b></p> <ul style="list-style-type: none"> <li>Compliance awareness is established, various laws, regulations, agreements, and company rules are complied with, and Zeon acts <b>ethically</b> and within the bounds of social norms</li> <li>Information is disclosed quickly and appropriately, and market value has increased (Including negative information regarding business conditions, CSR, risks, etc.)</li> <li>Appropriately manage confidential information including trade secrets and personal information</li> <li>Select business partners based on the CSR Procurement Guidelines and periodically confirm the Guidelines' status of implementation</li> <li>Promoting understanding on the handling of intellectual property rights (including trade secrets)</li> <li>The system of monitoring other companies' intellectual property rights to prevent violations is functioning properly</li> </ul>	<ul style="list-style-type: none"> <li>△ Enact and implement the Management Rule of Insider Trading and Timely Disclosure</li> <li>△ Comply with internal regulations including the Export Security Control Rules</li> <li>△ Appropriately implement regulations to comply with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Antimonopoly Act)</li> <li>△ Compliance with the Subcontract Act and the Act for Securing the Proper Operation of Worker Dispatching Undertakings (prevention of falsified contracts)</li> <li>△ Build a system that prohibits bribes</li> <li>△ Conduct CSR education including holding CSR informational sessions and legal compliance inspections</li> <li>△ Hold lectures on legal and regulatory compliance and conduct legal compliance inspections</li> <li>△ Promptly disclose information (websites, briefings)</li> <li>△ Operation of information management systems</li> <li>△ Purchasing following the CSR Procurement Guidelines</li> <li>■ Institute regulations on intellectual property rights and intellectual property management</li> <li>△ Hold meetings on countermeasures for other companies' patents and patent risk audits as appropriate</li> </ul>	<ol style="list-style-type: none"> <li>Ongoing compliance education</li> <li>Support the establishment of compliance systems at Zeon Group companies outside Japan (develop in the supply chain)</li> <li>Shift from compliance to sustainability with focus on the SDGs (promote understanding among management and establish among employees)</li> <li>To enhance the corporate brand and value                             <ul style="list-style-type: none"> <li>Improve the website (IR, CSR information)</li> <li>Strengthen the information communications structure (PR)</li> <li>Communicate information responsive to ESG investing (including CDP)</li> </ul> </li> <li>Raise compliance awareness in the supply chain by continuing to conduct the CSR procurement questionnaire</li> </ol>

**6. Consumer Issues: Not causing harm to consumers, and not causing consumers to have harmful effects on society**

Correlation with SDGs: Goal 9 (Industry, Innovation and Infrastructure), and Goal 12 (Responsible Consumption and Production)



Enterprise Blueprint for 2020 To meet the expectations of society	Details of current activities (■: Completed, △: Ongoing)	Future initiatives and targets for the period from 2021 onwards
<p><b>First-rate global quality and cost competitiveness</b></p> <p><b>Protecting consumer's health and safety</b></p>	<ul style="list-style-type: none"> <li>△ Have a quality management system based on ISO 9001</li> <li>△ Manage quality assurance risks (product liability lawsuits, supply obligations, product recalls, and credibility loss due to rumors)</li> <li>△ Measure <b>customer satisfaction (CS)</b> to understand the current satisfaction level, set targets, and promote improvements</li> </ul>	<ol style="list-style-type: none"> <li>To maintain and expand conditions where Zeon products are chosen                             <ul style="list-style-type: none"> <li>Build systems to prevent defective products from leaving Zeon, create corporate quality trusted by customers, and improve customer satisfaction</li> <li>Develop initiatives for chemical substance regulations</li> <li>Develop Zeon's quality management system at Zeon Group companies outside Japan and at outsourcing partners</li> </ul> </li> </ol>

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**7. Community Involvement and Community Development**

**Involvement in and contribution to the community in various forms, from dialogue with local residents to improvement of education and culture in the community and local employment creation**

Correlation with SDGs: Goal 4 (Quality Education), Goal 9 (Industry, Innovation and Infrastructure), Goal 11 (Sustainable Cities and Communities), and Goal 17 (Partnerships for the Goals)



Enterprise Blueprint for 2020 To meet the expectations of society	Details of current activities (■: Completed, △: Ongoing)	Future initiatives and targets for the period from 2021 onwards
<b>Active promotion of volunteer activities</b>	<ul style="list-style-type: none"> <li>△ Volunteer tour supporting reconstruction of the Tohoku region</li> <li>△ Upgrade and enhance the system for promoting volunteer activities (Volunteer leave system)</li> <li>△ Introduce volunteer activities and promote and support participation in them (volunteering to support reconstruction from earthquakes, etc.)</li> <li>△ Donations and charity activities (Japan Platform, Red Cross, etc.)</li> </ul> <p>&gt;Temporarily suspended in FY 2020 due to the impact of the COVID-19 pandemic</p>	<ol style="list-style-type: none"> <li>1. Raise employee awareness for social contributions                             <ul style="list-style-type: none"> <li>• Conduct CSR education including CSR informational sessions</li> <li>• Establish a social contribution policy for the entire Zeon Group (e.g., on water)</li> </ul> </li> <li>2. Create a system to support volunteering (volunteer registration system, etc.)</li> <li>3. Find opportunities for social contributions from exchanges with local councils of social welfare, nongovernmental organizations, and nonprofit organizations</li> </ol>
<b>Building positive relations through activities to foster coexistence with local communities</b>	<ul style="list-style-type: none"> <li>△ Develop CSR Core Projects (social contribution activities by Group as a whole, among locations, and at individual worksites)</li> <li>△ Maintain good community relations and have community exchanges                             <ul style="list-style-type: none"> <li>• Sponsor and participate in community festivals and events including summer festivals at plants</li> <li>• Community cleanup activities</li> <li>• Plant tours (receive plant visitors, internships)</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>1. Develop the CSR Core Projects based on a defined Zeon Group activity policy Review social contribution activities (Whether to revise the recipients or the targets, and in the case of the targets, revise from the viewpoint of contributing to the 17 SDGs)</li> <li>2. <b>Maintain and expand exchanges with local communities</b></li> <li>3. Through dialogue with stakeholders including local communities, identify expectations from society, the current level of meeting those expectations, and set targets</li> </ol>
<b>Technological development and access to technologies</b> • Explore the needs of society and cultivate the seeds to meet these needs based on unique technologies and unparalleled products to create new business and make contributions to society		<ol style="list-style-type: none"> <li>1. Continue reinforcing and exploration efforts in the Research and Development Division and business divisions</li> </ol>

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# Corporate Governance

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## Corporate Governance

### Basic Policy on Corporate Governance

Zeon Corporation aims to increase profits and enhance corporate value on an ongoing basis while respecting and balancing the various interests of its shareholders and other diverse stakeholders. To this end, we are continuing efforts to establish a system that enables efficient and sound corporate management through corporate governance.

Putting in place a corporate governance system allows us to clarify the functions and roles of each organizational entity within the company and to carry out rapid decision-making and execution. We are also improving corporate transparency through appropriate monitoring and disclosure of business activities and their effects.

Basic Policy on Corporate Governance (Japanese version only)  
<https://www.zeon.co.jp/csr/concept/pdf/200281514.pdf>  
 Corporate Governance Report (Japanese version only)  
<https://www.zeon.co.jp/csr/concept/pdf/200325073.pdf>

The main components of our Corporate Governance System are summarized below.

#### Board of Directors

The Board of Directors meets, in principle, every month with Audit & Supervisory members in attendance to ensure compliance with applicable laws and the Articles of Incorporation in the execution of business. In addition to its statutory duties, the role of the Board of Directors is to make important decisions about basic management policy, strategy, and other aspects of business execution. Currently, the Board of Directors consists of six directors, including three outside directors.

### Executive Committee

The Executive Committee, in accordance with the Executive Committee Rules, comprises the President and executive officers ranked senior corporate officer and above, meets twice a month in principle to examine and make decisions on important business matters after due deliberation involving consultation with attending full-time Audit & Supervisory Board members. Important business matters stipulated in the Board of Director Rules are examined and decided by the Board of Directors.

### Audit & Supervisory Board

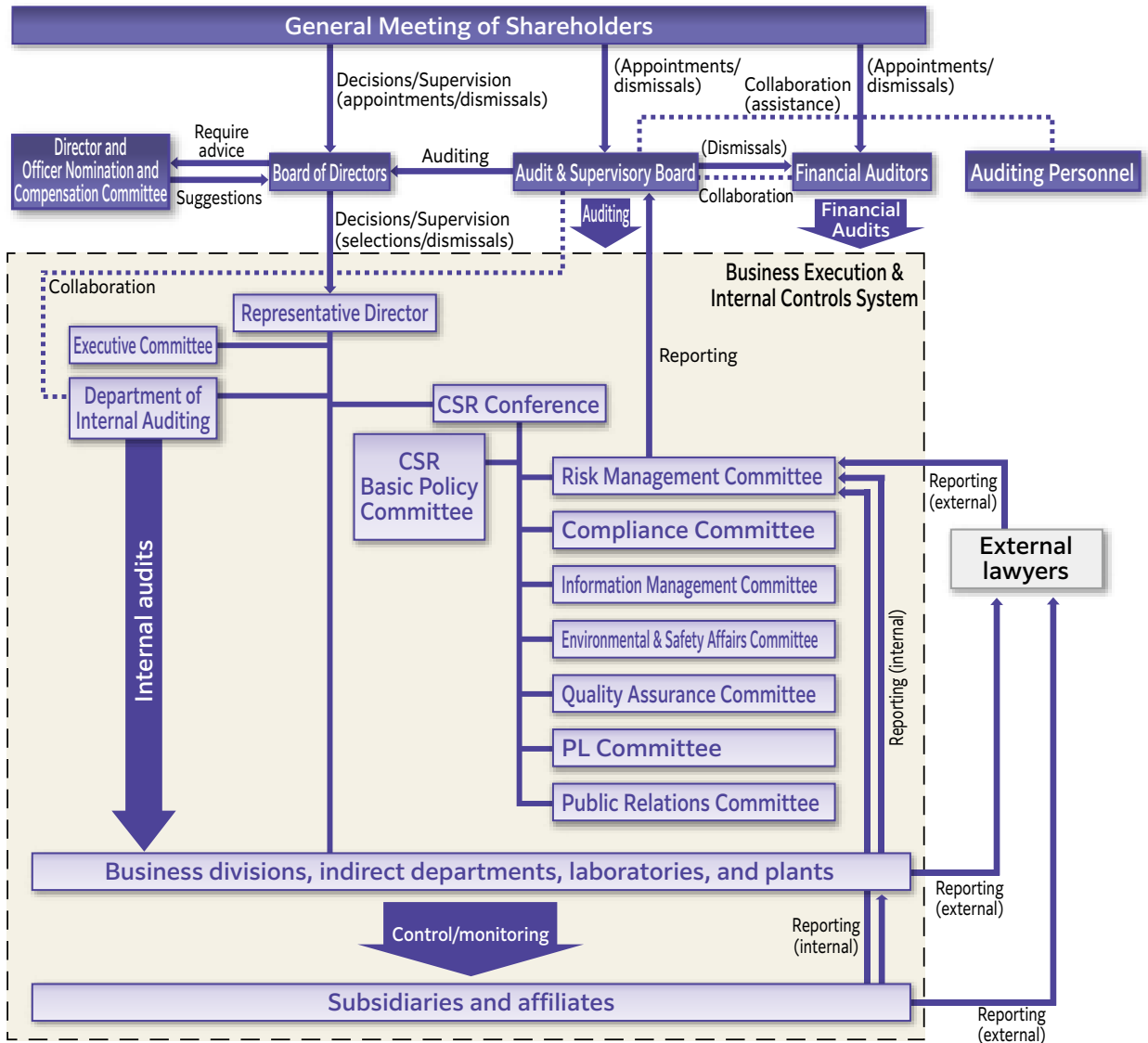
The Audit & Supervisory Board comprises five members, including three external members. The Board reports, discusses, and adopts resolutions on important business matters. In accordance with the auditing guidelines established by the Audit & Supervisory Board, each member audits directors' execution of their duties through various means, such as attending Board of Directors meetings and monitoring business operations, including at subsidiaries' operations.

### Director and Officer Nomination and Compensation Committee

The Director and Officer Nomination and Compensation Committee is placed under the Board of Directors as an advisory organ for the purpose of strengthening the objectivity and transparency of the Board of Directors functions related to nominating directors and officers and deciding their compensation. The committee is composed of three to five members, of which more than half are independent outside directors.

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**Corporate Governance System**



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# Risk Management

## Risk Management Framework

The Risk Management Committee leads Zeon's risk management. Activities to prevent law violations and to comply with laws and regulations are conducted under the Compliance Committee (For more information about the framework, see Compliance. [→P. 41]) The Information Management Committee implements appropriate management of information, from the time when information is obtained until the time when it is deleted.

### Risk Management and Compliance System



### Risk Management Committee FY 2020 Results

- Handle incidents as they occur and take steps to prevent their recurrence
  - Enhance risk and crisis control measures
- Example: Revising the content of business continuity plans (BCPs) based around the scenario of a major earthquake

## Internal Reporting System

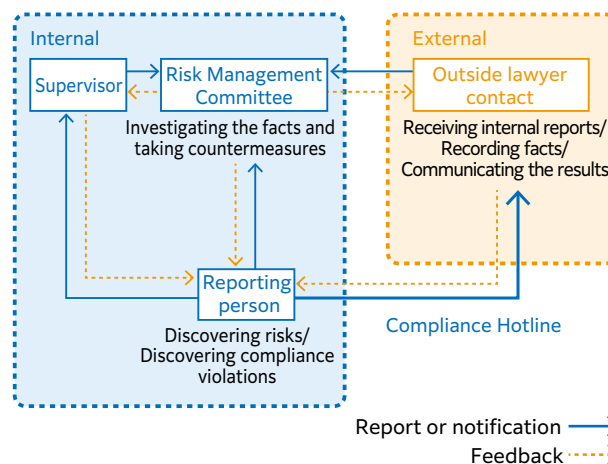
Zeon established its internal reporting system to quickly collect information on potential risks and facilitate their resolution. Per the rules on reporting risk-related information, reports can be made not only to one's supervisor or the Risk Management Committee directly, but also by calling the Compliance Hotline, which connects the caller to an external lawyer. No person who reports\* a matter of concern will suffer any adverse consequences as a result of making a report.

Internal reports: Cumulative total of 18 incidents over the past 10 years (FY 2011–FY 2020)

The Risk Management Committee has appropriately dealt with each of these incidents by conducting an investigation into the reported details and instructing internal organizations to institute measures accordingly.

\*Zeon employees (including seconded employees), temporary employees, and executives of contractors that work at our worksites have the right to report matters of concern.

### Internal Reporting Flowchart



### Compliance Hotline

Reporting contact: Hiroshi Yoshimura, lawyer  
 Office: Yoshimura Horitsu Jimusho, Iketani Bldg. 3F, 1-9-7 Iidabashi, Chiyoda-ku, Tokyo, 102-0072  
 Tel: +81-3-3264-1805  
 Fax: +81-3-3264-1806  
 Email: yosimura@tkh.att.ne.jp

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# Environment

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Environmental Data for Zeon Worksites and Group Companies ▶▶▶ [http://www.zeon.co.jp/csr\\_e/report.html](http://www.zeon.co.jp/csr_e/report.html)

## Environmental Philosophy and Safety Philosophy

### Philosophy and Policy for Safety and Environmental Activities

Responsible Care: A voluntary initiative by businesses that manufacture or handle chemical substances to achieve continuous improvement in health, safety, and environmental (HSE) performance across the entire life cycle of such substances—from development and manufacture, through distribution and use, and ending in final consumption or disposal—based on the principles of independent decision-making and personal responsibility. These businesses publicly commit to Responsible Care in their business policies, implement HSE-related actions, and strive to improve their HSE performance.

At Zeon, we have practiced the Responsible Care philosophy as a member of the Japan Responsible Care Council (now the Japan Chemical Industry Association Responsible Care Committee) since its inception in 1995. In 1998, we established our own Responsible Care Policy to define our conduct guidelines based on the Responsible Care philosophy.

### Environmental Philosophy

Established in 2001, our Environmental Philosophy guides our efforts to deliver products with consistent quality through safe and reliable production while reducing our environmental impacts.

#### Environmental Philosophy (Established August 2001)

1. Environmental protection is a mission of a socially responsible organization
2. Our basic belief is that environmental protection can be achieved with innovative technology
3. Environmental protection will be achieved when all employees work together with a sense of mission to overcome challenges

### Safety Philosophy

A consistently safe work environment is the foundation of all production activities. We formulated our Safety Philosophy in 1997 to guide our safety activities.

#### Safety Philosophy (Established March 1997)

1. Safety is the foundation of all business activities and the greatest priority
2. Our basic belief regarding safety is that we can prevent all accidents
3. Safety will be achieved by performing the 5Ss\* and when everyone takes responsibility for their own actions

\*5Ss:  
Seiri (sort), Seiton (straighten), Seisou (scrub), Seiketsu (systematize), and Shitsuke (sustain)

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## Responsible Care Policy

### Responsible Care Policy (Established June 1998)

#### 1. Prioritize the environment and safety

Protecting the environment and ensuring safety are preconditions for all business activities and are the most important priorities. We will work continuously to enact full accident prevention countermeasures, and provide education and training for all employees to prevent safety and environmental accidents.

#### 2. Collect and distribute the latest information on chemical products

We will collect, store and manage the latest information required for the appropriate handling, use and disposal of chemical products, and distribute this information to employees and users.

#### 3. Minimize the discharge of toxic chemicals and waste

We will work to reduce the discharge of hazardous chemical substances, minimize waste, and develop technology for recycling and reusing materials.

