## **Worksites**

#### Takaoka Plant

#### Introduction to the Takaoka Plant

Toyama Prefecture was ranked overall as the number one (first place in the lifestyle category) most livable prefecture in the "47 Prefectures Happiness Rankings - 2014 Edition" (Jitsuro Terashima, Supervisory Editor, Japan Research Institute, Published by Toyo Keizai Inc.), and is widely considered to be one of the most livable prefectures in the country. The prefecture is commonly referred to as the "Home of Manyo" after the poet Otomo no Yakamochi, an 8th century statesmanpoet who famously compiled the poetry collection "Manyoshu (Anthology of Myriad Leaves)." The founder of Takaoka was Toshinaga Maeda, a 16th century samurai lord, and the area has been known for its unique Takaoka copperware and lacquerware. Along with its arts, the city has been the center of a thriving commercial area in the Hokuriku District along the Sea of Japan.



Aerial view of the Takaoka

The Takaoka Plant is situated along the Oyabe River, which runs north-south through the city. The plant was established in 1956 to manufacture polyvinyl chloride resins and expanded as the mass production site for the product over a half century until the company exited the business in 2008. During that time, the plant began producing such current mainstay products as hydrogenated nitrile rubber Zetpol<sup>®</sup>, semiconductors etching gas ZEORORA<sup>®</sup>, and the organic coating insulation material ZEOCOAT<sup>®</sup> for electric devices. The plant also became home to the Precision Optics Laboratory and a medical laboratory, establishing itself as the center of cutting-edge research and development at Zeon.

The plant is adjacent to a residential community and strives to ensure the security of the local community through daily safety-assurance activities and regular emergency-preparedness training. At the National Industrial Safety and Health Convention held in Toyama Prefecture in 2012, Zeon was recognized for its attitude to safety efforts and the results it has achieved, and subsequently received a letter of appreciation from the Japan Industrial Safety & Health Association.

In 2015, the plant turns 59 years of age, but it is still well in its prime and all employees continue to strive towards excellence with the spirit that the future of Zeon will be born in Takaoka. The plant will continue to listen carefully to the needs of the local community to ensure the sustainment of an environment rich in harmony and co-prosperity.

#### **CSR Efforts at the Takaoka Plant**

The Takaoka Plant has evolved from a mass producer of polyvinyl chloride resins to an R&D-style plant focused on the development of cutting-edge technologies. The fact remains, however, that a quiet residential community sits just a step outside the plant gate. With this in mind, Zeon takes into consideration the possible impact of new products tests and newly introduced product materials on the local community from the R&D phase of product development, as it has done with the manufacturing of its current products. Each and every employee of the plant understands the CSR Policy, and based on this policy they strive to ensure Zeon has a reason for being from the perspective of the local community and can continue to make contributions to that community and society as a whole.

# **Environmental and Safety Activities**

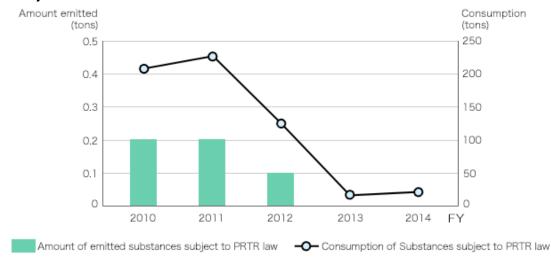
## 1. Reducing toxic chemical emissions

The plant terminated the manufacture of polyvinyl chloride resins in March 2008, and therefore the amount of emissions and transfer of PRTR<sup>\*1</sup>-regulated substances declined in fiscal 2008 to less than one-tenth the amount of the previous year. As part of the initiative to achieve zero emissions<sup>\*2</sup>, the plant has newly installed equipment to collect organic solvents used in the manufacturing process and plans to reduce the amount used in stages going forward.

A database of hazardous chemical substances released into the environment and transferred off-site in waste. It provides the public with important information such as where and how much pollutants are being emitted and transferred.

The establishment of systems that discharge no emissions into the natural world, and the fundamental idea behind such establishment.

