Zeon Corporation – Tokuyama Plant

Tokuyama Plant Profile

Main Products
Butadiene monomers, synthetic rubbers, synthetic latex, polymerized toners, single-walled carbon nanotubes

Established in 1965, Tokuyama Plant is the main Zeon production plant for synthetic rubber using butadiene monomer extracted from naphtha. Approximately half of the synthetic rubbers it produces are exported from the nearby Port of Tokuyama to Europe, Asia, and other parts of the world. In 2015, Tokuyama Plant successfully mass-produced single-walled carbon nanotubes, a world first.

Environment and Safety Policy
The Tokuyama Plant has formulated the following environment and safety policy, based on being a petrochemical plant that handles high-pressure gases as well as hazardous and poisonous substances, and which is located in the Shunan Industrial Zone near residential areas and railway lines.

1. With the participation of all employees, we are committed to maintaining safe and reliable operations and to being a plant that is trusted by everyone in the local community.
2. We set targets and conduct activities in the areas of the environment, safety, and occupational health and safety; we aim to improve our various management systems on an ongoing basis, so as to enhance our environmental and safety performance.
3. We identify all sources of danger in the workplace, and by reducing and eliminating them, we aim to achieve zero occurrence of environmental and safety incidents and occupational accidents.
4. We strive to prevent environmental contamination and conserve energy, to help protect the environment.
5. We comply with environment- and safety-related laws and regulations, agreements, and internal rules and regulations; we also strive to maintain and improve our level of environmental and safety performance.
6. We strive to maintain and improve the physical and mental health of all employees, and to create a vibrant and engaging workplace.

Plant Policy by the Plant Manager

Policy
With production innovations driving plant reforms, we cooperate with the two Zeon Group companies of Zeon Yamaguchi Co., Ltd. and Zeon North Co., Ltd. to realize stable and safe plant operations and deepen our roots in the local community.

With the motto of “greetings and the 3S’s (sort, straighten, and scrub) are the foundation of everything we do,” we pursue dynamic and forward-looking plant operations with the participation of all employees in production innovations. We aim to gain the trust of society by making contributions to resolving social issues and having employees engage with the local community.

Corporate Officer and Tokuyama Plant Manager
Makoto Watanabe
Safety Initiatives

Policy
Safety first! Employees take responsibility for their actions to realize zero accidents and disasters.

Specific Initiatives
・We routinely implement four types of safety activities to reduce work-related risks.
・We identify the sources of hazards to prevent safety-related accidents.

Environmental Impact Reductions

Policy
Achieve our targets for per-unit energy consumption and per-unit CO₂ emissions.
(1) We analyze factors causing our energy consumption per unit to deteriorate and devise systems to prevent performance from backsliding.
(2) We identify ways to conserve energy on an ongoing basis to achieve our mid- to long-term plan.

Scope of Environmental Management System
(1) Organizational unit: Departments of the Tokuyama Plant, Zeon Corporation
   Function: Manufacturing of synthetic rubbers, synthetic latex, film materials, and carbon nanotubes, and pilot research on synthetic rubbers and thermoplastic resins
   Physical boundary: The entire area of the Tokuyama Plant, Zeon Corporation, 2-1 Nachi-cho, Shunan City, Yamaguchi Prefecture
(2) Organizational activities: Business processes from raw materials procurement through to manufacturing, packaging, storage and shipping, and utility operations
   Products and services: Synthetic rubbers, synthetic latex, film materials and carbon nanotubes, providing information to customers, and responding to complaints from customers and local residents
(3) Authority and capacity of managing and influencing organization: Head Office divisions (including design and development), partner companies (product logistics, disposal of industrial waste, etc.), vendors (companies supplying raw materials, etc.)

Specific Initiatives
1. Reducing emissions of hazardous chemical substances
   ・We have installed exhaust gas purification equipment able to stably control emissions of PRTR substances.
2. Reducing industrial waste
   ・We have maintained a record of zero waste sent to landfills since FY 2010.
   ・We are reducing our industrial waste by practicing the 3R's (Reduce, Reuse, and Recycle).
3. Conserving resources and energy
   ・We are making improvements on technological issues based on our mid- to long-term plan through the Energy Conservation Working Group and the Energy Conservation Promotion Committee.
   ・We are focusing intensively on daily management with the goal of achieving per-unit energy consumption of
90% or less of the FY 1990 baseline.
・We share information with other plants through the Energy Conservation Promotion Committee.

4. Reducing impacts on air quality
・We are operating new high-efficiency boilers to steadily reduce our NOx, SOx, and CO2 emissions.

5. Reducing impacts on water quality
・We are reducing our COD and total nitrogen emissions through modifications to wastewater treatment facilities and improvements to treatment methods.