#### 4. Promote activities for conserving resources and energy

We will aim to dramatically reduce the amount of energy we use and help alleviate global warming by developing innovative technology and actively promoting resource and energy conservation activities that involve all employees.

#### 5. Take the environment and safety into account when developing new processes and products and performing quality assurance

We will perform thorough environmental and safety evaluations from the initial stages of research, develop technology and products that take the environment and safety into account, and work to maintain and improve the quality of technology and products.

#### 6. Live together with society

We will strictly observe regulations related to the environment and safety, whether the regulations come from the local community, the national government, overseas, or organizations to which we belong. While cooperating in these activities, we will work to enhance our communication with the local community and society in order to convey a better understanding of Zeon's activities and further strengthen the trust that society has in our company.

#### 7. Perform continuous improvements

We will continuously improve our environment safety management and technology by operating a Responsible Care Audit, the Safety Management System, an Environment Management System based on ISO 14001, and an Occupational Health and Safety Management System.



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## Environmental and Safety Management

We have built Environmental and Safety Management Systems based on the Responsible Care philosophy, and our plants have obtained ISO 14001 certification. Our four main plants completed the transition to the 2015 version of ISO 14001 after the standard was revised in September 2015. Our goal is to ensure the safety of all persons at our worksites and plants.

### Overview of Environmental and Safety Management Systems

#### President's Annual Policy and Safety Management Improvement Master Plan

These documents are created by top management.

#### Annual Environment and Safety Policy

The Environmental and Safety Affairs Department General Manager creates this policy after the President's Annual Policy and the Safety Management Improvement Master Plan are released. The Annual Environment and Safety Policy is reviewed by the CSR Conference and finalized by the President.

#### Annual Worksite Manager's Policy and Annual Worksite Safety Management Improvement Master Plan

Worksite managers create these documents after the President's Annual Policy and the Safety Management Improvement Master Plan are released.

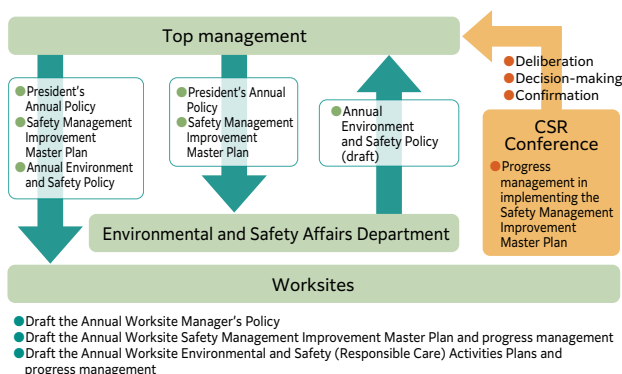
#### Annual Worksite Environmental and Safety (Responsible Care) Activities Plans

Worksite managers create the Activities Plans after the group-wide Annual Environment and Safety Policy is released.

#### • Progress Management

- **Safety Management Improvement Master Plan:** Progress verified by the CSR Conference
- **Annual Worksite Safety Management Improvement Master Plan:** Progress verified by the worksite manager during worksite inspections
- **Annual Worksite Environmental and Safety Activities Plans:** Progress verified by the worksite manager during worksite inspections

### Environmental and Safety Management Systems



### Audits

Audits assess whether our management systems are functioning normally.

Worksite Responsible Care audits cover environmental and safety matters and are headed by the Environmental and Safety Affairs Department General Manager. These audits have two parts: the Responsible Care Audit and the Responsible Care Dialogue.

#### Responsible Care Audits

- Audits using specialized indicators to monitor the progress of Responsible Care activities.
- These audits also include auditing conducted for worksites that have Certified Completion and Process Safety Inspectors for High-Pressure gas.
- The progress of improvements in areas where audits uncovered such needs is verified using the Audit Findings Improvement Plan and Progress Report.

#### Responsible Care Dialogues

- A venue for worksite members and management to consider, discuss, and resolve worksite environmental and safety issues that are difficult to identify through audits.

#### Responsible Care Audits at Group Companies

Group Company Responsible Care Audits cover Group company Responsible Care activities and are headed by the Environmental and Safety Affairs Department General Manager. The progress of improvements in areas where audits uncovered such needs is verified using the Audit Findings Improvement Plan and Progress Report.

#### Internal Plant Audits

Internal plant audits are conducted at plants.

- Plant manager inspections: Inspections of the progress of Responsible Care implementation conducted by the plant manager (at least once/year)
- Environmental Management System (EMS) internal audits

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## Environmental and Safety Education

### Systematic safety education

Environmental and safety education programs are implemented in accordance with the annual plan set by each worksite.

Group-wide environmental and safety education supervised by the Environmental & Safety Affairs Department is combined with worksite-specific environmental and safety education tailored to the specific needs of each individual worksite.

Through these educational activities, we strive to eliminate safety incidents and occupational accidents, minimize damage should an incident or accident occur, and maintain Zeon's status as an enterprise trusted by local communities.

### Manager and supervisor education

#### Training for newly-appointed section managers

This is implemented for newly-appointed manufacturing section managers, facilities management section managers, and environmental and safety section managers.

The content of the training includes safety activities based on Zeon's safety system, safety concerns and responsibilities that safety managers should be familiar with, environmental and safety related laws and environmental and safety related company regulations, an overview of the fundamental four laws, and the Safety Management System, etc.

### Safety education provided by former plant managers

#### Education using accident case studies

Held since FY 2003, this education program aims to prevent the lessons of past accidents from fading from memory, to apply these lessons in work operations, to raise workers' awareness of safety, and to increase their sensitivity to potential risks.

Former plant managers give presentations to all plant employees. They cover specific examples of accidents at Zeon and other companies to communicate the grim consequences of such accidents, and provide instruction on how to analyze risk factors as well as countermeasures to prevent recurrences.

In FY 2020, instructors provided education by introducing accident case studies from other companies and directly communicating their own views to participants, such as the lessons to be drawn from each incident, while applying the cases to work processes at Zeon.



Education using accident case studies



Education using accident case studies

### Environmental and safety education for new employees

#### Newly-recruited employees at Zeon headquarters

Presentation of case studies of occupational accidents that have occurred while newly-recruited employees were undertaking factory placements, emphasizing the importance of abiding strictly by the rules that have been established in each workplace.

#### Newly-recruited employees at individual worksites

Education in basic matters relating to environmental and safety issues.

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## Environmental and safety education and training activities organized by individual worksites

### Safety and environmental legislation education

Each individual worksite implements environmental and safety education in accordance with the annual plan.

### Training activities

Training is implemented in accordance with the annual plan. We strive to improve emergency response capabilities by identifying issues that arise following training implementation and using these to make systematic improvements.

- Comprehensive disaster response drills: These are held once or twice a year, and involve the implementation of disaster response training and evacuation training based on earthquake or tsunami scenarios
- Individual training: Trainings for the individual self-directed disaster response organization disaster response teams and reporting trainings are held

### Establishment of the "Safety Workshop"

A "Safety Workshop" has been established at the Mizushima Plant, at which employees can acquire practical experience in the various types of safety rules. Using the "Factory Safety Rules Understanding Verification Sheet" drawn up in accordance with the "Standards Governing Usage of the Mizushima Plant Safety Workshop," activities are conducted to check employees' level of understanding of safety rules; in addition, activities are held that make use of education based on the exhibits in the Safety Workshop to deepen understanding of factory rules among factory personnel (including the personnel of partner companies).



Display in the Safety Workshop showing how to use scaffolding

### Adoption of hands-on safety education

The hands-on safety education program that was launched in FY 2014 at the Kawasaki Plant was expanded in FY 2015 to include the Tokuyama Plant, the Mizushima Plant and the Takaoka Plant, providing education for research facility staff, the staff of partner companies that perform work inside Zeon facilities on a long-term basis, and the employees of neighboring Zeon Group companies.

The hands-on safety education provided in FY 2020 covered accidents in which employees are caught or trapped by machinery, electrostatic explosions and burns, shocks from residual pressure in couplers, accidents involving objects falling, and accidents involving cutting.

In the future, we will continue to implement this type of education systematically, including repeat education.



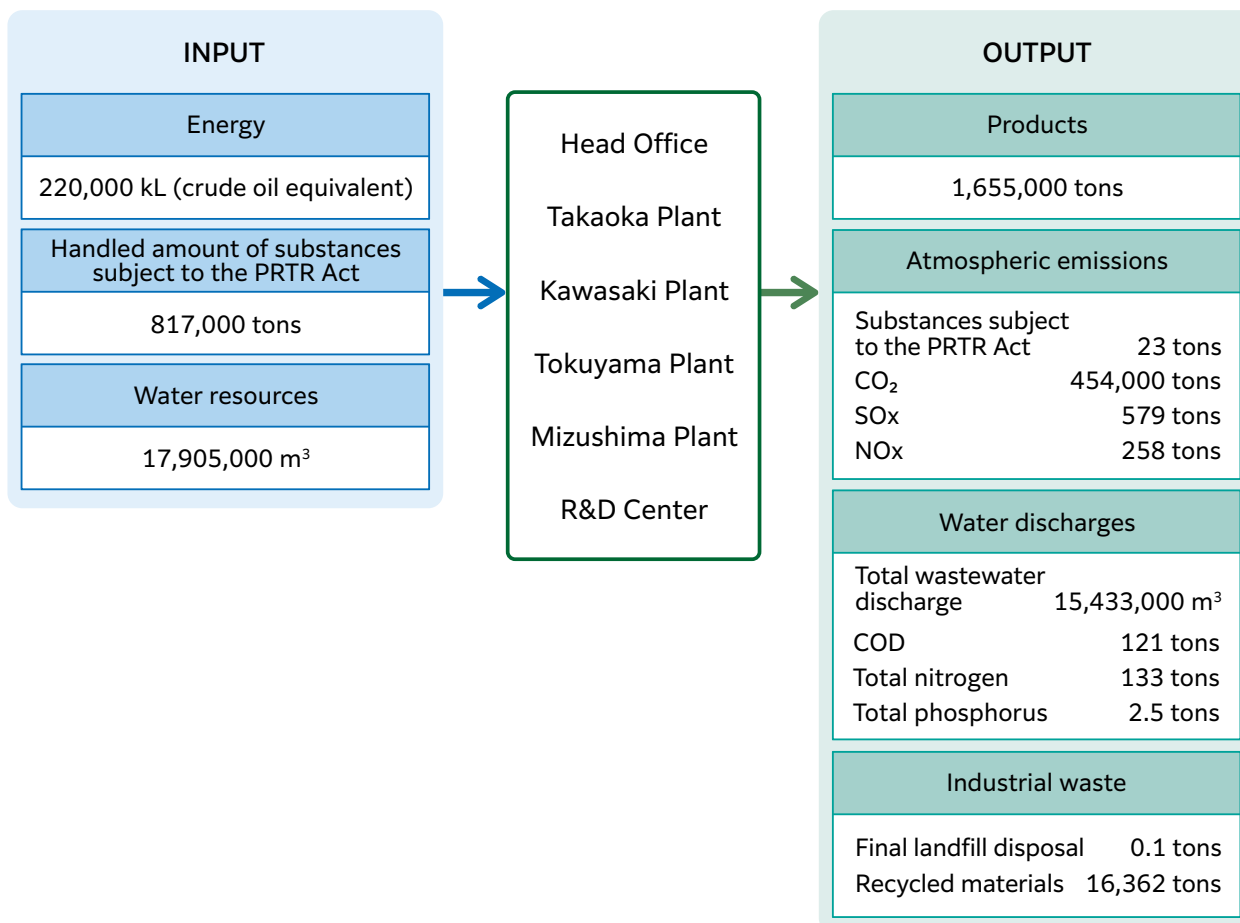
The hands-on safety education covering the dangers of getting caught in a roller

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## Overview of Environmental Impacts

We procure raw materials for chemical substances, and consume energy and water resources in the production and sales of our materials and chemical substance products. While emitting substances that impact water and atmospheric environments is unavoidable in product manufacturing, we are implementing an ongoing cycle of improvements to minimize these emissions.

### Overview of Environmental Impacts (FY 2020)



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## Economic Indicators of Environmental Performance (Environmental Accounting)

We began introducing environmental accounting into our operations in FY 2000 in accordance with the Guidelines for Introducing an Environmental Accounting System (Ver. 2000) published by Japan's Ministry of the Environment (MOE), and have released environmental accounting statements since the 2001 edition of the Responsible Care Activity Report. This CSR report presents key data from our environmental accounting statements in FY 2018 as recommended in the Environmental Accounting Guidelines 2005 (MOE), Environmental Accounting Guidelines for Chemical Companies (JCIA, 2003), and Environmental Conservation Cost Categories 2003 (MOE).

Scope: Zeon Corporation in Japan (Zeon Head Office, Takaoka Plant, Kawasaki Plant, Tokuyama Plant, Mizushima Plant, R&D Center);  
 Period: April 1, 2020 to March 31, 2021

### Environmental Conservation Costs

#### Environmental Conservation Expenses

We are developing technologies to minimize the environmental impact of our wastewater and reduce the amount of residual volatile substances in our products. We are focused in particular on developing technologies, designing equipment, and standardizing operating procedures to reduce emissions of butadiene and acrylonitrile, both hazardous air pollutants, and to reduce the environmental impact of our wastewater based on such parameters as total nitrogen (TN) and chemical oxygen demand (COD).

We are also working to develop eco-friendly products and innovative, energy-efficient processes.

Environmental conservation costs	FY 2020 (million JPY)	
Category	Investment amount	Expense
(1) Costs within the business area	463	2,531
Breakdown		
• Pollution prevention costs	113	1,676
• Global environmental protection costs	350	341
• Resource recycling costs	0	514
(2) Upstream and downstream costs	0	0
(3) Management costs	38	151
(4) R&D costs	38	1,913
(5) Social activities costs	0	49
(6) Environmental damage response costs	0	73
Total	539	4,717

### Economic Effects

We strive to use oils and other byproducts from our production and manufacturing processes in economically effective ways such as converting them to fuel and recycling them, or by other means. We are also working to recycle the metal resources in empty drums and containers. To conserve energy, we recover heat generated in heat-intensive distillation processes.

#### Economic Effects Resulting from Environmental Conservation Measures

Effects	Unit: million JPY
Cost reductions from energy savings	836
Cost reductions from reducing emissions, recovery, and reuse of solvents and catalysts	2,873
Total	3,709

### Environmental and Safety Investment

In addition to environmental investment related to facilities to prevent pollution and conserve energy and resources, we strive to improve safety through ongoing safety investment aimed at improving safety and eliminating hazards.

	Unit: million JPY
Environmental conservation	136
Safety related	3,821
Total	3,957

### Environmental Conservation Outcomes

#### Environmental Conservation Outcomes (Physical Outcomes)

Environmental impact indicators	FY 2020 results	Compared to FY 2019
SOx emissions (tons)	579	-195
NOx emissions (tons)	258	-12
COD emissions (tons)	121	-20
CO <sub>2</sub> emissions (tons)	454,023	-45,199
Industrial waste sent to landfills (tons)	0.1	-3.1
Total emissions of substances subject to the PRTR Act (tons)	23.4	0.1

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## Climate Change

### Initiatives to Reduce Greenhouse Gas (CO<sub>2</sub>) Emissions

By FY 2020, we aim to reduce CO<sub>2</sub> emissions from fuels defined in Japan's Act on the Rational Use of Energy ("Energy Conservation Act") to 80% of FY 1990 CO<sub>2</sub> emissions levels. We added CO<sub>2</sub> emissions reduction outcomes to the evaluation parameters of ZΣ\* in FY 2010, and are working to reduce CO<sub>2</sub> emissions group-wide.

In FY 2020, annual CO<sub>2</sub> emissions totaled approximately 454,000 tons, which achieved our target.

\*ZΣ:  
Initiatives to improve our corporate soundness that require the full mobilization of Zeon Group capabilities. These initiatives used to be called "ZΣ Activities," but after evolving and becoming established, they are now simply referred to as "ZΣ."

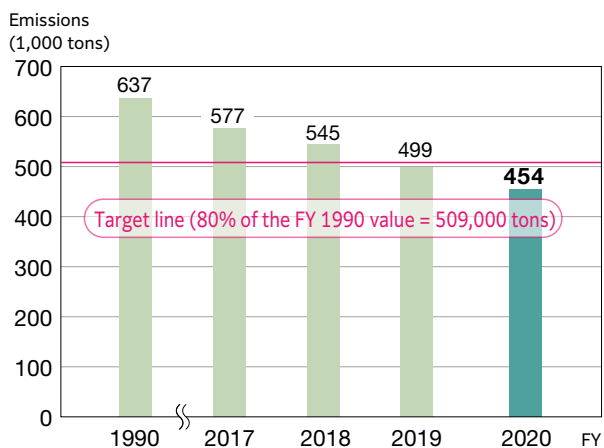
### Initiatives to Conserve Energy

In FY 2020, we consumed energy equivalent to burning approximately 220,000 kiloliters of crude oil, or 66% of our FY 1990 baseline. We plan to improve our per-unit energy consumptions indicator\* by an average of 1% per year going forward.

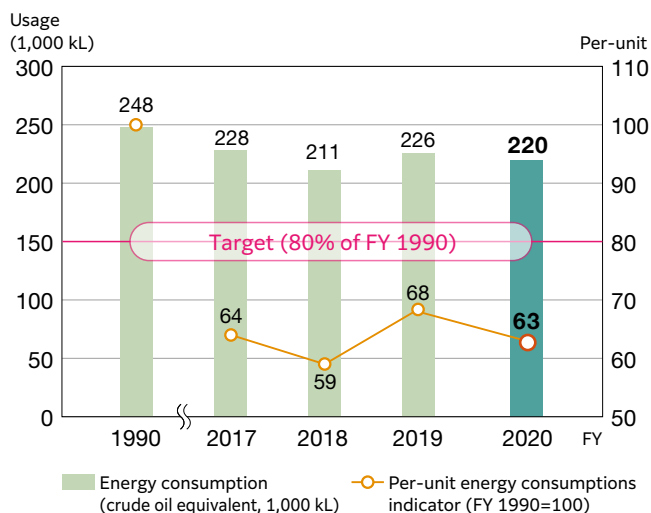
In FY 2009, we achieved the JCIA target (for FY 2008–2012) of per-unit energy consumptions indicator of 80% of the FY 1990 baseline, and have maintained this level. Since FY 2010, we have been implementing a plan to improve our average annual per-unit energy consumptions by 1% per year.