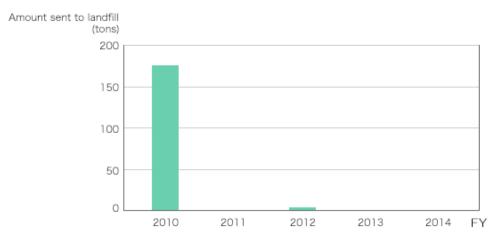
#### Substances subject to PRTR law



## 2. Reducing industrial waste

In fiscal 2011, the Takaoka Plant achieved zero emissions of industrial waste by recycling all of the waste plastics, rubber, and sludge emitted from wastewater processing facilities, which were previously disposed of at external landfills. In fiscal 2013, although new facilities began operating and there were changes to the environment, the plant achieved zero landfill waste. Despite continuing to operate new facilities, the plant will study new ways to achieve 100% recycling and maintain zero landfill waste.

## **Amount of Waste to Landfill**



<sup>\*1</sup> Pollutant Release and Transfer Register

<sup>\*2</sup> Zero emissions

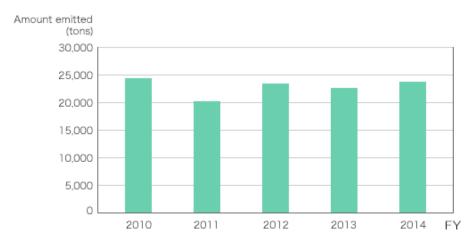
## 3. Reducing air and water pollution

Atmospheric emission from the plant's boiler, which uses heavy fuel oil A<sup>\*1</sup>, is one of the environmental issues the plant has been dealing with. Until now, the plant has controlled boiler emissions by creating appropriate operating conditions collectively with steam emissions inside the plant. From December 2013, however, the plant has switched from heavy fuel oil A to liquefied natural gas (LNG)<sup>\*2</sup>, and is proceeding to drastically reduce CO<sub>2</sub>.

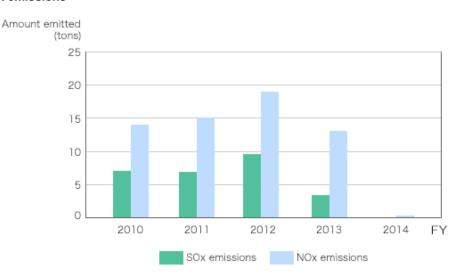
A heavy oil classified as type 1 heavy viscosity under JIS standards.

Liquefied natural gas. Emits less CO2 than many other fossil fuels when combusted and therefore is seen as a more environmentally friendly fuel.

## CO<sub>2</sub> emissions

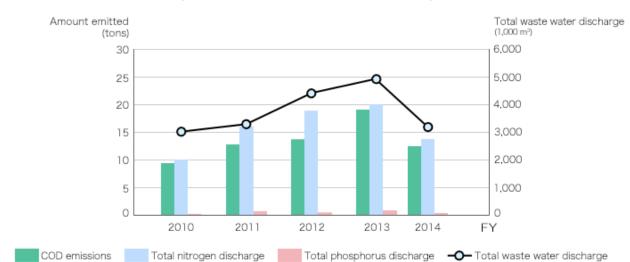


#### **SOx and NOx emissions**



<sup>\*1</sup> Heavy fuel oil A

<sup>\*2</sup> LNG



### Overall wastewater, COD, total nitrogen (TN) and total phosphorus (TP) discharge

## 4. Saving resources and energy

The plant has taken measures to conserve energy by means of energy-conserving, high-efficiency boilers, which began operation in December 2013. The Takaoka Plant also leveled-out electricity consumption in fiscal 2014 by shifting the operation of high electricity usage equipment to off-peak hours in the morning. The plant plans to enhance energy-conservation even further by involving all employees in conservation efforts.

