

Zeon Chemicals L.P. (ZCLP)

Company Profile

Business Description

Manufacture and sales of synthetic rubbers, sales of other Zeon Group products

- **Manufactured and sold products:** Acrylonitrile butadiene rubber, acrylic rubber, hydrogenated nitrile rubber, epichlorohydrin rubber, Zeotherm®
- **Sold products:** Cyclo olefin polymer, styrene isoprene block copolymer, RIM (reaction injection molding) products, electronics materials

Established in 1989 from the purchase of the elastomer division of BF Goodrich Chemical Company combined with the new Zeon HNBR facility constructed the same year in Pasadena, Texas. The company operates mainly in North America, and is also expanding business in South America from the subsidiary Zeon do Brasil Ltda.



Kentucky Plant

Locations

Louisville, Kentucky; Hattiesburg, Mississippi; Pasadena, Texas

Subsidiary

Zeon do Brasil Ltda

No. of Employees

As of March 31, 2020: 303

Company Policy (Executive Message)



President and CEO Michael Recchio

Hello, my name is Michael Recchio. I am President and CEO of Zeon Chemicals, LP, with responsibility for sales of Zeon manufactured products in the Americas. 2019 was a significant year for ZCLP; although our sales were less than expected we were able to achieve 80% of our profit goal. My message to each ZCLP employee in 2020 is: "We need to Build Relationships with Ourselves and Our Customers." My challenge to ZCLP members again in 2020 is to rebuild relationships with each other and with customer for a strong future.

With many retirements and many new team members we need to build these relationships to foster strong team work and trust of each other. This will result in fewer injuries, environmental issues, as well as stronger technology projects.

With the 2019 material shortages now behind us, we need to rebuild our trust with customers. Regaining the Power of Brand Zeon needs to start by building the relationships with customers that allows them to trust that we will meet our commitments to them.

ZCLP as part of Zeon Corporation needs to continue to build our relationships globally, so we can work to elevate Zeon's goals for the future in the Americas.

Safety Initiatives

Policy

ZCLP's safety policy is to achieve safety excellence with zero OSHA Recordable injuries.

Specific Initiatives

ZCLP won a Safety Best Practice Award from ARPM for our use of clickers in Safety Training in 2019.

- ZCLP Team wins ZC "Super Excellent Prize"**

Kentucky Plant's existing Recycled Butadiene (RBD) loop manual back pressure control piping was located outside and was only accessible from a pipe bridge. Also the existing back pressure automated control valve had failed, so it was bypassed. As such, the RBD loop back pressure control was carried out by an employee adjusting a manual ball valve.

This valve's position had to be adjusted seasonally from the pipe bridge due to changes in temperature/pressure. Performing adjustments and maintenance was difficult and put employees at higher risk of a serious injury or fatality from a fall.

The team installed a back-pressure control system inside of the Poly Building 131 and located on top of the south blend tanks adjacent to the RBD strainer. The system is tied into the DCS with interlock, message functions and alarms to ensure it never closes completely. This is to prevent accidentally causing an RBD relief valve to open due to hydraulic hammer. Great job!



Paul Elder (left), Mark Allen (center), and Aaron Bowen (right)

Environmental Impact Reductions

Policy

ZCLP's mission is to be a good neighbor in the neighborhoods in which we operate through superior environmental performance.

Specific Initiatives

An example of ZCLP's efforts in 2019 to improve environmental compliance involved the odor scrubber for ACM. The KY Plant scaled up the scrubber design and installed this in 2019.

ZCLP Louisville campus which includes Corporate Administration, Corporate Technology, Research & Development and KY Plant expanded our environmental sustainability project in 2019 with the planting of 121 additional trees. The project has numerous benefits including odor reduction, aesthetics, expansion of Louisville's urban tree canopy and reducing the metropolitan heat island effect.

Environmental Data

* "0" indicates less than 0.5 tons, and "0.0" indicates less than 0.05 tons

Kentucky Plant		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Substances subject to the PRTR Act	No. of substances	7	7	7	7	8
	Consumption (tons)	15,376	13,757	19,796	19,151	15,967
	Emissions (tons)	21	8	14	14	23
Industrial waste	Amount generated before compacting (tons)	532	551	587	671	577
	Amount sent to landfills (tons)	526	539	568	655	561

Water resource consumption (1,000 m ³) (industrial water + groundwater + waterworks)	685	722	779	829	832
CO ₂ emissions (tons)	32,329	31,368	32,107	30,877	29,310
Energy consumption (crude oil equivalent, kL)	10,323	9,755	10,219	9,723	9,259