\*Per-unit energy consumptions indicator:  
Guideline for making energy-efficiency comparisons. Here, energy-efficiency comparisons use FY 1990 as the baseline. (FY 1990=100)

**Change in CO<sub>2</sub> Emissions**



**Energy Consumption and Per-unit Consumptions Indicator**



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## Chemical Substances Management

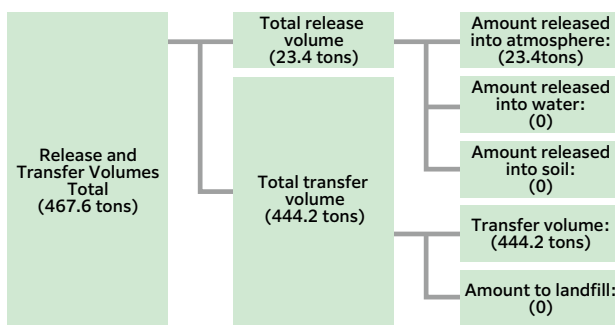
### PRTR Initiatives Chemical Substances

We are implementing group-wide initiatives to reduce release and transfer of substances subject to Japan's PRTR Act.

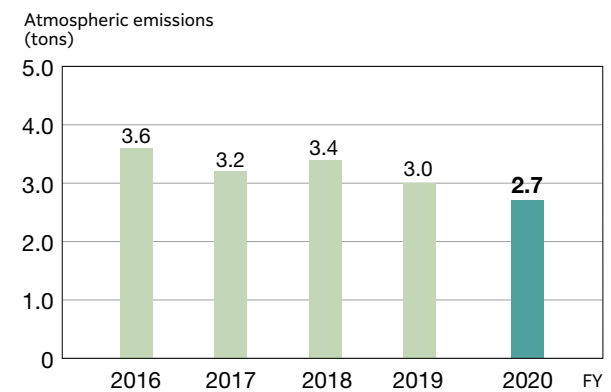
### Atmospheric Emission Reductions of Hazardous

We are systematically reducing emissions of butadiene and acrylonitrile, which are among the substances requiring priority action under the Japan's Air Pollution Control Act.

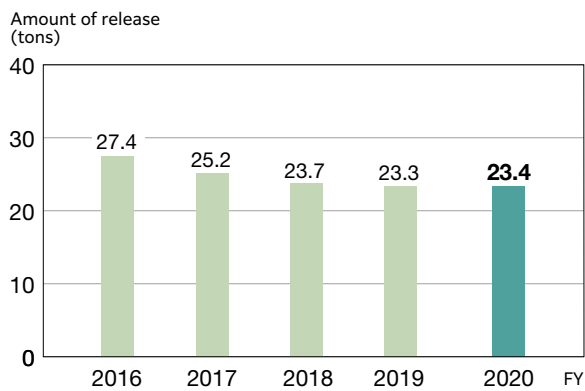
Release and Transfer Volumes of Substances Subject to the PRTR Act (FY 2020)



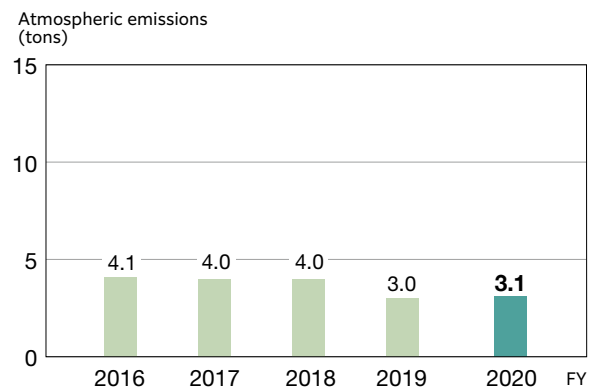
Butadiene Emissions



Release of Substances Subject to the PRTR Act



Acrylonitrile Emissions



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**Detailed Release and Transfer Volumes of Substances Subject to the PRTR Act (FY 2020, 4 plants + R&D Center)**

Government designated no.	Substance	Handled amount (tons)	Released into atmosphere (tons)	Released into water (tons)	Total release volume (tons)	Transfer volume (tons)
2	Acrylamide	29.9	0.0	0.0	0.0	0.0
3	Ethyl acrylate	1,686.9	5.4	0.0	5.4	0.0
4	Acrylic acid and its water-soluble salts	34.7	0.0	0.0	0.0	0.0
6	2-Hydroxyethyl acrylate	20.3	0.0	0.0	0.0	0.0
7	n-Butyl acrylate	3,372.5	1.7	0.0	1.7	14.1
8	Methyl acrylate	10.6	0.3	0.0	0.3	0.0
9	Acrylonitrile	24,319.2	3.1	0.0	3.1	0.1
13	Acetonitrile	3.3	0.0	0.0	0.0	1.5
20	2-Aminoethanol (monoethanolamine)	7.6	1.4	0.0	1.4	0.0
29	1-Allyloxy-2,3-epoxypropane	25.3	0.0	0.0	0.0	3.1
30	n-Alkylbenzenesulfonic acid and its salts (alkyl C=10-14)	1,256.5	0.0	0.0	0.0	0.0
36	Isoprene	176,196.2	1.4	0.0	1.4	0.1
53	Ethylbenzene	88.8	0.0	0.0	0.0	0.0
56	Ethylene oxide	1,092.5	0.0	0.0	0.0	0.0
60	Ethylenediamine tetraacetic acid	14.7	0.0	0.0	0.0	0.0
68	1,2-Epoxypropane	41.9	0.0	0.0	0.0	0.0
80	Xylene	2,890.2	0.2	0.0	0.2	1.6
125	Chloroform	0.1	0.0	0.0	0.0	0.1
134	Vinyl acetate	201.9	0.1	0.0	0.1	0.0
190	Dicyclopentadiene	156,005.0	0.2	0.0	0.2	0.0
202	Divinylbenzene	5.2	0.0	0.0	0.0	0.0
203	Diphenylamine	3.8	0.0	0.0	0.0	0.0
207	2,6-Di-tert-butyl-4-cresol	346.4	3.1	0.0	3.1	0.0
220	Water-soluble salts of dimethyldithiocarbamic acid	20.3	0.0	0.0	0.0	1.2
230	N-(1,3-Dimethylbutyl)-N'-phenyl-p-phenylenediamine	44.3	0.0	0.0	0.0	0.0
232	N,N-dimethylformamide	257.5	0.0	0.0	0.0	1.2
240	Styrene	39,103.1	0.7	0.0	0.7	20.4
259	Tetraethylthiuram disulfide	13.0	0.0	0.0	0.0	0.0
274	Tert-dodecanethiol	720.2	0.0	0.0	0.0	0.1
277	Triethylamine	32.5	0.0	0.0	0.0	0.0
296	1,2,4-Trimethylbenzene	234.8	0.0	0.0	0.0	0.0
297	1,3,5-Trimethylbenzene	234.8	0.0	0.0	0.0	0.0
300	Toluene	4,404.2	0.0	0.0	0.0	178.5
302	Naphthalene	295.2	0.0	0.0	0.0	0.0
308	Nickel	95.4	0.1	0.0	0.1	85.9
309	Nickel compounds	131.0	0.0	0.0	0.0	131.0
333	Hydrazine	0.3	0.0	0.0	0.0	0.0
338	2-Vinylpyridine	59.4	0.0	0.0	0.0	1.1
349	Phenol	64.9	0.0	0.0	0.0	0.0
351	1,3-Butadiene	396,972.5	2.7	0.0	2.7	0.0
392	n-Hexane	582.4	2.1	0.0	2.1	3.1
395	Water-soluble salts of peroxodisulfuric acid	130.3	0.0	0.0	0.0	0.0
400	Benzene	3,556.2	0.0	0.0	0.0	0.0
407	Polyoxyethylene alkyl ether	102.2	0.0	0.0	0.0	0.0
408	Polyoxyethylene octylphenyl ether	2.1	0.0	0.0	0.0	0.0
410	Polyoxyethylene nonylphenyl ether	24.1	0.0	0.0	0.0	0.0
414	Maleic anhydride	123.7	0.8	0.0	0.8	0.0
415	Methacrylic acid	2,065.6	0.0	0.0	0.0	0.0
417	2,3-Epoxypropyl methacrylate	9.2	0.0	0.0	0.0	0.0
420	Methyl methacrylate	277.6	0.0	0.0	0.0	1.0
436	α-Methylstyrene	204.6	0.0	0.0	0.0	0.0

The PRTR Act specifies amounts in kilograms to two significant figures; however, this report specifies amounts in tons. 0.0 indicates less than 0.005 tons.



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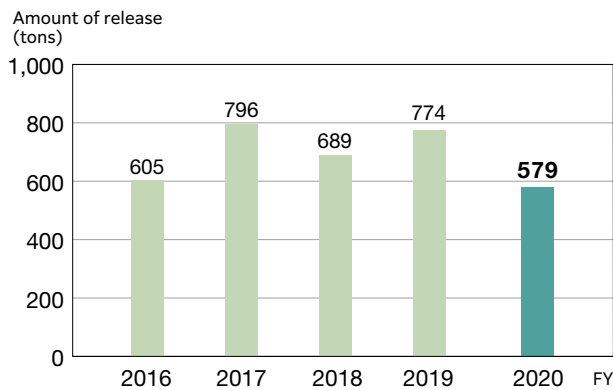
## Air, Water, and Waste Materials

### Initiatives to Prevent Air and Water Pollution

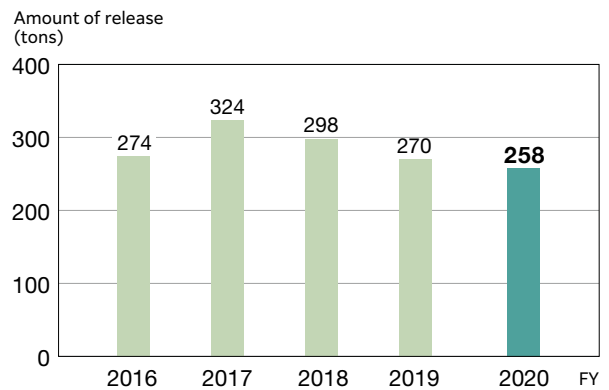
We are working to reduce emissions of air pollutants through the adoption of heavy oil with low sulfur (S) content and conversion to liquid natural gas (LNG).

The quality of our plant wastewater complies with the standards of the Water Pollution Prevention Act and agreements with local authorities (voluntary management standards).

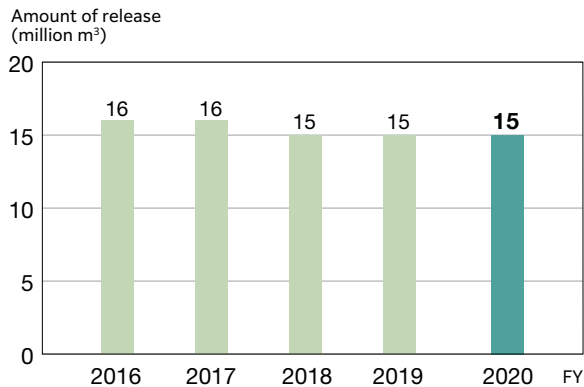
#### SOx Emissions



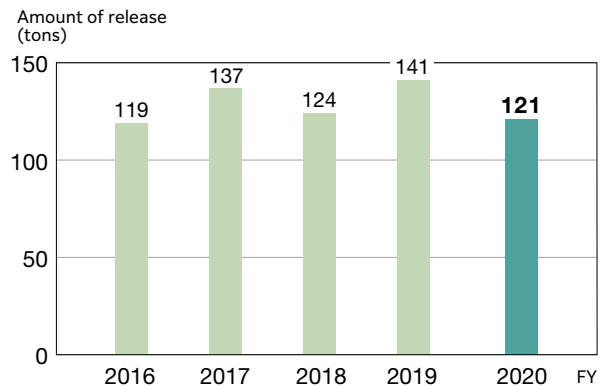
#### NOx Emissions



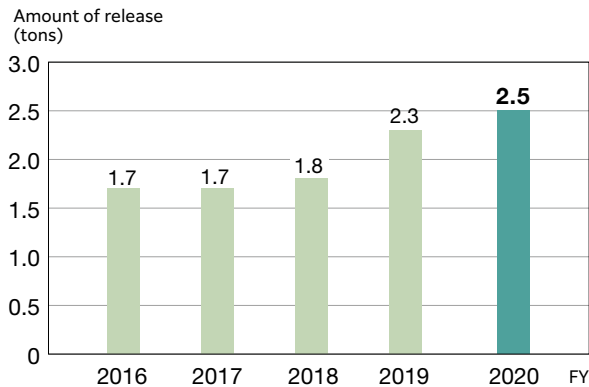
#### Total Wastewater Discharge



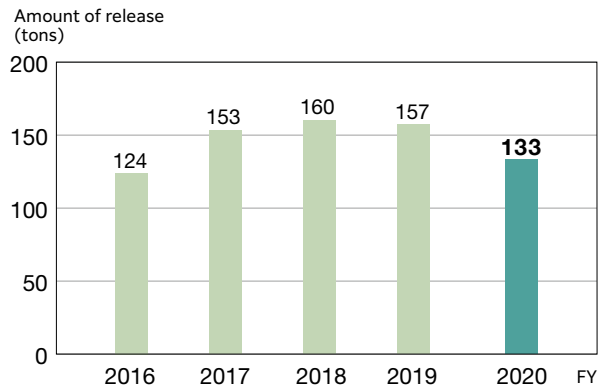
#### COD Discharge



#### Total Phosphorus Discharge



#### Total Nitrogen Discharge



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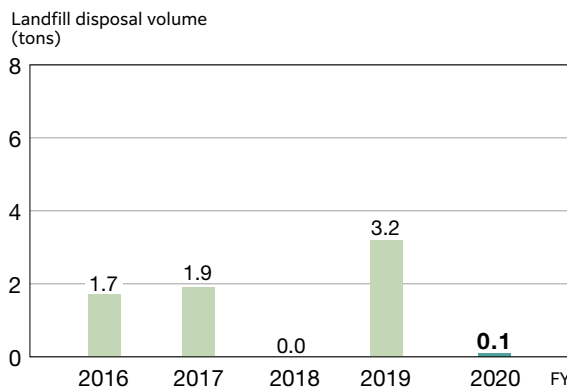
## Waste Reductions

In terms of reducing the amount of industrial waste destined for final landfill disposal, Zeon Corporation worksites are maintaining a record of zero emissions (less than 0.1% of the industrial waste generated in FY 2007) since achieving this target in FY 2011.

Zeon Group companies had a final landfill volume of more than 600 tons in FY 2007, but since FY 2012 this has been reduced to around 10 tons, or roughly 0.4% of the industrial waste generated in FY 2007. This is considered zero emissions.

We aim to maintain a final landfill volume of 5 tons or less, the same as at Zeon Corporation worksites.

### Final Industrial Waste Disposal at External Landfills



## Chemical Product Safety Information

We collect and provide safety information on our chemical products. We also conduct hazard assessments. For quality assurance, see Consumer Issues (→P. 46).

### Information for the Proper Handling of Chemical Products

We produce Safety Data Sheets (SDS) for all Zeon products. SDS provide information including GHS\*1 classification results, product hazards, and cautions for handling, etc.

For some of our products, we disclose safety-related information in the form of safety abstracts, which are made available on the GPS/JIPS\*2 platform.

\*1 GHS  
Globally Harmonized System of Classification and Labelling of Chemicals

\*2 GPS/JIPS  
Global Product Strategy / Japan Initiative of Product Stewardship. GPS is a new voluntary initiative related to the management of chemicals, promoted by the International Council of Chemical Associations (ICCA). In Japan, the Japan Chemical Industry Association (JCIA) promotes GPS under the IPS and encourages member companies to participate.

### Participation in Voluntary Chemical Industry Initiatives

Zeon provides financial support for research activities by the LRI\*3 involving chemical substance hazard reviews, safety evaluations, and environmental impact surveys. As a member of the Far East Section of the IISRP\*4, Zeon also participates in investigations of environmental issues, reviews of countermeasures, and activities to implement them.

\*3 LRI  
Long-range Research Initiative: Activities to provide long-term support for research on the impact of chemical substances on health and the environment. A program under the auspices of the International Council of Chemical Associations (ICCA) that is carried out with funding from LRI member companies and in cooperation with the chemical industries of Japan, the United States and Europe (specifically, the Japan Chemical Industry Association, American Chemistry Council and European Chemical Industry Council).

\*4 IISRP  
International Institute of Synthetic Rubber Producers

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## Environmental Protection in Logistics

To more effectively use and recycle resources, we are promoting recovery and recycling of wood, resin, and metal pallets and containers used to transport various goods. We also use a large number of recycled resin transportation pallets.

Zeon has for some time now been working to promote the effective utilization of resources and implementing measures to reduce the environmental footprint of logistics operations, for example by reducing the weight of metal box pallets (by approximately 7%) and promoting the recovery of metal box pallets from overseas, as well as implementing flexible bag recovery and reuse.



Lightweight metal box pallet



Folded pallets after use

### Compliance with the revised Energy Conservation Act

As a specified consigner under the revised Energy Conservation Act, we are working to rationalize the use of energy together with partner companies involved in product and raw materials transportation. To date, we have studied and implemented improvements in loading efficiency, modal shift to rail and ship transportation, and truck and ship fuel efficiency.