6. Environmental Data
* "0" indicates less than 0.5 tons, and "0.0" indicates less than 0.05 tons

<table>
<thead>
<tr>
<th>Tokuyama Plant</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
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<tbody>
<tr>
<td>Hazardous substances</td>
<td></td>
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<tr>
<td>Butadiene consumption (tons)</td>
<td>206,710</td>
<td>170,327</td>
<td>195,538</td>
<td>152,247</td>
<td>179,158</td>
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<tr>
<td>Butadiene emissions (tons)</td>
<td>0.8</td>
<td>1.1</td>
<td>0.7</td>
<td>1.6</td>
<td>0.8</td>
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<tr>
<td>Acrylonitrile consumption (tons)</td>
<td>17,464</td>
<td>14,379</td>
<td>16,983</td>
<td>13,476</td>
<td>19,060</td>
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<td>Acrylonitrile emissions (tons)</td>
<td>0.6</td>
<td>0.7</td>
<td>0.6</td>
<td>0.6</td>
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<tr>
<td>Substances subject to the PRTR Act</td>
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<td>Consumption (tons)</td>
<td>453,075</td>
<td>397,637</td>
<td>422,439</td>
<td>347,496</td>
<td>412,431</td>
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<td>Emissions (tons)</td>
<td>2.0</td>
<td>2.7</td>
<td>2.1</td>
<td>2.9</td>
<td>3.0</td>
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<td>Industrial waste</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Amount generated before compacting (tons)</td>
<td>19,201</td>
<td>24,063</td>
<td>23,163</td>
<td>24,738</td>
<td>28,898</td>
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<tr>
<td>Amount generated after compacting (tons)</td>
<td>3,377</td>
<td>4,674</td>
<td>4,737</td>
<td>5,208</td>
<td>4,932</td>
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<td>Amount sent to landfills (tons)</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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<td>Atmospheric emissions</td>
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<td>CO2 emissions (tons)</td>
<td>279,750</td>
<td>237,362</td>
<td>263,215</td>
<td>228,574</td>
<td>261,456</td>
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<td>SOx emissions (tons)</td>
<td>471</td>
<td>507</td>
<td>622</td>
<td>603</td>
<td>796</td>
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<td>NOx emissions (tons)</td>
<td>205</td>
<td>179</td>
<td>191</td>
<td>200</td>
<td>256</td>
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<td>Soot emissions (tons)</td>
<td>4</td>
<td>2.2</td>
<td>10.9</td>
<td>4.3</td>
<td>7.3</td>
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<td>Water resource consumption (1,000 m3)</td>
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<td>(industrial water + groundwater + waterworks)</td>
<td>8,927</td>
<td>8,393</td>
<td>8,812</td>
<td>8,703</td>
<td>8,705</td>
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<td>Wastewater</td>
<td></td>
<td></td>
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<tr>
<td>Total wastewater discharge (1,000 m3)</td>
<td>8,165</td>
<td>7,785</td>
<td>8,051</td>
<td>8,148</td>
<td>8,206</td>
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<tr>
<td>COD emissions (tons)</td>
<td>49</td>
<td>42</td>
<td>57</td>
<td>49</td>
<td>52</td>
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<td>Total phosphorus discharge (tons)</td>
<td>0.7</td>
<td>0.6</td>
<td>0.8</td>
<td>0.7</td>
<td>0.6</td>
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<tr>
<td>Total nitrogen discharge (tons)</td>
<td>28</td>
<td>27</td>
<td>28</td>
<td>25</td>
<td>26</td>
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</table>
### Relationship with Employees

**Human Resource Development Policy**

At Tokuyama Plant, we develop human resources through education programs designed to draw out, develop, and mobilize the potential of employees, based on the ideal of employees “working toward ambitious goals, always thinking things through and taking action independently, and remaining open to change.”

**Specific Initiatives**

- We established an education scheme that covers basic education, environmental and safety education, vocational education, quality management education, obtaining qualifications, and personal development.
- We conduct education and training with clearly defined human resource goals.
- Basic operator education
  - (1) Education at the Monozukuri Training Center at Mizushima Plant for employees in their first to third years of employment
  - (2) Professional development that transfers operational skills and technical knowledge

### Relationship with the Local Community

**Specific Initiatives**

1. **Contributing to the community through volunteering**
   - Beautification activities in the area surrounding the plant (192 people total)
   - Higashikawa Cleanup Campaign (57 people total)
   - Tree thinning in the forest that is the industrial water source, conducted jointly with other companies that use the industrial water and forest operators (5 people total)

2. **Interactions with the local community**
   - Zeon Waraku Odori Dance Festival (approximately 2,000 visitors)
     We have held the festival since 1974 to deepen interaction with employees’ families and community residents.
   - Participation in Responsible Care Council community dialogue events (twice/year)
     We provide reports on our Responsible Care activities, including environmental improvements and safety measures, to local authorities and community representatives.

3. **Plant tours**
   - Plant tours
Held in conjunction with Japan Responsible Care Council community dialogue events. Leaders of five residents’ associations near the plant participated in the tours (7 people total).

- Summer vacation parent and child classroom (organized by the Chamber of Commerce and Industry)
  Experimental classroom (making a super ball), plant bus tour with about 50 participants
- Plant tours for high school students