Texas Plant		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Substances subject to the PRTR Act	No. of substances	0	0	0	0	0
	Consumption (tons)	0	0	0	0	0
	Emissions (tons)	0	0	0	0	0
Industrial waste	Amount generated before compacting (tons)	41	42	38	72	38
	Amount sent to landfills (tons)	1.6	1.0	0.8	33.0	5.3
Water resource consumption (1,000 m ³) (industrial water + groundwater + waterworks)	188	228	261	258	242	
CO ₂ emissions (tons)	10,520	9,651	11,165	11,494	11,567	
Energy consumption (crude oil equivalent, kL)	3,099	2,837	3,306	3,398	3,417	

Mississippi Plant		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Substances subject to the PRTR Act	No. of substances	3	3	3	3	3
	Consumption (tons)	4,298	4,367	4,735	4,754	4,333
	Emissions (tons)	61	58	68	69	63
Industrial waste	Amount generated before compacting (tons)	97	128	93	20	25
	Amount sent to landfills (tons)	97	128	93	20	25
Water resource consumption (1,000 m ³) (industrial water + groundwater + waterworks)	166	124	157	116	128	
CO ₂ emissions (tons)	14,777	13,923	14,853	15,938	22,449	
Energy consumption (crude oil equivalent, kL)	5,999	5,624	6,087	6,536	9,391	

Relationship with the Local Community

ZCLP's mission statement says that we will surpass the expectations of the community through world class innovation and excellence in all of our activities. During 2018, ZCLP re-branded its charity committee and renamed it Zeon's Helping Hands. Zeon's Helping Hands vision is to be an organization that values and supports employee involvement while fostering a spirit of community and goodwill within Zeon and fulfilling our responsibility to give back to our community. Our mission is to enthusiastically serve others while strengthening both our corporate community and the community in which we live.

Zeon's Helping Hands focuses its giving and community projects on the following:

1) Education

We contribute to our local youth through STEM (science, technology, engineering and math), environmental, and literacy related educational programs, as well as work readiness programs, that inspire and prepare our youth to succeed in the future.

2) Community Outreach

We contribute to enhancing the welfare of our communities and neighbors by alleviating the impact of poverty, hunger, and homelessness.

3) Health & Well-being

We contribute to our hospitals, veterans, disease-related causes and promote the healthy living of our employees and neighbors.

4) Environmental

We contribute to sustainable programs or projects that help protect our natural resources.

Specific Initiatives

The Kentucky Poly team selected a local charity called Shirley's Way. Shirley's Way helps local families as they battle the financial side of cancer, effectively becoming an extension of the household income. Hosting several events a year and soliciting funds from corporate sponsors, Shirley's Way supports cancer patients who are in need of financial assistance with prescriptions, surgeries, rent, house payments, car payments, utility bills, and even fun activities to alleviate the emotional and mental stress of cancer.

To raise funds, ZCLP employees participated again in the the Kentucky Derby Bed Race. The event planning was led by Una Goosey, Purchasing Manager, and the Kentucky Plant Maintenance team led by Dennis Guernsey fabricated a bed with the theme of "Herculeus" that was piloted by Steven Blevins, Brad Haines, Eric Saunders, Trevor Elliott and Nick Langmesser. Although our finish in the race was not so successful, we did manage to pull off the 1st Place win for "Best Decorated" which was given to the company who had the best decorated bed, and our Flying Pegasus was a big success.

In addition to the bed races we had many other activities during 2019:

- Cane Run Elementary Back to School Event
- Bells Lane Trash Pickup
- Holiday Jingle Mingle and Department Decoration
- Cane Run Elementary Holiday Bag Distribution
- Monthly Friday Jeans Day Donations
- Snacks for Donations
- Silent Auction
- Boys & Girls Club Volunteers
- Project Warm Volunteers

Overall, ZCLP contributed \$69K to various charities during 2019.

Junior Achievement JA Inspire - \$1,000.00

YMCA Chestnut - Black Achievers Youth Development Program - \$7,500.00

Japanese Saturday School PTA - \$1,000.00

2019 VEX Robotics Championship - \$5,000.00

Louisville Regional Science & Engineering Fair - \$3000.00

Parkland Boys & Girls Club - \$2,825.00 (Zeon Match) \$2,825.00 (Employee Contribution)

Cane Run Elementary Back to School Supplies & Backpacks - \$1,426.78

Cane Run Elementary – Girls on the Run Program Registration \$2,500.00

Louisville Urban League Sports & Learning Complex- \$5,000.00

Dolly Parton's Imagination Library (MS) \$500.00

Living Green Wall Project – Southwick Community Center - \$1,000.00

Kiwanis Club Donation (MS) – \$500.00

Bean Ball Classic Wiffleball Tourney (Shirley's Way) - \$600.00 (Zeon had 3 teams)

West Louisville Little League - \$1,000.00 to replace stolen equipment

Keystone Learning Center - \$1,000.00

we raised

\$29,936.75

for Shirley's Way in 2019