### Safety Initiatives in Logistics

At Zeon, we established Yellow Card Management Rules for transporting hazardous products. These rules require drivers to carry a Yellow Card\* when transporting such products.

We also conduct reporting and communication training for drivers, and each plant offers training on product handling to prevent accidents in logistics.

\*Yellow Card  
Document describing what to do if an accident occurs during transportation, as established by the Logistics Safety Management Policy of the Japan Chemical Industry Association. The document is called a Yellow Card because it is printed on yellow paper.

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# Labor Practices

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## Basic Approach and Initiatives

### Aiming to ensure that Zeon is “A company of which each and every one of its employees can be proud”

In our CSR Code of Conduct, we stipulate respect for human rights and prohibit discrimination. We strive to be a company that understands and accepts diverse values, and where no person is discriminated against based on gender, age, nationality, or other attribute.

Based on this policy, we aim to enable every employee\* to work with pride by cultivating employees able to continually evolve by pursuing high goals based on independent thinking, building a human resource system in which employees take on challenges without fear of failure and gain a sense of accomplishment, and creating a comfortable workplace environment that values dialogue.

\*At Zeon, “employees” refers to all workers including full-time and part-time workers.



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## Employment and Diversity

Zeon Group respects diversity, and strives to be a company in which everyone in our diverse team of employees is able to fully demonstrate their capacities. Our employees today have a wide range of backgrounds and play an active role regardless of gender, age or nationality.

### Basic Information

#### Basic Information on Zeon Corporation Employees

(non-consolidated, does not include non-permanent employees)

		Men	Women	Total
No. of employees		1,429	213	1,642
No. of new hires	Recent graduates* <sup>1</sup>	52	14	66
	Mid-career hires* <sup>2</sup>	42	4	46
Average years of service		17.2	13.6	16.7

As of March 31, 2021 (excluding those who left the company as of the end of March)  
Includes 23 non-Japanese employees

\*1 Employees that joined the company in April 2020

\*2 Mid-career hires that joined the company between April 2020 and March 2021

### Hiring

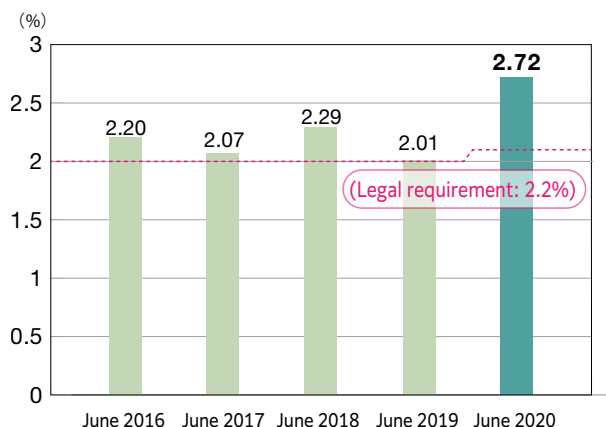
The Zeon Group hired 88 recent graduates of high schools, technical colleges and universities in FY 2021.

### Employment of people with disabilities

We will continue to expand employment for people with disabilities while exercising the utmost care for safety, particularly at our laboratories and plants, which handle hazardous materials and use rotating and other industrial equipment to manufacture chemicals.

Zeon Farm, a facility for the employment of people with disabilities, opened in December 2020 as a new initiative for creating employment for the disabled.

#### Percentage of Employees with Disabilities



### Re-employment of employees who have reached mandatory retirement age

We have adopted a re-employment system, called the Master Employee System, in which we confirm with employees their desire to continue working before reaching mandatory retirement age, and allow all employees who wish to continue working to do so, based on the Act on Stabilization of Employment of Elderly Persons.

### Strengthening Engagement

With the aim of realizing respect for diversity and becoming a company in which diverse human talent can fully exercise their individual capabilities, starting from FY 2021 we are using engagement surveys to compile quantitative data and visualize key issues, with departmental managers playing a central role in enhancing efforts in this area.

One of the bottom-up activities that we are implementing is the MD Committee. Launched in January 2009 with an all-female membership, for its 13th year the MD Committee has overhauled its activity objectives. In addition to the long-standing committee slogan, "Two Cs (CSR and Cost reduction) and Two MDs (*muda dori* and *mudo dukuri*)," which has been maintained since the committee's first year of existence, the MD Committee has now adopted a new slogan: "Working to address the SDGs through our own work, and strengthening engagement." In FY 2021 (the committee's 13th year), the 17 committee members—chosen from among employees who responded to a call for candidates, and embodying diversity in terms of gender, age, the enterprise to which they belong, and the location where they work—are putting forward recommendations with regard to operational efficiency, health, organizational culture, and contributing to society, while maintaining an awareness of the importance of realizing workstyles that benefit both employees and the company, and of taking into account both the optimal situation for the Zeon Group and the impact on society.

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## Advancement of women

We have established targets to increase the number of female employees and female managers as part of our General Employer Action Plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

We position the advancement of women in the

workplace as the first step in promoting diversity at Zeon. As such, we are developing a range of measures to enable women to continue working and advance their careers, including holding workshops and expanding the adoption of systems that offer flexible working styles.

### Zeon Corporation's General Employer Action Plan (based on the Act on Promotion of Women's Participation and Advancement in the Workplace)

We have established the following action plan to create employment conditions that allow women to continue working and be promoted to managerial positions.

1. Plan implementation period April 1, 2021 to March 31, 2026
2. Zeon Corporation's issue We want to increase the number of female employees.
3. Goals and initiatives, and implementation time-frame

**Target 1: Increasing the percentage of new recruits (specifically, new employees who have just finished university or graduate school) who are women to at least 50% for administrative positions and at least 30% for technical positions**

Starting in FY 2021, we will be expanding the content presented on the recruitment section of our corporate website that relates to women's workstyles and women's participation, and we will be holding related corporate presentations.

**Target 2: Raising the percentage of female managers to at least 6%**

Starting in FY 2021, we will be implementing manager cultivation training for employees who are candidates for management positions, and we will be expanding and continuing the support that we provide for self-development, including career development awareness raising.

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## HR Development

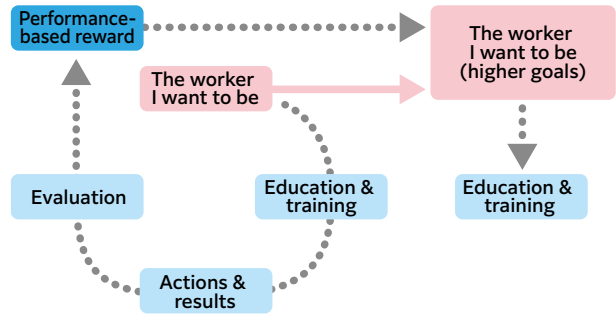
Encourage employees to continually evolve by pursuing high goals based on independent thinking

### Basic Philosophy on Human Resources

Tap into, develop, and fully use the competencies of each employee.

Zeon's concept of "being the worker I want to be" embodies "people who continually evolve by pursuing high goals based on independent thinking." Personnel are encouraged to set goals to become the worker they want to be, and we are modifying our education and training systems to allow them to bridge the gap between the current reality and their goals and facilitate goal-driven actions on a daily basis. By fairly evaluating what employees have accomplished and rewarding them accordingly, we aim for them to set even higher goals. With every personnel continuing to improve and demonstrating this in actions, we can create an even more capable workforce across Zeon.

### HR development at Zeon



### Education and Training Framework

Education and training at Zeon is broadly divided into core and specialized programs. The core program is for all employees, and focuses primarily on developing awareness of Zeon's management philosophy, building a cooperation-oriented attitude, and acquiring shared knowledge. We also provide specialized education to develop the work competencies needed in specific occupations company ranks, as well as on-the-job training conducted at worksites.

### Education & Training System

Rank	Enforcement of Zeon CSR Policy	Improvement of management skills			Enhancement of professional skills	Self-improvement support
	Basic education	Position-based education	Rank-based education	Selected dispatch education	Education for general professional abilities, professional abilities, and transferring technical knowledge	
Managers	CSR / Compliance / Information management	Strategy planning ability Goal setting ability	Organizational transformation Supporting team member growth	Business school dispatch MBA Dispatch / Language study / Overseas study	R&D / Sales / Administration, etc. Environmental and safety affairs / Quality / Intellectual property / Manufacturing	Online educational courses Support for obtaining qualifications TOEIC
Deputy managers		Goal achieving ability	Personnel evaluation ability			D&I promotion 1 on 1 Career training Harassment prevention training, etc.
Leaders		Problem identification ability				
Newly-recruited employees		Problem solving ability				

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## Zeon's Ipeki Training Facility

We opened the Ipeki Training Facility in 1981 to create a venue that allows employees to concentrate on their education and training, so as to improve their qualifications and skills. Employees come to the training site from our worksites throughout Japan for intensive education and training, and also form personal relationships over the course of staying at the site together with the instructors and other training participants.

## Occupation-based Specialized Education- Manufacturing Duties (Production Operators)

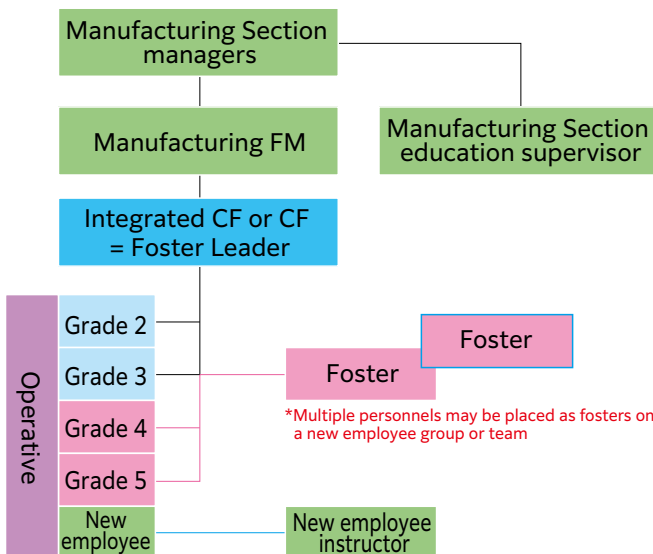
We established the Monozukuri (Product Manufacturing) Training Center in 2009 as an educational facility for all manufacturing operatives; its goal is to develop human resources to support production innovations in pursuit of ensuring safe and reliable production activities. To cultivate operatives who understand and follow the rules and make improvements on their own, the Center has a simulated plant where trainees practice basic operations and basic processes in addition to acquiring foundational knowledge.

New employees take the beginner-level training program during their first to third years of employment. During the program, they stay in the company dormitory to foster friendships and build solidarity with their coworkers while keeping a regular schedule. The curriculum at the Monozukuri Training Center includes both a basic program, consisting of classroom lectures

and tests, and a training program at our training plant. The training at the simulated plant teaches trainees how to operate, monitor, and stop machinery. The training sessions are repeated until trainees become well acquainted with basic operations (identifying and pointing out items to be checked, reporting, maintaining open communication, consulting supervisors, and detecting hazards) and basic processes (such as work safety procedures common to all worksites). Trainees also have opportunities to learn the reasons why operations are done the way they are. Tests are given the day after classroom lectures so that trainees can review what they learned the previous day. One trainee is selected to help administer the curriculum in a leadership position. This training system aims to accomplish several objectives at the same time, namely skills acquisition, developing independent thinking, and building leadership skills and a spirit of cooperation. Various means are employed to ensure that trainees take the training program seriously, such as issuing yellow cards to trainees who do not follow company rules.

We have also introduced the "Foster" system, in which trainers ("Fosters") separated from the new employee instructors engage in training individual new employees for the purpose of making product manufacturing training a routine aspect of worksites. While we expect manufacturing operatives to work on their own personal development, we have introduced the "Foster" system to create an HR development framework in which all worksite employees, including senior staff members and supervisors, participate in HR development. Another purpose of the program is for "Fosters" to achieve personal growth through instructing junior employees.

### Manufacturing Section Foster System Framework and Definitions of Roles



#### What is a "Foster"?

We foster talent that can do work.

We foster talent that can do work.

➔ Performing the role of training group members.

#### Foster Leader (Integrated CF or CF)

Person responsible for integrated management of developing the proficiency of group members

#### Foster

Person providing and tailoring on-the-job and off-the-job instruction according to the proficiency level management documentation

#### New employee instructor

Person responsible for developing and instructing new employees in their first year of employment until they can perform their duties independently



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## Human Resources System

### A Human Resources System in Which Employees Take on Challenges and Gain a Sense of Accomplishment

At Zeon Corporation, we believe that our competitiveness derives from the sum total of the capabilities of our individual employees. We strive to create a human resources system that provides employees with a sense of accomplishment by giving them opportunities to challenge themselves to achieve ambitious goals within the shared goals of the organization and to have their performance reflected fairly in their pay and employment conditions.

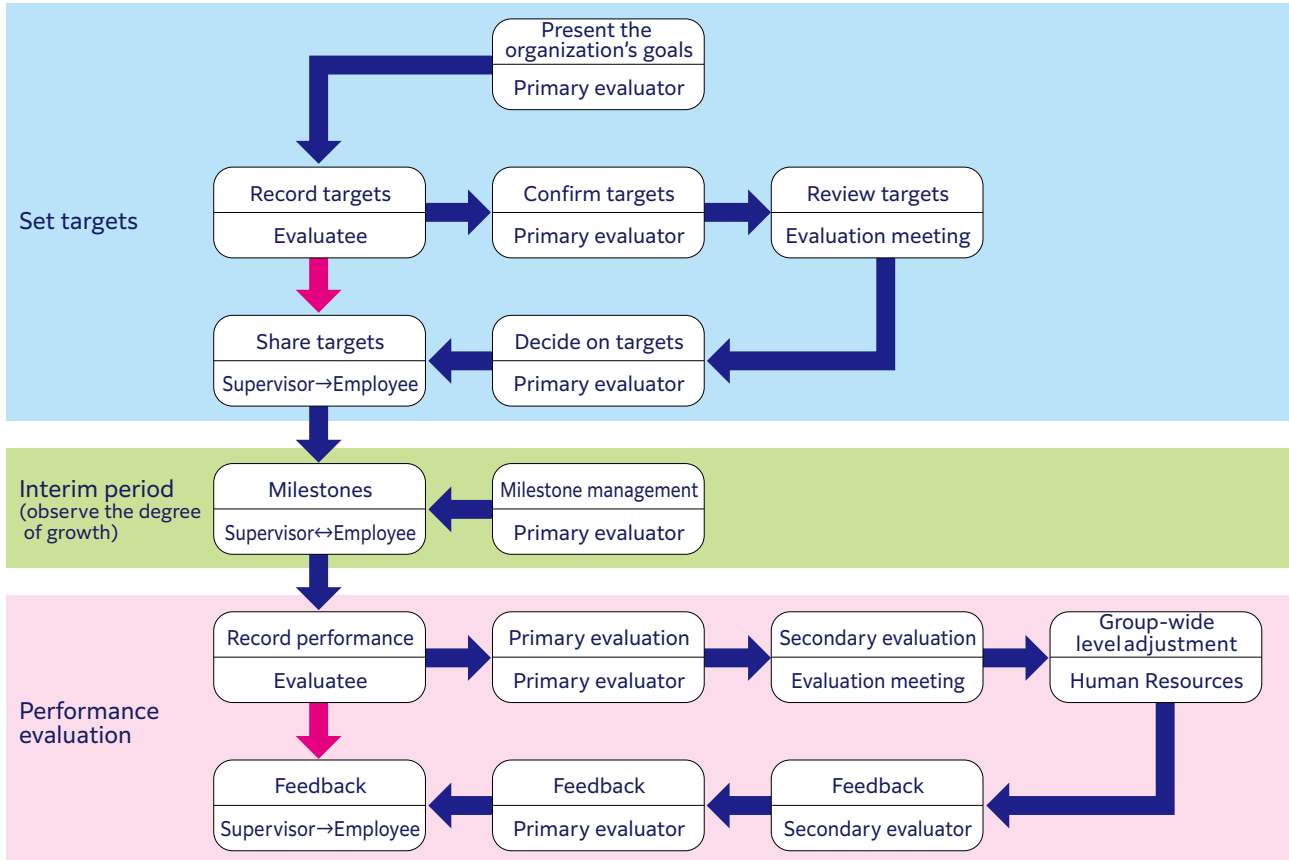
### Performance Evaluation System

Recognizing that a perfect score is impossible in a personal performance evaluation system where people rate each other, we are providing training to all evaluators and evaluated personnel to maintain and improve their evaluation competency.

At Zeon Corporation, we have placed priority on gaining understanding and acceptance for evaluation results. Expectations, required work and performance targets are made clear to all employees at the beginning of the evaluation term, and are shared among superiors and subordinates. At the end of the evaluation term, we perform fair evaluations of work and performance (i.e. contribution to the organization) with the aim of shaping a corporate culture filled with a sense of accomplishment and aspiration (i.e. a spirit of challenge and creative motivation).

We will continue our efforts to create an open and fair performance evaluation system that encourages employees to realize more creative work with added value and that distributes opportunities and rewards in a fair manner.