#### Total amount of energy and Unit energy consumption index



#### 4. Environmental Data

Takaoka Plant		FY2010	FY2011	FY2012	FY2013	FY2014
Substances	Consumption (tons)	210	223	125	16	21
subject to PRTR law	Amount emitted (tons)	0.2	0.2	0.1	0.0	0.0
Industrial waste	Amount generated (before volume reduction) (tons)	3,458	4,730	4,882	12,494	8,794
	Amount generated (after volume reduction) (tons)	671	529	535	1,056	437
	Amount sent to landfill (tons)	174	0.0	3.4	0.0	0.0
Atmospheric	CO <sub>2</sub> emissions (tons)	24,208	20,132	23,329	22,546	20,825
emissions	SOx emissions (tons)	7.0	6.8	9.5	3.2	0.0
	NOx emissions (tons)	14	15	19	13	0.2
	Soot emissions (tons)	0.4	0.7	0.0	0.0	0.0
Water resources (Industrial water + Ground water + Waterworks) consumption (1,000m³)		3,732	3,808	4,052	3,732	3,848
Waste water	Total waste water Discharge (1,000m <sup>3</sup> )	3,050	3,398	4,408	4,890	3,322
	COD emissions (tons)	9.2	13.0	14.3	18.9	12.7
	Total phosphorus discharge (tons)	0.2	0.7	0.5	8.0	0.3
	Total nitrogen discharge (tons)	10	16	19	20	14
Energy	Total consumption (crude oil equivalent, kL)	9,750	8,994	8,868	8,986	8,290
	Unit consumption index (1990 = 100)	94%	96%	103%	104%	92%
Production of PDR equivalent (tons)		5,419	4,866	4,295	4,433	4,617

## **Quality Assurance Initiatives**

To support the realization of Zeon's Mid-Term Management Plan, SZ-20, and the enterprise blueprint for 2020, "Zeon creates the future today through the power of chemistry," the Takaoka Plant is aiming to achieve a 100% yield rate. To achieve this goal, the plant will rely on science to analyze and visualize the underlying causes of quality anomalies as well as to devise measures to address the problems.

The percentage of products rolling off the production line that pass quality inspections. A 100% yield rate means that no defective products were produced.

## VOICE Stabilizing processes starts with visualizing processes quantitatively

The Takaoka Plant is undergoing transformation into a strongly versatile research and development plant by constructing cost-conscious and flexible production systems to realize foreseen stability, safety, and technology in order to become a production base of new business that will secure Zeon's future. For this reason, we are putting the following policies into practice.

- 1. Achieve zero safety, environmental, and security benchmarks by establishing fail-safe, change management mechanisms.
- 2. Realize zero process failures and loads by advancing production and technological innovations.



Makoto Watanabe, Takaoka Plant Manager

- 3. Promote the development of new product manufacturing technologies by uniting the operating divisions.
- 4. Enhance the supply-chain by promoting visualization and streamlining of operations.

<sup>\*</sup> Yield rate:

#### **Living Together with the Local Community**

## 1. Contributing to the community through volunteer work

On June 1, 2014, some 200 employees and family members, representing not just the Takaoka Plant but the entire Zeon Takaoka Group, took part in the Himi Coastal Cleanup organized by a local environmental organization. Also, on July 6, about 200 members of the Group took part in the Fushiki-Kokubu Coastal Cleanup organized by the Takaoka-Fushiki Beautification Volunteer Group and made a dedicated effort to clean up the beach. On February 22, 2014, we were given an environmental activity award by the "Himi City Environmental Improvement Council" in connection to this coastal cleanup activity, which we have continually participated in since 2008.



Himi Coastal Cleanup

In addition, in 2012 Aoba-cho—where the Takaoka Plant dormitory is located—marked 50

years since its founding. To commemorate this event, employees joined local residents to plant six cherry blossom trees alongside the dormitory. There is one cherry blossom tree on the property planted around 1957 that local residents lovingly call the "Zeon cherry blossom." The six newly planted trees will also surely be cherished by the local residents for many years to come.

# 2. Interaction with the local community

#### **Zeon Takaoka Group Summer Festival**

The annual Zeon Takaoka Group Summer Festival was held on August 8, 2014. Employees, along with their family members and local residents, were invited, bringing the total number of participants to over 550. On this day, a long snaking line of drinks tents serving various meals, such as Shin-Takaoka specialties, Takaoka-style Totomaru *okonomiyaki* and Yakitori, helped to make the event a great success. In addition, the day came to a great climax with all participants taking part in events, such as karaoke competitions.

### Futagami Manshou Kai

Employees from the Takaoka Plant actively take part in the Futagami Manshou Kai, an industry-academia-government association in the Futagami district as a way to deepen ties to the local community.

#### Takaoka Manyo Festival

Takaoka City holds an annual Takaoka Manyo Festival. The Takaoka Plant takes part in the annual main event, the recitation of all 20 volumes of the "Manyoshu (Anthology of Myriad Leaves)." In 2014, the event was held on October 3, and 26 Zeon Takaoka Group employees took part in the festivities, awakening their feelings of bygone days to recite many a Japanese poem at the gathering.



Employees reciting the "Manyoshu".