Performance Evaluation Flowchart



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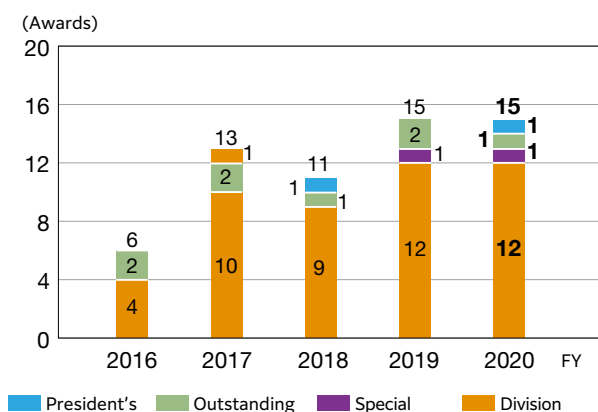
## Performance-linked Bonus System

Since 2000, Zeon Corporation has adopted a bonus system that is linked to performance. The bonus is determined based on three types of performance: group-wide, division, and individual performance. As with the performance evaluation system, we view bonuses as a means of giving employees a sense of accomplishment by reflecting their performance fairly in their compensation when they challenge themselves to achieve ambitious goals individually, as a team, and as an organization.

## Award System (Zeon Challenge Award)

Our awards programs include the Employee of the Month award, the winners of which are selected by division managers each month, and the annual Zeon Challenge Award (President's Award), for which individual employees and groups define a specific challenge at the start of the year and are judged on their progress toward meeting that challenge. The Zeon Challenge Award presentation ceremony is broadcast to all sites via an online meeting system to allow as many people as possible to participate each year. High-performing individuals and groups that narrowly miss receiving the Zeon Challenge Award are eligible, based on their accomplishments, for the Outstanding Achievement Award from the President and Division Manager's Award from the division manager.

### Number of Annual Awards



## Retirement Package System

Zeon Corporation provides retirement packages and defined-contribution (DC) pensions. The retirement package takes into account the last 10 years of performance evaluations before mandatory retirement and reflects the results in a lump-sum payment upon retirement, with the expectation that employees will remain motivated and feel a sense of accomplishment right up until mandatory retirement. The defined-contribution (DC) pension system includes contributions from the company that can be matched by employee contributions, and is one means of accumulating assets for after retirement.

## Compensation System for Invention Patents

We are continuously working to create new technologies based on our Basic R&D Philosophy: Contribute to society by creating world-leading businesses through developing unique technologies in the specific fields in which Zeon excels.

We strive to expand our intellectual property rights using the patent first\* principle, not only to protect (based on full respect for others' rights) the technologies we have created ourselves, but also to contribute to industry growth.

In addition to the incentives awarded to the inventor of an invention made in the course of work when the patent application is filed and when the patent is registered, we have also adopted a system to award outstanding invention incentives and performance incentives.

\*Patent first  
At Zeon, we define this as filing patent applications before developing and announcing products and providing samples. In other words, we conduct product development after first considering possibilities for filing patents.

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## Creating Working Environments That Protect Health

### A Comfortable Working Environment That Values Dialogue

#### Approach to Building Working Environments

Guided by the principles of motivation, reliability, achievement, stability and safety, and security, we are pursuing flexible work options premised on regulatory compliance and giving special importance to CSR. We continue to work to build more inclusive and supportive working environments from five perspectives: supporting flexible work styles for work-life balance, enhancing working environments, encouraging dialog, improving health, and supporting self-reliance.



#### Systems and Initiatives to Realize More Inclusive and Supportive Working Environments

We are implementing ongoing initiatives to build more inclusive and supportive working environments. These include reducing overtime work and developing systems for flexible work options and to support childbirth, childcare, and family care needs.

#### Systems and Initiatives

Flexible work styles	Flex-time system, teleworking system, encouraging the taking of special leave, half-day holidays, instituted days with no overtime, self-improvement activities, training for managerial and supervisory staff, surveys of actual conditions, labor-management committee operations, labor-management patrols	
Support for combining work and childcare	Maternity leave before and after birth, childcare / caregiver leave system, leave to attend childbirth (for expecting fathers), leave to care for sick children, half-day leave, shortened working hours system, limits on overtime work, exemption from late-night work, breastfeeding time, childcare / caregiver leave financial support system, childbirth cash payments	
Health and welfare	Asset accumulation	Employee savings scheme, employee stock ownership scheme (with financial incentives), defined-contribution (DC) pensions, matching contributions system
	Housing assistance	Housing assistance system (dormitory accommodation and company housing, rent subsidy system, home ownership allowance, home rental for transferred employees)
	Marriage	Marriage cash payments, honeymoon leave, spousal allowance
	Childbirth	Childbirth cash payments, maternity leave, dependents and tuition allowances
	Holidays and business shutdowns	Carryover of accrued vacation time, "My Life" holidays (on reaching the age of 50), "Refresh" holidays (Master employees), public-service leave (for jury duty)
	Recreation and training facilities	Hakone Gora Facility, Izu Ippeki Training Facility
	Loans and self-help	Bereavement condolence payments, bereavement leave, study loans, disaster assistance, group medical insurance, compensation for absences from work (Zeon health insurance cooperative association), optional group insurance, group life insurance, etc.

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## Support for Combining Work and Childcare

At present, 100% of female employees who give birth take childcare leave. Among male employees, 13 employees took childcare leave in FY 2020. In addition, many employees have used our system of shortened working hours to allow them to combine working and raising children.

### General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Based on Japan's Act on Advancement of Measures to Support Raising Next-Generation Children, we have drawn up a General Employer Action Plan, and we report our activities to the relevant authorities.

The current Action Plan is as follows.

#### Zeon Corporation's General Employer Action Plan (Act on Advancement of Measures to Support Raising Next-Generation Children)

In order to more fully promote the establishment of an environment where each and every employee can display their abilities to the fullest, we have formulated the following Action Plan, as we believe that it is important to create an atmosphere and a workplace environment that facilitates the combining of work and childcare.

1. Plan implementation period:  
The five-year period from April 1, 2021 to March 31, 2026

2. Details

**Objective 1: We will promote the creation of an environment that facilitates the use of compatibility support.**

Action: From April 2021 onwards, we have been providing information and holding presentations regarding system utilization, and building and providing education on the consultation system.

**Objective 2: We will adopt measures that contribute to the adoption of flexible work styles.**

Action: From April 2021 onwards, we introduced a teleworking system for our head office. We are also evaluating the potential for introducing a system whereby employees will be able to take their annual paid leave in hourly units, and evaluating the possibility of expanding the scope of application of the flex-time system and teleworking system.

End

## Support for Combining Work and Family Care

Labor and management at Zeon work together to achieve a balance between work and family responsibilities for employees with family members requiring in-home care; we have set up a consultation desk to support such employees.

## Improving Working Environments, Encouraging Dialog, and Supporting Self-reliance

Our focus is on encouraging dialog (communication) to create an atmosphere in which all employees display sensitivity to each other based on shared awareness, and in so doing enhance our worksite capabilities.

We consider communication, not only between managers and employees, but also within the workplace and between workplaces, to be the foundation of all corporate activity. Through communication, we aim to remove barriers between organizations, unify our direction, and help employees to feel satisfaction and pride in their work.

### Labor Agreements and Communication between Labor and Management

#### Joint Declaration by Labor and Management Aimed at the Growth of the Company

1. We will make mutual understanding and trust the cornerstone of all management-labor relations
2. We will perform our respective roles to strengthen company infrastructure and build a company of which we can be proud
3. We will mutually strive to improve and promote our corporate culture as good partners

Zeon Corporation and its labor union have concluded a labor agreement for the purposes of maintaining peaceful relations between the two parties and cooperating for the healthy growth of the company and to maintain and improve working conditions for union members. This agreement stipulates rules for union activities, labor-management negotiations, and complaint processing, as well as working conditions such as wages and job hours.

We have also issued the Joint Declaration by Labor and Management Aimed at the Growth of the Company, based on the common understanding that both the company and the labor union must cooperate and actively strive to mobilize the abilities of everyone in Zeon Group to achieve initiatives for company growth.

Numerous opportunities for exchanging opinions have been set up, including consultations between labor and management, RC dialog, and joint labor-management patrols, as well as round-table meetings, which are now a permanent part of the labor-management dialog. Consultations between labor and management provide ample opportunity for forthright discussion. Both sides participate with a forward-looking attitude and a spirit of friendly rivalry based on mutual trust.

Going forward, we intend to actively provide opportunities for dialog with the labor union and to implement various policies to make Zeon a "company of which each of its employees can be proud" through a beneficial partnership between labor and management based on mutual respect for each other's positions.

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**Dialog with Management**

Opportunities for active engagement with management are available in the form of policy briefings and other venues, in which management members up to and including the President visit worksites to provide explanations and talk with employees.

**Submitting Complaints**

Zeon's labor agreement includes rules for making official complaints.

We have established rules for preventing sexual harassment, harassment relating to pregnancy leave, childbirth leave, childcare leave and family care leave, workplace bullying and other forms of harassment in the workplace, all of which constitute conduct subject to disciplinary action under our employment regulations, and we have set up a consultation desk specifically for resolving harassment-related complaints.

We also conduct an educational program on the prevention of harassment for all staff as part of our diversity training.

**Health Management Initiatives**

Adopting an approach that takes individual physical and mental health as the foundation for health management, we take steps to maintain and improve the physical and mental health of employees.

In addition to healthcare guidance provided by nurses, we also provide statutory medical examinations as well as detailed medical examinations by industrial physicians. We are also working in collaboration with a health insurance cooperative association to prevent employee's health conditions from becoming serious illnesses.

In regard to mental health, besides providing mental health education, several worksites have implemented stress checks to assist employees in better understanding the physical and mental effects of stress. We have also set up an educational system using self-care and e-learning courses to encourage employees to check their stress levels at any time, not just at the time when company stress checks are conducted. In addition, we have assigned psychiatrists to support our industrial physicians.

In recognition of these efforts, we received certification in the Certified Health and Productivity Management Outstanding Organizations Recognition Program (Large Enterprise category) for three consecutive years (in FY 2019, FY 2020 and FY 2021). Performing environmental measurements on chemical concentrations, dust concentrations, noise levels, and other conditions in work areas at our plants also helps us to make improvements to workplace environments.

We introduced an ICT-based health and prevention information service that allows employees to check their medical data from a computer or smartphone at anytime from anywhere. The service also provides health information tailored to the person's health data. Using ICT, we are also participating in health-promotion events to encourage employees to take an active interest in their health through the health and prevention information service.

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## Occupational Safety

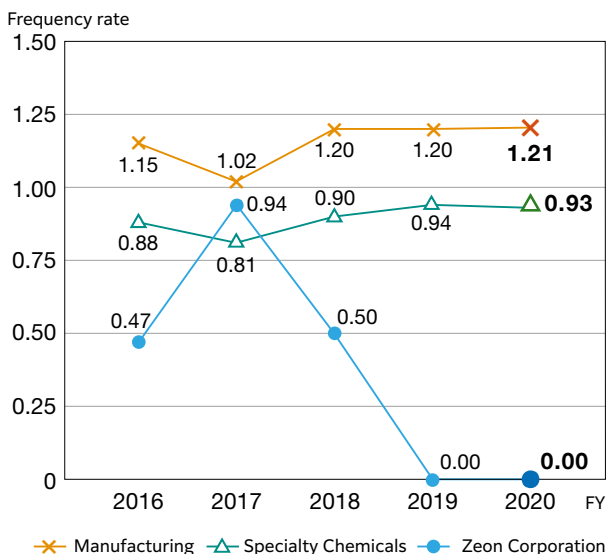
### Initiatives to Prevent Occupational Accidents and Protect the Safety and Health of All Plant Workers

We emphasize communication between worksite managers and workers to enhance worksite capabilities, with the goal of creating safe, stable production systems. We focus on 5S safety inspections\*1, hazard detection\*2 activities, and identifying near-miss incidents\*3, as well as hands-on safety training.

\*1 5S safety inspections  
Inspections that evaluate operations where safety is an integral part of maintaining the 5Ss (Sort, Straighten, Scrub, Systematize, Sustain), and that are designed to enhance visualization of safety-related issues at worksites and address hazards.  
\*2 Hazard detection ("Kiken Yochi" [KY] activities)  
Actions taken by workers to analyze and understand unsafe conditions with the aim of recognizing activities that would place them in danger.  
\*3 Near-miss incidents  
Events or phenomena that have the potential to result in an accident.

### Record of Occupational Accidents

Lost Work Time Accident Rate\* (Zeon Corporation)



\*Lost work time accident rate  
A safety indicator of the frequency of occupational accidents, calculated using the following formula.  
Frequency of lost work time accidents = Number of workers who experienced a lost work time accident / Total working hours × 1,000,000 hours

### 5S Safety Inspections

5S safety inspections assess operations where safety is critical to maintaining the 5Ss (Sort, Straighten, Scrub, Systematize, Sustain).

In FY 2020, due to the impact of the COVID-19 pandemic, the conducting of inspections was limited to on-site verification at locations where industrial accidents had occurred.

### Hazard Detection (Kiken Yochi) Activities

#### 4R-KY (four-round kiken yochi) activities

4R-KY is a hazard detection method where employees analyze and understand their work tasks before starting them, to avoid placing themselves in danger. The process is carried out in four separate rounds.

KY trainers assigned to each workplace lead these activities.

### Identifying Near-miss Incidents

Near-miss incidents are events that have the potential to result in a major accident, injury or loss. The concept of near-miss incidents comes from Heinrich's Law: In a workplace, for every accident that causes a major injury, there are 29 accidents that cause minor injuries and 300 accidents that cause no injuries (near misses). By collecting and sharing data on potentially serious near-miss incidents, we will strive to prevent the occurrence of major accidents.

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## Safety and Accident Prevention

### Dialog between Management and Plants

To monitor progress on priority issues, senior managers at Zeon visit plants on a regular basis to conduct inspections, hold informational meetings with workers, and brief workers on annual policies. Visits are also made to plants on other occasions to communicate directly with plant workers, who are on the front-line of the company's operations. In-person visits were not made in FY 2020 due to the impact of the COVID-19 pandemic, but senior managers continued to actively implement virtual visits, performing online visits on 30 days in FY 2020.

### Safety Management Efforts Led by Top Management

Each year, top management develops the Safety Management Improvement Master Plan and leads initiatives to improve our Safety Management System based on the belief that ensuring safety is the highest priority.

We are carrying out the priority initiatives on an ongoing basis using the following simple guidelines.

1. Reliable operation of equipment and systems to prevent errors ("Never rely on 'maybe' or 'should'")
2. Plant degradation countermeasures and fail-safe measures\* ("Good judgement saves money")
3. Review of past accidents and recurrence prevention ("Never rely on 'maybe' or 'should'")
4. Review of standards ("Always follow the rules. Change rules that cannot be followed.")

\*Fail-safe measures  
Modifications to equipment or processes and other measures to prevent accidents that would otherwise result from human error, such as mistakes made by new employees and others lacking in knowledge or experience, or careless mistakes made by experienced employees.

### Safety Inspector Certification at All Sites

#### Certified Safety Inspector\*<sup>1</sup>

Obtained by all plants (Takaoka Plant, Kawasaki Plant, Tokuyama Plant, and Mizushima Plant)

#### Certified Completion and Process Safety Inspector\*<sup>2</sup>

Obtained by Kawasaki Plant, Mizushima Plant, and Tokuyama Plant

The certification renewal process includes reviews of safety inspection and completion inspection methods as well as inspection management, and verification that our Safety Management System meets the regulatory requirements defined in Japan's High Pressure Gas Safety Act and that these systems are operating properly.

To more reliably ensure safety at all plants, we employ our Safety Management System, identify the sources of

hazards, and implement measures to mitigate risks at all of our plants. We are also formulating our vision for Smart Industrial Safety\*<sup>3</sup> and promoting the realization of this vision.

\*1 Certified Safety Inspector  
Certification granted by Japan's Minister of Economy, Trade and Industry based on the High Pressure Gas Safety Act to allow qualified individuals to perform safety inspections to determine whether specified facilities comply with technical standards, either while the equipment is running or while it is stopped.

\*2 Certified Completion and Process Safety Inspector  
Certification granted by Japan's Minister of Economy, Trade and Industry based on the High Pressure Gas Safety Act to allow qualified individuals to perform completion inspections to determine whether manufacturing facilities or Class 1 storage facilities that have undergone specific modifications comply with technical standards.

\*3 Smart Industrial Safety  
Smart Industrial Safety is:  
1. An autonomous and independent effort regarding industrial safety by the public and private sectors,  
2. From the perspective of appropriate implementation of industrial safety regulations, promotion of industries, and strengthening of competitiveness,  
3. In order to deal with economic and social structural changes, including rapid technological innovation, digitalization, low birthrate and aging population, and population decline,  
4. Considering the safety of the citizenry and industry as a priority.

### Certification Status

Plant	Obtained Certified Safety Inspector status	Obtained Certified Completion and Process Safety Inspector status
Takaoka Plant	2000 (renewed in 2020)	—
Kawasaki Plant	1998 (renewed in 2017)	2008 (renewed in 2017)
Tokuyama Plant	2007 (renewed in 2021)	2012 (renewed in 2021)
Mizushima Plant	2006 (renewed in 2021)	2006 (renewed in 2021)

### Improving Plant Safety

We conduct Plant Safety Evaluations and Plant Safety Inspections to further raise the level of safety at plants and prevent serious accidents and injuries from occurring.

#### Plant Safety Evaluations

We verify plant safety at the design stage when commissioning a new plant or upgrading an existing one.

#### Plant Safety Inspections

For existing plants, while inspecting work areas, we ensure that all sources of danger have been identified and review past decisions regarding the need for safety measures.

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## Occurrences of Accidents and Injuries

FY 2020: Safety incidents\* 6  
 (High-pressure gas/hazardous substance leaks: 3; Fluorocarbon leaks: 2; Emission of fumes: 1)

Although these incidents did not result in injury to humans, damage to equipment, or major impacts on the environment, we set up an accident investigation board for each incident. The boards have investigated the direct and indirect causes of the incidents, and are developing countermeasures to prevent recurrence.

\*Safety incidents  
 Defined in company regulations as the occurrence of a fire, explosion, leak, damage, failure, runaway reaction, or similar event. Even if there has been no actual occurrence, the possibility of such an event if actions had been delayed and the observation of signs that could be deemed to indicate the potential for such an event are also defined as safety incidents.

## Disaster Preparedness Training

Worksites conduct disaster-response drills each year based on various hypothetical scenarios. The drills include reporting and contracting simulations, first-aid treatment, and rescue and firefighting activities. We conduct full-scale disaster-response drills jointly with local firefighting agencies when possible.

These drills allow us to verify that our standards are adequate, and to verify the operability of emergency equipment (e.g. fire trucks, fire hydrants, broadcasting equipment, etc.). When we encounter problems, we take steps to quickly resolve them, so as to maintain the highest level of disaster-response preparedness.

## Third-party Evaluations

Zeon Corporation has participated as a supporting company (full member) since the initial establishment of the Japan Safety Competency Center (a specified nonprofit corporation), and has made efforts to evaluate and improve its safety competency in terms of its safety foundation and safety culture. In third-party evaluations, the Japan Safety Competency Center evaluates Zeon's safety foundation. The Keio University format is also incorporated into the evaluation of the safety culture. The strengths and weaknesses of each worksite and department are objectively measured, and Zeon Corporation continues to conduct improvement activities aimed at improving its safety competency.



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# Fair Operating Practices

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## Compliance

### Compliance System

The Compliance Committee advances Zeon's compliance efforts. The Compliance Committee has three subcommittees, namely the Antitrust Law Regulatory Subcommittee, the Export Security Control Subcommittee, and the Corporate Governance Subcommittee.

#### Zeon's Risk Management and Compliance System



### Compliance Committee

#### FY 2020 Results

- Continued activities to establish and instill compliance awareness
- Provided support to increase compliance awareness at Zeon Group companies outside Japan
- Established a system to prevent bribery of civil servants

#### Antitrust Law Regulatory Subcommittee

- Conducted reviews prior to the revision of product prices in business divisions, carried out preliminary screenings when meeting with executives of competitors, and reviewed the status of participation in industry bodies

#### Export Security Control Subcommittee

- Conducted seminars for ordinary employees and for department personnel in charge
- Implemented numerous final assessments of control list applicability and trade investigations

#### Corporate Governance Subcommittee

- Established controls for identifying the risk of and preventing errors in consolidated financial statements. Evaluated whether the controls were functioning correctly
- Convened five times in FY 2020, and no ineffective controls were found

### Internal Reporting System

We established the Internal Reporting System to rapidly collect information on potential risks and facilitate their resolution.

(For more information about the Internal Reporting System, see Risk Management. → P. 14)

### Internal Audits

Internal audits are performed for the purpose of preventing improprieties and errors in business operations.

The Department of Internal Auditing inspects and assesses whether business operations in all departments are being carried out appropriately and effectively in accordance with laws and internal regulations, and orders improvements when there are incidents of violations or non-compliance. In addition, the Department of Internal Auditing carries out periodic follow-up audits on the progress of measures taken by departments.

FY 2020 results: 33 departments (16 departments at Zeon Corporation, 11 Zeon Group companies inside Japan, 6 Zeon Group companies outside Japan)

FY 2021 plan: 34 departments (13 departments at Zeon Corporation, 8 Zeon Group companies inside Japan, 13 Zeon Group companies outside Japan)

#### Information Security Audits

Information security audits are internal audits on the handling of information assets. They are conducted for all divisions and departments at Zeon using a self-inspection format.

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## CSR Procurement

In order to provide safe and reliable products, we procure raw materials based on the Zeon CSR Policy and the CSR Code of Conduct.

### Procurement Policies

Policies related to procurement are as follows.

We have been developing initiatives for CSR-based procurement since FY 2012. We have established the CSR Procurement Guidelines and Requests to Suppliers, which integrate CSR perspectives into our existing QCD\*.

\*QCD  
System of production management that controls and improves quality, cost, and delivery.

#### CSR Procurement Guidelines

##### 1. CSR procurement

We will promote procurement activities that are based on our CSR Policy.

##### 2. Procurement of optimal raw materials, products, and services

We will work to procure optimal raw materials, products, and services that meet our standards for quality, cost, delivery time, supply stability, and technological development capabilities in order to provide better products.

##### 3. Consideration of the global environment

We will work to procure raw materials and products that have less impact on the global environment.

##### 4. Open approach to purchasing and partnerships

We will use a global perspective to search for suppliers from across the world, build partnerships through dialogue, and work to create fair and equitable business opportunities.

#### Requests to Suppliers

We kindly ask that our suppliers:

1. Follow corporate ethics and thoroughly implement compliance.
2. Respect human rights and give consideration to workplace environments.
3. Give consideration to the environment, and provide safe raw materials, products, and services.
4. Provide raw materials, products, and services with competitive quality and pricing, and abide by agreed delivery dates.
5. Actively provide information during the creation of partnerships. Also, implement strict management of information disclosed by Zeon during our transactions. We will implement the same strict management.

### Procurement-related Initiatives

Over the past few years, we have been working to realize the sharing of information and dissemination of CSR awareness so that the Zeon Group can achieve a unified response to inquiries from customers, suppliers, research institutes related to ESG investing, etc., regarding sustainable procurement. When Zeon facilities purchase raw materials, conformity with Japanese laws relating to chemical substances (including the Chemical Substances Control Law, the Industrial Safety and Health Act, the Pollutant Release and Transfer Register (PRTR) Law, etc.) is verified by making effective use of chemSHERPA, etc. Besides verifying our company's compliance with relevant laws, this also contributes towards the disclosure of chemical substance related information by the customers that purchase our company's products, in relation to compliance with relevant laws and regulations, including the European Union's Restriction of Hazardous Substances (RoHS) Directive, Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation and Classification, Labelling and Packaging (CLP) Regulation, UK REACH, South Korea's K-REACH, the U.S. Toxic Substances Control Act (TSCA), etc.

We are also developing similar measures in the supply chain. We updated the CSR-aware procurement questionnaire that we conducted in 2013, and, as noted below, in FY 2019 we implemented a further CSR-aware procurement questionnaire, targeting our main suppliers, and undertook CSR assessment.

#### CSR Assessment of Suppliers

With the aim of building a sustainable supply chain, Zeon is promoting CSR-aware procurement together with our suppliers. In 2019, we began to implement a CSR-aware Procurement Self-assessment survey, focusing on the extent to which our main suppliers are implementing CSR-aware procurement initiatives. Based on the survey results, online interviews were conducted with those suppliers that did not meet the specified standards, and we engaged in dialog with them to help them develop a better understanding of CSR surveys and improve their CSR response measures. Currently, we are implementing this survey once every two years. By conducting the survey in an ongoing manner in this way, we aim to enhance the overall level of CSR in collaboration with our suppliers, and to reduce the level of social and environmental risk in our supply chain.

1. Corporate governance
2. Human rights
3. Labor
4. Environment
5. Fair business activities
6. Quality and safety
7. Data security

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- 8. Supply chain
- 9. Maintaining a harmonious relationship with the local community

Regarding the format used for the survey, we made use of the CSR/Sustainable Procurement Self-assessment Tool Set, which is No. 9 in the Building the Sustainable World Series published by the Global Compact Network Japan (GCNJ), a group whose goals we support. The approach adopted for the survey emphasizes ensuring that the survey does not include items that reflect an excessive focus on Zeon's own perspective, and ensuring that the survey reflects current global trends and expectations.

Going forward, we will continue to implement regular CSR-aware procurement surveys, taking into account both the company's circumstances and the situation in society as a whole.

## Approach to Conflict Minerals and Initiatives

Regarding conflict minerals as well, we will conduct initiatives to meet society's expectations based on the aforementioned procurement policies.

When we surveyed our suppliers from whom we procure raw materials with their cooperation, we confirmed that they do not use substances applicable to conflict minerals.

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## Fair and Appropriate Information Disclosure

### Communications Approach and Framework

We conduct public relations activities to promote accurate understanding of our philosophies, approaches, and various undertakings by stakeholders and the public, and thereby increase our name recognition and become more known and trusted in the world.

### Public Relations Committee

The Public Relations Committee discusses and sets policy related to internal and external information disclosure based on CSR management.

### Information Disclosure

#### Website

- Communicates information relating to the company, IR, products, and employment, etc. (Comprehensively overhauled in April 2021)

### Advertising and PR

We conduct locally based advertising and PR activities with the aim of enhancing the Zeon brand.

#### TV commercials

- Currently on air on terrestrial TV broadcasting (Regions: Kanto region and Toyama, Fukui, Okayama, Yamaguchi, and Kagawa prefectures) and BS TV broadcasting (Regions: National)
- TV commercials for Asia are broadcast throughout Southeast Asia via satellite TV programs



New TV commercial

### New advertisements

From 2018, a series with the “Chance” and “Once More” chapters is being rolled out.



世界を変えるのは、  
「もう一回」を、何回もできる人だ。

失敗に鍛えられた化学は強い。  
他にはない独創的な技術も、どこにもマネできない製品も。  
オンリーワンと呼ばれる強さは、数え切れない失敗からつくられる。  
だからこそ、「もう一回」。  
夢に妥協しない子供のように、今日も挑戦を続けよう。  
世界を変えるソリューションを、世界中に届けるために。

挑戦の先に答えはある。

**ZEON**  
日本ゼオン株式会社 [www.zeon.co.jp](http://www.zeon.co.jp)



まだ世界で、誰も成功していない  
というチャンス。

誰にもできないことが、自分にもできないとは限らない。  
むしろチャンスだと考えてみる。だって、実現できれば世界初。  
なにより、新しい化学には、見たこともない笑顔を、  
聞いたこともない夢を、生み出す力があるのだから。  
さあ、腕の見せどころ。技術と可能性を信じて進もう。  
世界を変えるソリューションを、世界中に届けるために。

挑戦の先に答えはある。

**ZEON**  
日本ゼオン株式会社 [www.zeon.co.jp](http://www.zeon.co.jp)

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## Communication with Shareholders

### Policies related to constructive dialogue with shareholders

Dialogue with shareholders is led by the department responsible for IR and SR, and overseen by the relevant director. The department responsible for IR and SR exchanges information with other relevant departments within the company as appropriate to provide accurate and unbiased information to shareholders.

We will continue to expand the avenues of dialogue apart from individual meetings. These include holding quarterly briefings for investors, making financial statements available on the Zeon Corporation website, and participating in company seminars for individual investors. The IR & SR office collects and analyzes feedback received in dialogue with shareholders and makes reports to the President as appropriate. Based on management regulations including those on insider trading and appropriate information disclosure, we strictly control unreleased important information while engaging in dialogue with shareholders to prevent information leaks.

### General Meeting of Shareholders

On June 26, 2020 (Friday), we held our 95th Annual General Meeting of Shareholders in a conference room at the Head Office. While shareholders were asked not to attend the meeting in person (regardless of their state of health) to help prevent the spread of COVID-19, we mailed out notices approximately three weeks prior to the meeting to allow investors to exercise their voting rights by post or online based on a full review of the proposals. We also publish the details of resolutions from the General Meeting of Shareholders on our corporate website.

In addition, audio files of quarterly financial results briefings and videos of presentations given twice a year by top management on the current status of management at Zeon are available on our corporate website.



Video of a presentation by President Tanaka

For more information about the General Meeting of Shareholders, see

<https://www.zeon.co.jp/en/ir/stock/meeting/>

For more information about financial results briefings, see

<https://www.zeon.co.jp/en/ir/financial/bs/>

### Communicating Information to Shareholders

Twice a year, we send a booklet to our shareholders featuring updated business information and recent topics of interest, etc. The 96th Midyear Report, issued in December 2020, included a special feature on Zeon products that are helping to realize health and welfare for society, introducing products and services such as synthetic latex for making gloves, microfluidic chip contracted prototyping service, and Cyclo Olefin Polymers (COP) for medical container use.

We will continue to improve the Midyear Report to make it more accessible and better meet shareholders' needs.



96th Midyear Report

Annual Report and other Midyear Reports, see <http://www.zeon.co.jp/ir/library/businessreport.html> (Japanese version only)

### Distributions

Our basic policy is to pay out steady dividends of excess earnings to shareholders.

In principle, Zeon Corporation distributes excess earnings twice annually, through interim and year-end dividends. The General Meeting of Shareholders decides the year-end dividend amount, and the Board of Directors decides the interim dividend amount. Retained earnings are leveraged for proactive capital investments, development of innovative technologies, and production innovations.

For more information about Zeon's share price and dividends, see

<http://www.zeon.co.jp/ir/stock/dividend.html> (Japanese version only)

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# Consumer Issues

Quality Assurance

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\*For chemical product safety, see Environment (→P. 26)

## Quality Assurance

### Quality Assurance Policies

In accordance with our basic philosophy and CSR Policy, we define our basic policy for quality assurance as follows.

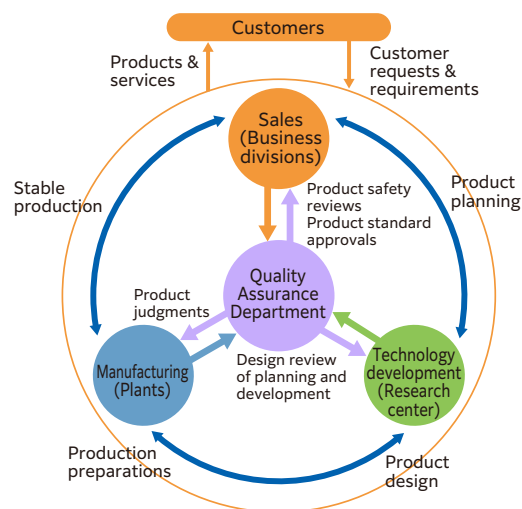
#### Basic Policy for Quality Assurance

1. We contribute to society by providing high-quality products, goods and services with excellent reliability and safety to the market.
2. We fully understand and predict user demands and provide products, goods and services that users can use with satisfaction.
3. In each quality assurance step, we establish an internal system that can assuredly evaluate high-quality products, goods and services with excellent reliability and safety.
4. We establish technologies that can produce products, goods and services with the target quality in terms of reliability and safety.

### Quality Assurance System

To consistently manufacture products that reflect the needs and wants of customers and to ensure product quality, Zeon is advancing integrated quality assurance activities group-wide, across manufacturing, sales, and engineering functions, by strengthening cooperation between plants, departments and research units (R&D Center).

#### Quality Assurance System



Contents	Zeon's CSR	Corporate Governance	Environment	Labor Practices	GRI Content Index
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## Mid- to Long-Term Initiative Policy and Initiatives from FY 2017

In our mid- to long-term management plan SZ-20, we set the 2020 quality assurance goal of “global uniform quality and cost compatibility.” For the three years of FY 2014 to FY 2016, we defined our quality assurance policy as “Aim to create mechanisms that will facilitate quality assurance even if things change (even if Zeon or the world changes).” We then conducted quality assurance activities to achieve this.

To develop this quality assurance policy across Zeon Group over four years starting in FY 2017, we revised the policy to read, “Aim to create mechanisms that will facilitate Zeon Group quality assurance even if things change (even if Zeon or the world changes).” We are conducting quality assurance activities across Zeon Group to this end.

## Framework Supporting Quality Assurance at Zeon

To ensure a consistent supply of high-quality products to our customers, we have put in place various quality assurance systems in accordance with internal regulations on quality assurance and conforming to the ISO 9001:2015 international standard for quality management systems.

### 1. Acquisition of international quality standard certifications by Zeon Corporation

In 2010, we integrated the ISO 9001 certifications obtained throughout Zeon and have maintained this. In the 2017 regular inspection, we also received a transition inspection to the 2015 version and completed the transition.

### 2. Status of Zeon Group Certifications for International Quality Standards

Site		ISO 9001*1	ISO 13485*2
Japan	Zeon Kasei Co., Ltd.	○*3	
	Zeon Polymix Inc.	○	
	Zeon Medical Inc.		○
	Zeon North Co., Ltd.	○	
	Tokyo Zairyo Co., Ltd.	○	
	Zeon Chemicals Yonezawa Co., Ltd.	○	
	Optes Inc.	○	
Outside Japan	Tohpe Corporation	○	
	Zeon Chemicals L.P.	○	
	Zeon Chemicals (Thailand) Co., Ltd.	○	
	Zeon Advanced Polymix Co., Ltd.	○	
	Zeon Chemicals Singapore Pte. Ltd.	○	

\*1 ISO 9001 is the international standard for achieving ongoing improvements in enhancing customer satisfaction and quality management systems through product and services quality assurance.

\*2 ISO 13485 is the global standard for quality management systems in the field of medical devices for the purpose of continued manufacture and provision of safe and useful medical devices. The standard has added requirements specific to medical devices while omitting some of the ISO 9001 requirements.

\*3 The logistical materials division has acquired certification limited to STEC\*.

## Framework to Achieve Product Safety

### 1. Product safety reviews

We strive to ensure product safety in every possible aspect by conducting product safety reviews (PSRs) using our own checklists that consider product safety at every stage of the product lifecycle, from initial product development through planning, design, manufacturing, sales, use, and disposal.

### 2. Chemical substance regulatory compliance

The regulatory environment for chemical substances management is undergoing major change globally, with laws and regulations on chemical substances being amended not just in the United States and Europe but also in Japan and Southeast Asia. As a result, the number of regulations to comply with is rising sharply. To comply with these regulations at Zeon, we are creating a database of the substances in our raw materials and products, even those present in minute quantities, and building a chemical substances management system capable of continuously tracking the most up-to-date regulatory information, safety information, and other relevant information.

## Audits

### PL Audits

PL audits are audits performed by an auditing team led by the director in charge of CSR and covering product liability (PL) and product safety. PL audits are conducted for product liability activities for products of Zeon business divisions spanning all stages of development, manufacture, use, final consumption, and disposal.

### Quality Audits

Quality audits are audits performed by an auditing team led by the head of the Quality Assurance Department that focus on checking the progress of implementing quality improvement activities. They are conducted at Zeon's business divisions, plants, laboratories, and affiliated companies.

### Internal Quality Audits

Internal quality audits are conducted for the purposes of evaluating whether Zeon's quality assurance management system is operating effectively and efficiently based on ISO 9001:2015 and promoting ongoing improvements. The audits are based on ISO 9001, and are structured so that the requirements of ISO 9001 are satisfied as long as Zeon's internal regulations are being complied with. The audits also focus on customer satisfaction and overall optimization.

The audits are conducted for the whole of Zeon Group; as far as possible, audits are conducted by an auditing team comprised of auditors from other divisions.

## Communicating Safety Information

For more information about safety information for chemical products handled by Zeon, see Chemical Product Safety Information (→ P. 26).

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# Human Rights

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**Protecting Human Rights in the Supply Chain** P. 49

**Becoming a Signatory to the United Nations Global Compact and Participating in Subcommittee Activities** P. 49

## Upholding Positive Working Environments by Protecting Human Rights and Prohibiting Discrimination

In August 2019, we established the Zeon Group Human Rights Policy, which sets forth respect for human rights and prohibits discrimination, and are striving to create a mutually accepting company that does not tolerate discrimination based on gender, age, nationality, or other attribute and understands diverse values.

### Zeon Group Human Rights Policy (Established on August 1, 2019)

We, the Zeon Group, are committed to fulfilling our corporate social responsibilities in respect of human rights and contributing to realizing a sustainable society, based on international codes of conduct on human rights, such as the Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights in Labor, and the UN Global Compact.

#### Respect for Human Rights

We will not tolerate acts of discrimination or harassment based on age, gender, place of origin, ancestry, nationality, disability, religion, creed, marital status, employment status, union participation, political views and other differences. We also will not tolerate child labor, forced labor or/nor unjustly low wage labor.

#### Collaboration with Stakeholders

We will encourage our customers and business partners to support this policy with us to pursue business activities sharing respect for human rights.

#### Prevention and Mitigation of Human Rights Violations

We will strive to perceive, avoid and reduce any negative impact on human rights that might result from our business activities.

#### Response to Human Rights Violations

We will work on the relief through appropriate procedures when it is found that we have caused or furthered a negative impact on human rights.

#### Efforts on Human Rights Issues

We will provide appropriate education and training to our executives and employees, so that this policy is understood and implemented.

#### Disclosure of Information

We will publicly disclose information on our human rights initiatives under this policy through communication channels such as our website and corporate reports.



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### CSR Education Including CSR Informational Sessions

The FY 2020 CSR informational session was held in an e-learning format, in order to help prevent the spread of COVID-19. We explained in easy-to-understand terms how we were transitioning from CSR focused mainly on legal and regulatory compliance to CSR that also focuses on many of the issues contained in the SDGs and is able to meet society's expectations while seeking to create and increase corporate value.



CSR informational session



## Protecting Human Rights in the Supply Chain

"Respect for human rights and considerations for work environments" forms part of the Requests to Suppliers section of the CSR Procurement Guidelines.

### Procurement Initiatives

In recent years, we have been sharing information and working to instill CSR to enable the Zeon Group as a whole to provide a uniform response to inquiries about sustainable procurement from customers, suppliers, and research institutes related to ESG investing.

To also implement the same kind of response in our supply chain as a whole going forward, while taking into account both the company's circumstances and the

situation in society as a whole, we regularly conduct a CSR-aware procurement questionnaire for our suppliers.

As we do this, we will keep the following points in mind:

- Continuing to regularly conduct the questionnaire
- Ensuring that the questionnaire contents incorporate society's changing expectations

## Becoming a Signatory to the United Nations Global Compact and Participating in Subcommittee Activities

In June 2019, we became a signatory to the United Nations Global Compact, and in FY 2021 a total of 20 Zeon employees participated in 13 of Global Compact Network Japan's subcommittees, and in related activities. Participating in the activities of the United Nations Global Compact and following its Ten Principles serves as the foundation of the Zeon Group's 2030 Vision of being "a company that lives up to societal expectations and the aspirations of employees," and it clearly enunciates to our stakeholders our basic stance on human rights, labor practices, the environment, and preventing corruption in our company activities. We also believe this will advance our CSR management based on world standards.



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# Community

<b>Basic Approach and Initiatives</b>	<b>P. 50</b>
<b>CSR Core Projects</b>	<b>P. 51</b>

## Basic Approach and Initiatives

We believe that contributing to the development of local communities and building strong relationships of trust are crucial to conducting stable business activities and creating improved products and services.

### Zeon's Approach to Social Contributions

We believe that social contributions are essentially carried out through our core businesses. As a corporate citizen, however, the complex set of issues faced by society and company activities are not independent of one another. We are therefore undertaking social contribution activities outside of our core businesses to engage with society from a broader perspective.

In 2012, we launched CSR Core Projects, which are initiatives we selected from proposals submitted by Zeon Group companies. The CSR Core Projects are activities that focus on social contributions outside the scope of our core business operations and provide employees with an opportunity to turn their attention toward social issues.

We plan and develop activities in three broad categories: 1) various activities related to supporting reconstruction from the Great East Japan Earthquake, 2) shared projects conducted across multiple Zeon's plants and Group companies, and 3) projects conducted independently by Zeon's plants and Group companies. We are developing these activities with a focus on their synergistic benefits.

### Furukawa Scholarship

The Furukawa Memorial Foundation is an incorporated foundation with a 56-year history of granting scholarships to Japanese and foreign students experiencing financial hardship to encourage them to continue their education. We are maintaining our involvement in the foundation to assist its activities.

To date, the Foundation has awarded scholarships to a total of 3,290 people.

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## CSR Core Projects

The CSR Core Projects are activities that focus on social contributions outside the scope of our core business operations.

### Status of CSR Core Project Initiatives

Project	Detailed initiative	FY 2020 target
<b>Support for Great East Japan Earthquake reconstruction</b>		
Participation in reconstruction volunteer tours	Started in October 2012 66 tours as of March 2020 (total of 538 participants) Disaster recovery assistance (Minamisanriku, Rikuzentakata), agricultural assistance (Iwaki), fishing industry assistance (Kesennuma), etc.	Continue the initiative (Frequency target: 1-2 times per month) >This activity was temporarily suspended in FY 2020 due to the impact of the COVID-19 pandemic.
Eat and Root for Restoration! campaign	Support the recovery of industries by eating foods grown in the disaster-affected areas Offer a menu of Tohoku-grown foods at the employee cafeteria and Z Plaza (employee lounge)	Continue the initiative
Participate in building a forest embankment to protect lives*	Support for and participate in tree planting for Heisei-no-mori in Otsuchi Town (sponsored by Yokohama Rubber and Otsuchi Town, Iwate Prefecture) since FY 2013 >This activity was temporarily suspended in FY 2020 due to the impact of the COVID-19 pandemic.	The tree planting was concluded in FY 2015. Maintain our ties with Otsuchi Town through activities including post-planting maintenance
<b>Shared projects</b>		
Chemistry Classroom	Summer vacation events and classes where local residents conduct experiments while touring our locations Head Office: Children's summer holiday chemical experiment show (every year from FY 2013 to FY 2017) Tokuyama Plant: Experiment classrooms during industrial tourism tours for parents and children Zeon Chemicals Yonezawa: Experiment classrooms at the Youth Science Festival in Yamagata Takaoka Plant, Kawasaki Plant: Experiment classroom activities during factory visits, giving lessons at local elementary schools R&D Center: Kawasaki City Summer Holiday Self-directed Research Seminar >Many of these activities were temporarily suspended in FY 2020 due to the impact of the COVID-19 pandemic.	Hold chemistry classrooms (increase the number of events held at our locations) Expand the conducted experiments (create a new experiment package)
Eco-cap recycling campaign (collecting used plastic caps)	Began counting caps at all Zeon Group companies in FY 2012	Continue the initiative
Green purchasing of office supplies	Purchasing office supplies with minimal environmental impact (notebooks, book-binding tape, folders, etc.). Of the 44 items stipulated under the Green Purchasing Law, we switched to 22 items (50%)	Continue the initiative
<b>Independent projects</b>		
Topics selected by promotional committees	Engaging with local communities Participation in community events: Sponsor and provide support for various events Cleanup activities Educational support: Internships, sending instructors to schools, etc.	Continue the initiative

\*Forest embankment to protect lives  
This activity creates a forest that will act as an embankment protecting local residents against tsunamis. This consists of combining debris from the disaster with soil to build an elevated area along the coastline, which was damaged during the tsunami triggered by the Great East Japan Earthquake. Various trees native to the area are being planted on the elevated ground to create a multilayer forest.

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## Examples of Initiatives

Following are some examples of activities that are part of the CSR Core Projects. Many other activities conducted with local communities are described in the Site Reports.

### Volunteering to support Great East Japan Earthquake reconstruction

We invite employees to sign up for restoration volunteer tours open to the public and send employees on the tours on an ongoing basis. We cover the full cost of the tours to encourage employee participation.

This initiative began in October 2012. In FY 2019, 65 employees participated in volunteer tours. They assisted with repair work and searched for lost articles in Rikuzentakata City, Iwate Prefecture; provided assistance for the fishing industry in Kesennuma City, Miyagi Prefecture; and agricultural assistance in Iwaki City, Fukushima Prefecture.

We turn *support* into *encouragement*, and *encouragement* into *exchange*. We intend to continue this initiative in light of the risk that the memory of the devastation will be forgotten. (This activity was temporarily suspended in FY 2020 due to the impact of the COVID-19 pandemic.)

### Helping plant trees in a disaster-affected area

Since 2012, Otsuchi Town in Iwate Prefecture and Yokohama Rubber Co., Ltd. have been conducting a tree-planting campaign at “Heisei-no-mori” in Otsuchi Town as a model project for the creation of forest embankments that can help to protect lives in the local community. Zeon has also been participating in this tree-planting campaign since 2013. The fourth round of tree-planting in 2015 was the last round; however, we have continued to participate in related activities by undertaking maintenance work for the trees planted on the site and providing tree-planting education for local elementary school children through extracurricular lessons. (This activity was temporarily suspended in FY 2020 due to the impact of the COVID-19 pandemic.)

### Chemistry Classrooms

Based on the motto of “nurturing future Nobel Prize winners in chemistry,” we hold chemistry experiment classrooms in various areas to communicate the appeal of chemistry to children.



At Zeon Chemicals Yonezawa, due to the impact of the COVID-19 pandemic, the experiment classes for children and Uesugi Snow Lantern Festival activities that we normally participate in were cancelled this year. However, we did participate in a career experience event at local high schools, using flasks and beakers for a distillation experiment with herbs, and providing a virtual experience of working at a chemical plant.



At Tohpe Ibaraki Plant, although the family plant tours have been put on hold, experiment kits have been provided which families can enjoy using at home.

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**Support for Education**

Zeon's plants and Group companies offer assistance to educational institutions with internships for high school, technical college, and university students, by welcoming plant tours by school groups, and by sending special instructors to give lessons at schools.



Mizushima Plant: plant tour



Optes accepts local high school students for internships.

**Dialog with Communities**

Plants participate in community dialog as part of the Responsible Care Council activities and communicate information on environment-related improvements, safety, and disaster preparedness during plant tours for representatives of local government authorities and for community residents.



Responsible Care community dialog at the Kawasaki Plant  
We welcomed representatives of local residents' associations, and representatives of eight member companies of the Kawasaki district of the Responsible Care Committee.



Zeon Chemicals (Thailand) Co., Ltd. continues to implement CSR-DIW (a CSR project launched by Thailand's Ministry of Industry), and foster participation by local residents as well as the maintenance of employee health.

**Holding and Participating in Community Events**

Zeon attaches great importance to our ties with local communities. Zeon's plants and Group companies hold various events, including summer festivals, and welcome opportunities to participate in community events.

**Community Cleanup Activities**

With the goal of being useful to and benefitting local communities, Zeon's plants and Group companies conduct community cleanup campaigns around their sites and beyond.

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**Maintaining a Harmonious Relationship with the Local Community**

We engage in collaborative activities with local communities in each region.



Zeon Chemicals L.P. (ZCLP) in U.S.A. has conducted volunteer activities and donation drives for many years.



Thailand-based companies Zeon Advanced Polymix Co., Ltd. and Zeon Chemicals (Thailand) Co., Ltd. have conducted volunteer cleanups and charity activities for many years. The companies make donations to various groups including schools, nearby temples, hospitals, and educational institutions.

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# ESG Data

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## Environment

### Zeon Corporation only

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Toxic substances	Butadiene consumption (tons)	298,397	308,069	289,912	284,390	266,518
	Butadiene emissions (tons)	3.6	3.1	3.4	3.0	2.7
	Acrylonitrile consumption (tons)	24,483	29,840	29,205	28,775	24,319
	Acrylonitrile emissions (tons)	4.1	4.0	4.0	3.0	3.1
Substances subject to the PRTR Act	Consumption (tons)	800,074	885,176	878,072	827,134	817,455
	Emissions (tons)	27.4	25.2	23.7	23.3	23.4
Industrial waste	Amount generated before compacting (tons)	135,996	125,018	143,129	130,153	140,226
	Amount generated after compacting (tons)	15,074	14,574	15,932	15,115	16,362
	Amount sent to landfills (tons)	1.7	1.9	0.0	3.2	0.1
Atmospheric emissions	CO <sub>2</sub> emissions (tons)	480,631	575,573	545,024	499,222	454,023
	SO <sub>x</sub> emissions (tons)	605	796	689	774	579
	NO <sub>x</sub> emissions (tons)	274	324	298	270	258
	Soot emissions (tons)	5	8	4	7	4
Water resources	Total water resource consumption (1,000 m <sup>3</sup> )	18,593	18,234	18,098	17,741	17,905
Wastewater	Total wastewater discharge (1,000 m <sup>3</sup> )	15,919	15,928	15,399	15,107	15,433
	COD emissions (tons)	119	137	124	141	121
	Total phosphorus discharge (tons)	2	2	2	2	2
	Total nitrogen discharge (tons)	124	153	160	157	133
Energy	Total consumption (crude oil equivalent, kL)	195,049	223,629	212,440	227,233	215,980
	Per-unit energy consumption (kL/t-PDR)	0.13	0.13	0.12	0.14	0.13
	Energy efficiency indicator (FY 1990=100)	60%	64%	59%	68%	63%
Production equivalent	(tons)	1,547,789	1,671,352	1,723,677	1,602,286	1,655,367
Per-unit CO <sub>2</sub> emissions indicator	(FY 1990=100)	58%	64%	59%	58%	51%

### Zeon Group companies in Japan

("0" indicates less than 0.5, and "0.0" indicates less than 0.05)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Substances subject to the PRTR Act	No. of substances (total)	2.9	4.1	3.5	3.6	4.2
	Amount generated before compacting (tons)	3,303	4,896	2,746	2,323	2,247
Industrial waste	Amount sent to landfills (tons)	2.9	0.2	1.3	2.8	14.3
	CO <sub>2</sub> emissions (tons)	53,049	56,021	52,343	50,318	53,681
Energy consumption (crude oil equivalent, kL)		22,147	22,771	22,949	23,884	26,074
Electricity consumption (1,000 kWh)		79,586	81,582	82,861	86,744	95,648
Water resources (1,000 m <sup>3</sup> )		317	319	328	327	334

### Zeon Group companies outside Japan

("0" indicates less than 0.5, and "0.0" indicates less than 0.05)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Substances subject to the PRTR Act	No. of substances (total)	66.7	82.8	83.0	86.0	77.4
	Amount generated before compacting (tons)	3,617	3,608	3,495	3,234	3,036
Industrial waste	Amount sent to landfills (tons)	2,365	2,388	2,438	2,315	2,168
	CO <sub>2</sub> emissions (tons)	128,317	142,838	139,984	137,458	157,459
Energy consumption (crude oil equivalent, kL)		50,374	56,741	55,181	53,057	41,197
Water resources (1,000 m <sup>3</sup> )		1,811	1,951	1,986	1,867	1,675

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**Status of Certifications for International Environmental Standards**

Site	ISO14001
Takaoka Plant	○
Kawasaki Plant	○
Tokuyama Plant	○
Mizushima Plant	○
Tohpe Corporation Head Office/ Ibaraki Office	○
Tohpe Corporation Mie office	○
Zeon Kasei Co., Ltd. (Head Office divisions including research laboratories)	○
Zeon Polymix Inc.	○
RIMTEC Corporation	○
Optes Inc. Hokuriku Plant	○
Zeon Opto Bio Lab Co., Ltd.	○
Tokyo Zairyo Co., Ltd.	○
Zeon Chemicals Yonezawa Co., Ltd.	○
Zeon North Co., Ltd.	○

**Social**

**Status of Certifications for International Quality Standards**

Site	ISO9001	ISO13485
Japan		
Zeon Kasei Co., Ltd.	○	
Zeon Polymix Inc.	○	
Zeon Medical Inc.		○
Zeon North Co., Ltd.	○	
Tokyo Zairyo Co., Ltd.	○	
RIMTEC Corporation	○	
Zeon Chemicals Yonezawa Co., Ltd.	○	
Optes Inc.	○	
Tohpe Corporation	○	
Outside Japan		
Zeon Chemicals L.P. (ZCLP)	○	
Zeon Chemicals Europe Ltd. (ZCEL)	○	
Zeon Chemicals (Thailand) Co., Ltd. (ZCT)	○	
Zeon Advanced Polymix Co., Ltd. (ZAP)	○	
Zeon Chemicals Singapore Pte. Ltd. (ZCS)	○	

**Safety**

Rate of conducting plant safety evaluations (%)	100
No. of RC audits conducted (times/year)	1
No. of safety incidents	6
No. of lost worktime accidents	3
No. of serious accidents without lost work time	0
Lost work time accident rate	0.00
No. of accidents in logistics	0

**Basic Information on Zeon Corporation Employees (non-consolidated; does not include non-permanent employees)**

		Men	Women	Total
No. of employees		1,429	213	1,642
No. of new hires	New graduates*1	52	14	66
	Mid-year*2	42	4	46
Average years of employment (yrs.)		17.2	13.6	16.7
No. of non-Japanese employees				23

As of March 31, 2021 (excluding those who resigned as of the end of March)

\*1 Employees that joined the company in April 2020

\*2 Employees that joined the company between April 2020 and March 2021



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## Results of Initiatives

Percentage of employees taking childcare leave (%)	100
Percentage of employees with disabilities (%)	2.72
Percentage of employees rehired after reaching the age of mandatory retirement (%)	80

## Basic Information on Zeon Corporation Employees

No. of employees	3,502
No. of new graduate hires	66

As of March 31, 2021 (excluding those who resigned as of the end of March)

## Social Contributions

No. of employees who participated in volunteer tours to reconstruct areas affected by the destructive earthquake	Temporarily suspended
Recipients of the Furukawa Scholarship (number, cumulative)	3,290

# Governance

## Management Organization

No. of members of the Board of Directors	6
Of which, are outside directors	3
Of which, are women directors	0
No. of members of the Audit & Supervisory Board	5
Of which, are outside auditors	3

## Risk Management

No. of reports received via the Internal Reporting System	18
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\*Cumulative total of FY 2011–FY 2020

## Internal Audits

No. of departments/companies audited	33
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\*Zeon Corporation: 16 departments, 11 Zeon Group companies inside Japan, 6 Zeon Group companies outside Japan

For more detailed information, see the Corporate Governance Report

**Corporate Governance Report (Japanese version only)**

<https://www.zeon.co.jp/csr/concept/pdf/200325073.pdf>

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# GRI Content Index

This report uses GRI Standards as reference.  
The following reports also include disclosures.

- Integrated Report  
URL <https://www.zeon.co.jp/en/csr/report/>
- IR Library  
<https://www.zeon.co.jp/en/ir/library/>
- Corporate Governance Report (Japanese version only)  
URL <https://www.zeon.co.jp/csr/concept/pdf/200325073.pdf>

GRI Standard	Disclosure	Published format or item and page number (Corporate Report items are in blue, CSR Report items are in red)
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016		
Organizational profile		
102-1	Name of the organization	<a href="#">Company Profile (9)</a>
102-2	Activities, brands, products, and services	<a href="#">Business Overview (3)</a>
102-3	Location of headquarters	<a href="#">Company Profile (9)</a>
102-4	Location of operations	<a href="#">Business Overview (3)</a>
102-5	Ownership and legal form	<a href="#">Company Profile (9)</a>
102-6	Markets served	<a href="#">Company Profile (9)</a>
102-7	Scale of the organization	<a href="#">Company Profile (9)</a>
102-8	Information on employees and other workers	<a href="#">Company Profile (9)</a> , <a href="#">Labor Practices (28)</a> , <a href="#">Human Rights (48)</a>
102-9	Supply chain	<a href="#">CSR Procurement (42)</a>
102-10	Significant changes to the organization and its supply chain	—
102-11	Precautionary Principle or approach	—
102-12	External initiatives	<a href="#">Becoming a Signatory to the United Nations Global Compact and Participating in Subcommittee Activities(49)</a> , <a href="#">Chemical Product Safety Information (26)</a>
102-13	Membership of associations	—
Strategy		
102-14	Statement from senior decision-maker	<a href="#">Message from the President (1)</a> , <a href="#">Interview with the President (13)</a>
102-15	Key impacts, risks, and opportunities	<a href="#">Contributing to the Realization of the SDGs through Our Business Activities (25)</a> , <a href="#">Progress Made in the CSR Implementation Plan as of FY 2020 (7-11)</a>
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Corporate Philosophy (1)</a> , <a href="#">Interview with the President (13)</a> , <a href="#">Zeon CSR Policy (4)</a>
102-17	Mechanisms for advice and concerns about ethics	<a href="#">Risk Management (37)</a> , <a href="#">Risk Management (14)</a>
Governance		
102-18	Governance structure	<a href="#">Corporate Governance (35)</a> , <a href="#">Corporate Governance (12)</a> , <a href="#">Corporate Governance Report</a>
102-19	Delegating authority	—
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">Contributing to the Realization of the SDGs through Our Business Activities (25)</a> , <a href="#">CSR Management (5)</a>
102-21	Consulting stakeholders on economic, environmental, and social topics	<a href="#">Corporate Governance Report</a>
102-22	Composition of the highest governance body and its committees	<a href="#">Corporate Governance Report</a>
102-23	Chair of the highest governance body	<a href="#">Corporate Governance Report</a>
102-24	Nominating and selecting the highest governance body	<a href="#">Corporate Governance (35)</a> , <a href="#">Corporate Governance Report</a>
102-25	Conflicts of interest	<a href="#">Corporate Governance Report</a>
102-26	Role of highest governance body in setting purpose, values, and strategy	<a href="#">Corporate Governance Report</a>
102-27	Collective knowledge of highest governance body	<a href="#">Corporate Governance Report</a>
102-28	Evaluating the highest governance body's performance	<a href="#">Corporate Governance (35)</a> , <a href="#">Corporate Governance Report</a>
102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">Corporate Governance Report</a>
102-30	Effectiveness of risk management processes	<a href="#">Corporate Governance Report</a>
102-31	Review of economic, environmental, and social topics	<a href="#">Corporate Governance (35)</a> , <a href="#">Corporate Governance Report</a>
102-32	Highest governance body's role in sustainability reporting	—
102-33	Communicating critical concerns	—
102-34	Nature and total number of critical concerns	—
102-35	Remuneration policies	<a href="#">Corporate Governance (35)</a> , <a href="#">Corporate Governance Report</a>
102-36	Process for determining remuneration	<a href="#">Corporate Governance (35)</a> , <a href="#">Corporate Governance Report</a>
102-37	Stakeholders involvement in remuneration	—
102-38	Annual total compensation ratio	—
102-39	Percentage increase in annual total compensation ratio	—
Stakeholder engagement		
102-40	List of stakeholder groups	—
102-41	Collective bargaining agreements	<a href="#">Labor Practices (36)</a>
102-42	Identifying and selecting stakeholders	—
102-43	Approach to stakeholder engagement	—
102-44	Key topics and concerns raised	—

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Reporting practice		
102-45	Entities included in the consolidated financial statements	IR Library
102-46	Defining report content and topic Boundaries	Editorial Policy (3)
102-47	List of material topics	Progress Made in the CSR Implementation Plan as of FY 2020 (7-11)
102-48	Restatements of information	—
102-49	Changes in reporting	—
102-50	Reporting period	Editorial Policy (3)
102-51	Date of most recent report	—
102-52	Reporting cycle	—
102-53	Contact point for questions regarding the report	Editorial Policy (3)
102-54	Claims of reporting in accordance with the GRI Standards	—
102-55	GRI content index	GRI Content Index (58)
102-56	External assurance	—

GRI Standard	Disclosure	
<b>GRI 200 Economic Standard Series</b>		
<b>Economic Performance</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	—
103-3	Evaluation of the management approach	—
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	IR Library, Financial and Non-financial Highlights (10)
201-2	Financial implications and other risks and opportunities due to climate change	TCFD-based Analysis and Reporting (31)
201-3	Defined benefit plan obligations and other retirement plans	—
201-4	Financial assistance received from government	—
<b>Market Presence</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	—
103-3	Evaluation of the management approach	—
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	—
<b>Indirect Economic Impacts</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	—
103-3	Evaluation of the management approach	—
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	—
203-2	Significant indirect economic impacts	—
<b>Procurement Practices</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	Fair Operating Practices (41)
103-3	Evaluation of the management approach	—
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	—
<b>Anti-corruption</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	Fair Operating Practices (41)
103-3	Evaluation of the management approach	—
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	—
205-2	Communication and training about anti-corruption policies and procedures	—
205-3	Confirmed incidents of corruption and actions taken	—
<b>Anti-competitive Behavior</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	Fair Operating Practices (41)
103-3	Evaluation of the management approach	—
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—
<b>Tax</b>		
GRI 207: Tax 2019		
207-1	Approach to tax	—
207-2	Tax governance, control, and risk management	—
207-3	Stakeholder engagement and management of concerns related to tax	—
207-4	Country-by-country reporting	—

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GRI Standard	Disclosure	
<b>GRI 300 Environmental Standards Series</b>		
<b>Materials</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Environmental Philosophy and Safety Philosophy (15)</a>
103-2	The management approach and its components	<a href="#">Environmental and Safety Management (17)</a>
103-3	Evaluation of the management approach	<a href="#">Environmental and Safety Management (17), Progress Made in the CSR Implementation Plan as of FY 2020 (9)</a>
<b>GRI 301: Materials 2016</b>		
301-1	Materials used by weight or volume	—
301-2	Recycled input materials used	—
301-3	Reclaimed products and their packaging materials	<a href="#">Overview of Environmental Impacts (20)</a>
<b>Energy</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Environmental Philosophy and Safety Philosophy (15)</a>
103-2	The management approach and its components	<a href="#">Environmental and Safety Management (17)</a>
103-3	Evaluation of the management approach	<a href="#">Environmental and Safety Management (17), Progress Made in the CSR Implementation Plan as of FY 2020 (9)</a>
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	<a href="#">Overview of Environmental Impacts (20), Climate Change (22)</a>
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	<a href="#">Climate Change (22)</a>
302-4	Reduction of energy consumption	<a href="#">Climate Change (22)</a>
302-5	Reductions in energy requirements of products and services	—
<b>Water and Effluents</b>		
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	—
303-2	Management of water discharge-related impacts	—
303-3	Water withdrawal	—
303-4	Water discharge	—
303-5	Water consumption	<a href="#">Air, Water, and Waste Materials (25)</a>
<b>Biodiversity</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	—
103-3	Evaluation of the management approach	—
<b>GRI 304: Biodiversity 2016</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
304-2	Significant impacts of activities, products, and services on biodiversity	—
304-3	Habitats protected or restored	—
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—
<b>Emissions</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Environmental Philosophy and Safety Philosophy (15)</a>
103-2	The management approach and its components	<a href="#">Environmental and Safety Management (17)</a>
103-3	Evaluation of the management approach	<a href="#">Environmental and Safety Management (17), Progress Made in the CSR Implementation Plan as of FY 2020 (9)</a>
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	<a href="#">Climate Change (22)</a>
305-2	Energy indirect (Scope 2) GHG emissions	—
305-3	Other indirect (Scope 3) GHG emissions	—
305-4	GHG emissions intensity	<a href="#">Climate Change (22)</a>
305-5	Reduction of GHG emissions	<a href="#">Climate Change (22)</a>
305-6	Emissions of ozone-depleting substances (ODS)	—
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<a href="#">Chemical Substances Management (23), Air, Water, and Waste Materials (25)</a>
<b>GRI 306: Waste</b>		
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	<a href="#">Air, Water, and Waste Materials (25)</a>
306-2	Management of significant waste-related impacts	<a href="#">Overview of Environmental Impacts (20), Chemical Substances Management (23)</a>
306-3	Waste generated	—
306-4	Waste diverted from disposal	—
306-5	Waste directed to disposal	—
<b>Environmental Compliance</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	—
103-3	Evaluation of the management approach	—
<b>GRI 307: Environmental Compliance 2016</b>		
307-1	Non-compliance with environmental laws and regulations	—
<b>Supplier Environmental Assessment</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	—
103-3	Evaluation of the management approach	—
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	—
308-2	Negative environmental impacts in the supply chain and actions taken	—

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GRI Standard	Disclosure	
<b>GRI 400 Social Standards Series</b>		
<b>Employment</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	Employment and Diversity (29)
103-3	Evaluation of the management approach	—
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Employment and Diversity (29)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
401-3	Parental leave	Creating Working Environments That Protect Health (35)
<b>Labor/Management Relations</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	Creating Working Environments That Protect Health (35)
103-3	Evaluation of the management approach	—
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	—
<b>Occupational Health and Safety</b>		
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Progress Made in the CSR Implementation Plan as of FY 2020 (8), Environmental and Safety Education (18), Occupational Safety (38), Safety and Accident Prevention (39)
403-2	Hazard identification, risk assessment, and incident investigation	Environmental and Safety Education (18), Occupational Safety (38), Safety and Accident Prevention (39)
403-3	Occupational health services	Environmental and Safety Education (18), Occupational Safety (38), Safety and Accident Prevention (39)
403-4	Worker participation, consultation, and communication on occupational health and safety	Environmental and Safety Education (18), Occupational Safety (38), Safety and Accident Prevention (39)
403-5	Worker training on occupational health and safety	Environmental and Safety Education (18), Occupational Safety (38), Safety and Accident Prevention (39)
403-6	Promotion of worker health	Environmental and Safety Education (18), Occupational Safety (38), Safety and Accident Prevention (39)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	—
403-8	Workers covered by an occupational health and safety management system	—
403-9	Work-related injuries	Occupational Safety (38)
403-10	Work-related ill health	—
<b>Training and Education</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	HR Development (31)
103-3	Evaluation of the management approach	—
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	—
404-2	Programs for upgrading employee skills and transition assistance programs	HR Development (31)
404-3	Percentage of employees receiving regular performance and career development reviews	—
<b>Diversity and Equal Opportunity</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	Employment and Diversity (29), Human Resources System (33)
103-3	Evaluation of the management approach	Progress Made in the CSR Implementation Plan as of FY 2020 (8)
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	—
405-2	Ratio of basic salary and remuneration of women to men	—
<b>Non-discrimination</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	Labor Practices (28) , Human Rights (48)
103-3	Evaluation of the management approach	—
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	—
<b>Freedom of Association and Collective Bargaining</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	Creating Working Environments That Protect Health (36)
103-3	Evaluation of the management approach	—
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—
<b>Child Labor</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	Human Rights (48)
103-3	Evaluation of the management approach	—
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	—
<b>Forced or Compulsory Labor</b>		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	Human Rights (48)
103-3	Evaluation of the management approach	—
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—

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<b>Security Practices</b>			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		—
103-2	The management approach and its components		—
103-3	Evaluation of the management approach		—
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures		—
<b>Rights of Indigenous Peoples</b>			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		—
103-2	The management approach and its components		—
103-3	Evaluation of the management approach		—
GRI 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples		—
<b>Human Rights Assessment</b>			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		—
103-2	The management approach and its components		Human Rights (48)
103-3	Evaluation of the management approach		Human Rights (48), Progress Made in the CSR Implementation Plan as of FY 2020 (8)
GRI 412: Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments		—
412-2	Employee training on human rights policies or procedures		Human Rights (48)
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		—
<b>Local Communities</b>			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		—
103-2	The management approach and its components		Community (50)
103-3	Evaluation of the management approach		Community (50), Progress Made in the CSR Implementation Plan as of FY 2020 (11)
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs		—
413-2	Operations with significant actual and potential negative impacts on local communities		—
<b>Supplier Social Assessment</b>			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		—
103-2	The management approach and its components		Fair Operating Practices (41), Protecting Human Rights in the Supply Chain (49)
103-3	Evaluation of the management approach		Fair Operating Practices (41), Progress Made in the CSR Implementation Plan as of FY 2020 (8, 10)
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria		—
414-2	Negative social impacts in the supply chain and actions taken		—
<b>Public Policy</b>			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		—
103-2	The management approach and its components		—
103-3	Evaluation of the management approach		—
GRI 415: Public Policy 2016			
415-1	Political contributions		—
<b>Customer Health and Safety</b>			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		—
103-2	The management approach and its components		Chemical Product Safety Information (26)
103-3	Evaluation of the management approach		—
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories		Quality Assurance (46)
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		—
<b>Marketing and Labeling</b>			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		—
103-2	The management approach and its components		Chemical Product Safety Information (26), Fair and Appropriate Information Disclosure (44)
103-3	Evaluation of the management approach		—
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling		Chemical Product Safety Information (26)
417-2	Incidents of non-compliance concerning product and service information and labeling		—
417-3	Incidents of non-compliance concerning marketing communications		—
<b>Customer Privacy</b>			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		—
103-2	The management approach and its components		—
103-3	Evaluation of the management approach		—
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		—
<b>Socioeconomic Compliance</b>			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		—
103-2	The management approach and its components		Compliance (41)
103-3	Evaluation of the management approach		Compliance (41), Progress Made in the CSR Implementation Plan as of FY 2020 (10)
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area		—

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# United Nations Global Compact Index

This table shows the measures taken by, and reporting made by, the Zeon Group in relation to the Ten Principles of the UN Global Compact promoted by the United Nations.

The UN Global Compact	Corresponding page
<b>Human Rights</b>	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	CSR Matrix (8), Human Rights (48)
Principle 2: make sure that they are not complicit in human rights abuses.	CSR Matrix (8), Human Rights (48)
<b>Labour</b>	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	CSR Matrix (8), Labor Practices (36), Human Rights (48)
Principle 4: the elimination of all forms of forced and compulsory labour;	CSR Matrix (8), Labor Practices (28), Human Rights (48)
Principle 5: the effective abolition of child labour; and	CSR Matrix (8), Human Rights (48)
Principle 6: the elimination of discrimination in respect of employment and occupation.	CSR Matrix (8), Labor Practices (28), Human Rights (48)
<b>Environment</b>	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	CSR Matrix (9), Environment (15)
Principle 8: undertake initiatives to promote greater environmental responsibility; and	CSR Matrix (9), Environment (15)
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	CSR Matrix (9), Environment (15)
<b>Anti-Corruption</b>	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	CSR Matrix (10), Compliance (41), CSR Procurement (42)

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